



Grand Ocean Retail Group Limited 5907

GRAND OCEAN RETAIL GROUP LIMITED

2023 Shareholders Meeting Meeting Handbook

Date: Jun 15, 2023

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)

Method of convening: Entity Shareholders Meeting

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GRAND OCEAN RETAIL GROUP LIMITED

2023 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 Discussion
- VIII. A.O.B.
- IX. End The Meeting

GRAND OCEAN RETAIL GROUP LIMITED

2023 Shareholders Meeting

Meeting Agenda

Time: 9:00AM, Jun 15(Tue), 2023

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)

- I. Start Meeting
- II. Chairman's Address
- III. Report Items
 - (I) 2022 Business Report
 - (II) 2022 Audit Committee Annual Financial Statement
 - (III) Report of the "Rules and Procedures of Board Meetings" of the Company is provided here
 - (IV) Report of the "Sustainable Development Best Practice Principles" of the Company is provided here
- IV. Recognition Items
 - (I) 2022 Business Report and Consolidated Financial Statements
 - (II) 2022 Loss Recovery Statement
- V. Topic Discussions
 - (I) Amendment to Certain Articles of "Articles of Incorporation"
 - (II) Amendment to Certain Articles of "Procedural 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. End The Meeting

Topic 1: 2022 Business 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 2022 as well as operational strategies in 2023

1、2022 Operational Results:

Annual consolidated operating revenues of the group in 2022 was NT\$ 4,150,142 thousand, which grew by a decrease of 19.56% than NT\$ 5,159,425 thousand in 2021; net loss after tax in 2022 was NT\$ (832,847) thousand, which grew by a decrease of 258.78% than NT\$ (232,135) thousand in 2021; Loss per share in 2022 was NT\$4.26.

2、2022 Operational Development:

Looking back at 2022, affected by multiple factors such as Russia-Ukraine conflict, repetitive pandemic, and tightening global financing environment, the world economy seemed to stumble forward in a swamp. The World Bank unprecedentedly revised down the world economic growth forecast four times within a year. In terms of Chinese economy, 2022 was the toughest year among the three-year pandemic containment. The full-year GDP was over RMB121 trillion, with the real growth only 3%. Since the Reform and Opening-up, the economic growth of China only fell under 4% in 1990 (3.9%), 2020 (2.2%), and 2022 (3%), and two of which are during the three-year long pandemic. The operation of Grand Ocean in 2022 was greatly challenged under the threat of Omicron. Nonetheless, we still have some achievements under the guidance of the “building a new landmark of humanities, art and innovative retail; being a leader in consumption, experience and lifestyle:”

(1) The 1,000 Trees Shopping Mall has been widely well received by consumers

1,000 Trees is the first shopping mall opened by Grand Ocean in a tier-1 city, and the grand opening was on December 22, 2021. By opening in the peak season of consumption at the year-end and beginning of a year, 1,000 Trees soon becomes favored by the public. We target young people and introduce many trendy and forward-looking brands, while displaying many works from the top international artists to enhance the shopping environment and create some unique experience for customers. At the early stage of opening, the average daily traffic of customer exceeded 100,000 people. Later, the 1,000 Trees closed for two months due the pandemic in Shanghai. However, the operation team has unearthed the consumption potential in the night economy through the night market “In the Forest” featured with interlaced trendy goods, gourmets, and music that fuse the ecologic views, cultural exchange, and recreation and entertainment in one-stop, and brought back the consumers to the mall. In the ranking issued by

Meituan/Dianping, the 1,000 Trees is honored as the top 1 hot mall for 2022.

As the theme of this year, Grand Ocean will build a new landmark of humanities, art and innovative retail. We install art works in the commercial space and thus build a good platform for better exchanges and interactions between arts and the publics, and we promote the mall to the millennials via art events. The major consumption force of the millennials has the consumption view and aesthetic taste that focuses on themselves more, and they never hesitate to buy things they like. If a business operator has the enthusiasm for beauty in the heart, and makes the millennials smile from their hearts, the ability is not only the essence of the experience economy, the eyes of the millennials will be caught better, to create a new opportunity for the commerce.

(2) Non-stop growth of membership size

In 2021, we integrated the memberships of individual stores into a united membership system, and classified the members into six level based on their consumed amounts. The strategy to admit membership for any consumption is abandoned, to invest the limited business resources to the customers generating greater values. In 2022, this membership system has been operating well. The total number of members exceeds 700,000, and 380,000 effective members have been added. Among them, members with the Silver Card level or higher have exceeded 150,000 and 60,000 members have been added. From the distribution of members' ages, consumers born after 1990 and 2000 have become the main consumption force for Grand Ocean, accounted for 45% of total members, and their consumption is accounted for 43% of the total sales to members.

(3) The digital transformation is promoted progressively

The digital transformation of Grand Ocean include two stages. Before the pandemic, it was led by the technology department, mainly the digital infrastructure. The new POS system replaced the conventional cash registers, and the mainstream payment methods, namely Wechat Pay and Alipay went online; it has been attempted to start business on the online platforms such as Meituan, while the customer traffic system and link to car-parking systems have been added. After the pandemic, the digital transformation is led by the sales department, starting from the business needs. Each store builds their own omni-channel digitized marketing platform, and actively embraces platforms such as Tiktok, applet mall, and Meituan, among other things. However, the business development is hindered as these systems are isolated without collaboration. Therefore, we established the Grand Ocean Smart Data System in 2022, including the mobile app and the web version on the computer, with a platform of

“management under one screen” to improve the management level. After the system is built, it has been distributed to sales and financial personnel of all stores. The system first allows sales personnel to know the operation status of a certain floor, department and counter of a store, regardless time and location, as well as the online sales data of each platform; in addition, the members spending more during the day are pushed to the sales personnel for them to provide timely services to these members when required; thirdly, acquisition effect, membership structure, and consumption habits may be displayed to the sales personnel in a visualized manner, to capture the sales of various coupons during previous events to guide the planning.

(4) Ever-refreshing marketing activities

After the outbreak of the pandemic in Shanghai in the first half of 2022, the high-growth categories such as luxury goods, cosmetics, and sports have declined as a whole, food and beverage brands have withdrawn one after another, and consumers have been losing passions toward the offline shopping continuously. Each store of Grand Ocean has introduced various countermeasures coping with the local conditions, and conducted targeted virtual fashion shows and city markets to stimulate customers' passion for in-store consumption, to improve customer traffic and performance, and thus enhance the store's ability of merchant recruitment. The Fuzhou Store II invited vloggers with at least a million followers to visit the store to release short clips about the store; Yichang store invited Romantic Cruise of K Girl to the food tasting party, “Grand Ocean Food Fun,” while mobilizing local official media in Yichang, such as “Xiling Publishing” and “Three Gorges Business Daily” multiple times for interviewing and reporting. The “In the Forest” market of the 1,000 trees in Shanghai became the hotspot of in the Shanghai May 5 Shopping Festival, and recommended by Dragon TV, People's Daily, and ShanghaiWOW. Nanyi, Wuer, and Wusan all have market activities, The market events were held in South I Store, Wuhan Store Iii, and Wuhan Store III, with apparent customer-gathering effect. These events have obviously driven the recovery of offline customer traffic, and functioned to a certain level of mending the performance gap.

Furthermore, regarding the online sales, the performance of Tiktok's local life section exceeded expectations, and the bombing live broadcast and short clip before the anniversary sales became the hottest topic in Wuhan area. Although the store closure due to the Omicron pandemic in November resulted in refunds by many consumers, its potential has been fully revealed, not to mention the advertising effect brought about by the event. In the future, we will continue to organize the store exploration activities by experts in Tiktok's local life section.

3、2023 Operational Strategies:

With the decline from the peak of the Covid-19 infection, the impact of the pandemic will gradually fade, and huge market, huge population, and the diversified needs of various “consumer generations” such as millennials in China, as well as the excellent tradition of Chinese’s high savings determine that a certain remedial rebound on both ends of supply and demand will appear in 2023. In 2023, it is expected to enter the year of economic activation, and the retail industry will welcome its a new spring. Grand Ocean also needs to transcend the boundaries of the stereotype content and resources prolonged for many years to accelerate its own reform. The Company’s work tasks are organized and arranged by centering at “the retail enhancement builds the one-stop happy shopping world; the experience format refinement presents a multi-dimensional consumption space,” and the following tasks will be conducted actively:

(1) Merchant recruitment

In 2023, it is necessary to emphasize the survey and research, and negotiation, to create diversified consumption scenarios and present a multi-dimensional consumption space. The multi-dimension first expresses different types of consumption, such as health consumption, development consumption, entertainment and culture consumption, and emotional consumption, in particular the emotional consumption. After a big crisis, the mental status needs emotional support and warmth more than ever; venting emotions, releasing stress, getting rid of loneliness, and mitigating anxiety will become important innovative consumption themes.

The multi-dimension also seeks to express the multi-dimension of time and space. The first is a space combining virtuality and reality. The shopping mall not only has offline consumption scenarios, but also online consumption spaces such as live broadcast rooms; secondly, it is a consumption space incorporating each other. For instance, in a bookstore, reading and resting are available, with the paid reading space and coffee salon among other small scenarios. Thirdly, it is dynamic consumption space, such as using several hundred square meters to some modular pop-up stores flexibly arranged adaptive to seasonal changes.

(2) The continuous digital transformation with a marathon attitude

The target of digital transformation is dynamic itself. For a rapidly changing environment, no one is able to formulate a perfect strategy and execute it step by step. This is a dynamic process to progress with the times, reform and innovate, and continuously advance. Grand Ocean’s WeChat applet platform is provided by Weimeng, centered at its 700,000 members, to build a traffic aggregation platform. However, during more than a year of operation, we have also found dissatisfaction to the business needs; hence Grand Ocean engaged MOBCB to create a new applet platform. MOBCB

provides customized services such as private platform construction and SaaS platform settle-in for department stores and shopping malls. Its main customers include Dongbai, Zhenghong Center, Jingfeng, Sasseur Outlets, Chengdu Chicony, Hubei International Trade Building, among other customers. The project is expected to be launched in July 2023. Upon the completion of the project, the current needs of Grand Ocean for the applet mall will be met, including a multi-level management structure, account sharing for leasing merchants, flexible membership mechanism, and abundant promotion and interactive marketing means.

(3) Coordination of planning management

In the past, each store had different level of planning, resulting in a lack of unified brand image and event progress during the major scheduled activities of the Group. In 2023, the Group will establish a planning department to centralize planning activities, so that the marketing activities of different stores can jointly create a unified brand image, and speak the same language in different places. By continuously improving the level of marketing activity planning, the content stereotypes in the past are to be transcended, the bad habit of just modifying the old plan to use it again will be abandoned, to accelerate the Group's own transformation.

(4) Develop toward a high-tech enterprise

Occupying the high ground of data department stores has always been Grand Ocean's vision. In 2023, the Group intends to register Jingxuan in the Shanghai Free Trade Zone, to actively acquire its own software copyrights, patents, among other intellectual property (IP) rights, such as the front-end software of the WeChat applet platform, as well as the IP rights related to marketing activities of shopping malls, to allow the Company to transform into a digital company. The plan is conducted based on the requirements of Shanghai high-tech enterprises, and it is expected to become a high-tech enterprise during two to three years. Afterwards, stores of Grand Ocean will be the business center and sales center of the Group, while Jingxuan will be the technology center and profit center of the Group.

4 、 Prospect

The three-year pandemic has hit the retail industry hard, and Grand Ocean and other commercial peers had difficulty to fulfill their promise of staying open for 365 days. This has disturbed us deeply! In the next decade, with the implementation of the "Class B Management for Class B Infectious Disease" policy, consumers will rekindle their passion for consumption, and the customer traffic of Grand Ocean's stores have been gradually returning to normal. What is the future of the retail industry? Are department stores a sunset industry? For these doubts, the Group is still optimistic about the retail industry for the following reasons:

(1) From 2022 to 2035, China's economic growth rate will gradually transition from

medium-to-high growth (over 5%) to medium growth (over 4%), and the average annual growth rate of GDP will remain at around 4.8%. Based on this growth rate, it will take 15 years for China to double its GDP by 2035. Residents' per capita disposable income will also increase simultaneously. By 2035, China's per capita GDP will exceed US\$25,000, reaching the level of moderately developed countries. This means the size of the economy will be doubled, and the share of consumption in the national economy will be increasing constantly, with the doubled retail market scale at least. Therefore, that it is unfair to define the retail industry as a "sunset industry" too early.

- (2) Within next two decades, the retail industry still enjoys a period filled with development opportunities. Since 2012, China's economy has developed a new norm, and high-quality development has become a new topic. The three-year pandemic have a fatal hit on retail companies. After three years of suffering, Grand Ocean is still advancing with its head held high. We are well aware that the improvement of people's living standards is the major trend. To grasp with the pulse of the era, and understand consumption better than consumers, for becoming the leader of a new lifestyle, it is necessary to examine the consumption format again. By improving the store layout, upgrading the brand level, and using data tools and AI facilities, young people are allowed to enjoy the truly convenient, playful, graceful, elegant, and avant-garde products and services both inside and outside the stores, be it online and offline, to increase customer stickiness. A closer relationship between stores and brand owners is established, for both "merchandises" and "markets" jointly enhancing the value level to "people."
- (3) In the market in the future, the strong ones will be stronger. The so-called strong ones are able to accurately grasp the development trends of retail business, improve the facilities, merchandises and services of stores accordingly, and view the current "people", "merchandises" and "market" with the future perspective. The strong ones must catch the key, i.e. "upgrading," and abandon the undistinguishable stores by continuously improving the brand level, increasing the weights of health, leisure, experience, social customization, personalization, and artistry, for refreshing consumers frequently.
- (4) It is true that it is inevitable to be zero-sum in game in the retail industry as it is a highly market-oriented industry. Only by keeping aligning to the time, Grand Ocean may be able to be an invincible winner from fierce competitions and eliminations, and become a strong player who always stay at the forefront.

GRAND OCEAN RETAIL GROUP LIMITED

Chairman: GUO JEN HAO



Manager: HUANG QING HAI



Accounting Supervisor: LI CHAO



Topic 2: 2022 Audit Committee Annual Financial Statement**Audit Committee Audit Reports**

The board has prepared the 2022 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 loss make-up proposal 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
2023 Shareholders Meeting

GRAND OCEAN RETAIL GROUP LIMITED



Audit Committee Coordinator: SHER CHING YEE



MAR 31, 2023

Topic3: Report of the “Rules and Procedures of Board Meetings” 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 and Procedures of Board Meetings” of the company.
- II. Please refer to Page 13~17 of the handbook for comparison table of the articles.

The Comparison Table of Rules and Procedures of Board Meetings

Amended Article	Original Article	Explanation
<p>Article 3 Convening and notice of board meetings (Omitted)</p> <p>All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion.</p>	<p>Article 3 Convening and notice of board meetings (Omitted)</p> <p>All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion <u>except in the case of an emergency or for other legitimate reason</u>.</p>	<p>Slightly amended pursuant to the newly amended Regulations.</p>
<p>Article 5 Preparation of attendance book and other documents; attendance by proxy (Omitted)</p> <p>Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with this Corporation's articles of incorporation. Attendance by videoconference will be deemed attendance in person but directors shall sign the attendance book by fax as a substitute for signing it in person. (Omitted)</p>	<p>Article 5 Preparation of attendance book and other documents; attendance by proxy (Omitted)</p> <p>Directors shall attend board meetings in person. A director unable to attend in person may <u>participate in the meeting via video conference or</u> appoint another director to attend the meeting in his or her place in accordance with this Corporation's articles of incorporation. Attendance by videoconference will be deemed attendance in person but directors shall sign the attendance book by fax as a substitute for signing it in person. (Omitted)</p>	<p>Slightly amended pursuant to the newly amended Regulations.</p>

Amended Article	Original Article	Explanation
<p>Article 12 Matters requiring discussion at a board meeting</p> <p>The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting:</p> <p>1~5. (Omitted)</p> <p><u>6. If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.</u></p> <p>7~9. (Omitted)</p> <p>The term "related party" in subparagraph <u>8</u> of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal</p>	<p>Article 12 Matters requiring discussion at a board meeting</p> <p>The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting:</p> <p>1~8. (Omitted)</p> <p>The term "related party" in subparagraph <u>7</u> of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph.)</p> <p>(Omitted)</p>	<p>Slightly amended pursuant to the newly amended Regulations.</p>

Amended Article	Original Article	Explanation
<p>to 5 percent of paid-in capital required under this paragraph.)</p> <p>(Omitted)</p>		
<p>Article 16 Meeting minutes and sign-in matters</p> <p>Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:</p> <p>1.~6. (Omitted)</p> <p>7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.</p>	<p>Article 16 Meeting minutes and sign-in matters</p> <p>Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:</p> <p>1.~6. (Omitted)</p> <p>7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, <u>supervisors</u>, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article</p>	<p>Removed the wording "supervisors" and adjusted the paragraphs.</p>

Amended Article	Original Article	Explanation
<p>8.Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.</p> <p>9.(Omitted)</p> <p>The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:</p> <p>1.(Omitted)</p> <p>2.A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed</p>	<p>12, paragraph 2.</p> <p>8.Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, <u>supervisor</u>, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.</p> <p>9.(Omitted)</p> <p>The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:</p> <p>1.(Omitted)</p> <p>2.A resolution is adopted with the approval of two-thirds or</p>	

Amended Article	Original Article	Explanation
<p>by the audit committee of this Corporation.</p> <p><u>The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of this Corporation.</u></p> <p>(Omitted)</p>	<p>more of all directors, without having been passed by the audit committee of this Corporation.</p> <p><u>The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of this Corporation.</u></p> <p>(Omitted)</p>	
<p>Article 18 Meetings of board of managing directors</p> <p>If this Corporation appoints a board of managing directors in accordance with the articles of incorporation, the provisions of Article 2, paragraph 2 of Article 3, Articles 4 to 6, Article 8 to 11, and Articles 13 to 16 shall apply mutatis mutandis to the procedure for meetings of the managing directors <u>and the provisions of paragraph 4 of Article 12 shall apply mutatis mutandis to the election or discharge of the chairman of the board of directors.</u> However, if a meeting of managing directors is scheduled to be convened within seven days, the notice to each managing director may be made two days in advance.</p>	<p>Article 18 Meetings of board of managing directors</p> <p>If this Corporation appoints a board of managing directors in accordance with the articles of incorporation, the provisions of Article 2, paragraph 2 of Article 3, Articles 4 to 6, Article 8 to 11, and Articles 13 to 16 shall apply mutatis mutandis to the procedure for meetings of the managing directors. However, if a meeting of managing directors is scheduled to be convened within seven days, the notice to each managing director may be made two days in advance.</p>	<p>Slightly amended pursuant to the newly amended Regulations.</p>

Topic4: Report of the “Sustainable Development Best Practice Principles” of the Company is provided here

Board's Proposal

Description:

- III. 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 “Sustainable Development Best Practice Principles” of the company.
- IV. Please refer to Page 19~20 of the handbook for comparison table of the articles.

The Comparison Table of Sustainable Development Best Practice Principles

Amended Article	Original Article	Explanation
<p>Article 5</p> <p>The companies shall take into consideration the correlation between the development of domestic and international sustainable development issues and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs.</p>	<p>Article 5</p> <p>The companies shall take into consideration the correlation between the development of domestic and international sustainable development issues and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, which shall be approved by the board of directors and then reported to the shareholders meeting.</p> <p>When a shareholder proposes a motion involving sustainable development, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.</p>	<p>Revised in accordance with practical tasks.</p>
<p>Article 26-1</p> <p>Listed and OTC companies are encouraged to continuously inject resources into cultural and artistic activities or the cultural and creative industry through modes such as donations,</p>		<p>Revised to comply with regulations.</p>

Report Items		
Amended Article	Original Article	Explanation
<p>sponsorships, investments, procurement, strategic cooperation, voluntary technical services, or other support models to promote cultural development.</p>		

Topic 1: 2022 Business Report and Consolidated Financial Statements

Board's Proposals

Descriptions:

- I. The board has passed the resolution of the 2022 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 4~10 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 page 22~37 in this handbook.
- III. Please be informed for recognition.

Resolution:

Accountant's Audit Reports

To the board of Grand Ocean Retail Group Ltd.:

Audit Comment

We have audited the consolidated financial statements of Grand Ocean Retail Group Ltd. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of December 31, 2022 and 2021, and the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Foundation of Audit Comment

We conducted our audit of the consolidated financial statements 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 the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis of our opinion.

Critical Audit Matters (CAM)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

I. Impairment of Goodwill and Trademark Rights

Please refer to notes 4(m), 5(c), and 6(h) to the consolidated financial statements for the accounting principles on the recognition of impairment of non- financial assets, the accounting estimates and uncertainty of assumptions in assessment of impairment of goodwill and trademark privileges, as well as details of impairment of goodwill and intangible assets, respectively.

Description of key audit matter:

As of December 31, 2022, the carrying amounts of intangible assets 8% of the total assets of the Group. The major part of goodwill and trademark originated from the acquisition of GORG in 2006. Since retailing business was influenced by COVID-19 pandemic, maintaining revenue and profitability had become a challenge. Therefore, the goodwill and trademark from acquisition were affected, and the Group concerned if the carrying amounts exceeded recoverable amounts of retailing department. The Group's management should follow IAS 36 to determine the value in use using a discounted cash flow forecast of retailing department. Due to the fact that the estimated recoverable amounts involved management's judgment, and it had great uncertainty, there was an overestimated risk on value in use of goodwill, trademark, and assets of retailing business department. Therefore, we considered the assessment of assets impairment as one of the key audit matters to the consolidated financial statements in the audit process.

How the matter was addressed in our audit

We casted professional doubt on the model that the Group's management used to assess the impairment of goodwill and trademark, including to evaluate whether management had identified cash generating units ("CGU") which might have impairments, and to consider all the assets that had to be tested had been included in the assessment. We also reviewed separate financial assumptions that the management used to assess impairments and related verification of recoverable amounts. We verified the reasonability of the assumptions and accuracy of management's calculation based on available data. We also

examined the appropriateness of disclosure for the aforesaid assets.

II. Impairment of Assets

Please refer to notes 4(m), 5(b), 6(f), and 6(g) to the consolidated financial statements for the accounting principles on the recognition of impairment of non-financial assets, the accounting estimates and assumptions uncertainty in assessment of impairment of property, plant and equipment, and right of use assets, details of impairment of property, plant and equipment, as well as right -of- use assets, respectively.

Description of key audit matter:

As of December 31, 2022, the carrying amounts of property, plant and equipment and right- of- use assets constitute 75% of the total assets of the Group. Since retailing business was influenced by COVID-19 pandemic; shipping business was affected by the uncertainty of international economic cycle and transportation volume, maintaining revenue and profitability had become a challenge. Therefore, the carrying amounts of operating assets were affected, and the Group concerned if the carrying amounts exceeded recoverable amounts. The Group's management should follow IAS 36 to determine the recoverable amounts by the higher of using discounted cash flow forecast or fair value less disposal costs. Due to the fact that the estimated recoverable amounts involved management's judgment, and it had great uncertainty, there was an overestimated risk on value in use of operating assets. Therefore, we considered the assessment of assets impairment as one of the key audit matters to the consolidated financial statements in the audit process.

How the matter was addressed in our audit

We casted professional doubt on the model that the Group's management used to assess assets impairment, including to evaluate whether management had identified CGU which might have impairments, and to consider all the assets that had to be tested had been included in the assessment. We also reviewed separate financial assumptions that the management used to assess impairments and related verification of recoverable amounts. We verified the reasonability of the assumptions and accuracy of management's calculation based on available data. We also examined the appropriateness of disclosure for the aforesaid assets.

III. Recoverability of Other Receivables

Please refer to notes 4(g), 5(a), and 6(c) to the consolidated financial statements for the accounting principles on the recognition of financial instruments, the disclosures of other receivables and other financial assets, respectively.

Description of key audit matter:

The retailing department of the Group recently ended part of their investment due to the downturn of business cycle and rigorous competition in mainland China. As of December 31, 2022, the carrying amounts of other receivables, originated from uncollected prepaid investments, amounted to \$268,888 thousand, and constituted 1% of the total assets of the Group. The Group measured loss allowance for expected credit losses of other receivables in accordance with IFRS 9 “Financial Instruments”. Therefore, we considered the assessment as one of the key audit matters to the consolidated financial statements in the audit process.

How the matter was addressed in our audit

We obtained the management’s assessment for the expected credit losses of other receivables to examine the related supporting documents of default risk. We evaluated the reasonability of expected credit losses of other receivables in duration according to IFRS 9 “Financial Instruments”.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

March 31, 2022

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Balance Sheets
December 31, 2022 and 2021

Currency: NTD (thousand)

	Dec 31, 2022		Dec 31, 2021		Dec 31, 2020	
	Amount	%	Amount	%	Amount	%
Assets						
Current Assets:						
1100 Cash and Cash Equivalents (Note 6 (a))	\$ 1,639,484	7	3,525,958	18	\$ 1,816,945	8
1110 Financial Assets Measured at Fair Value through Profit or Loss – Current (Note 6 (b))	68,033	-	69,476	-	961,085	4
1170 Accounts Receivable of Net Amount (Note 6 (c))	254,557	1	189,072	1	1,019,481	4
1200 Other Receivables (Note 6 (c) & 7)	165,656	1	568,734	2	38,410	-
1300 Inventories – Merchandising Business	218,305	1	233,185	1	943,549	4
1410 Pre-payments (Note 6 (p) & 7)	420,055	2	365,430	1	413,260	2
1476 Other Financial Assets – Current (Note 6 (i) & 8)	64,212	-	47,250	-	10,247	-
	2,830,302	12	4,999,105	18	5,202,977	22
Non-current Assets:						
1550 Investments using the equity method (Note 6 (d))	27,636	-	36,634	-	1,212,240	5
1600 Property, Plants and Equipment (Note 5 (e) - 7&8)	6,324,548	27	6,733,070	25	56,288	-
1755 Right of use asset (Note 6 (f)&8)	11,079,963	48	12,440,063	45	9,039,555	40
1780 Intangible Assets (Note 6 (g))	1,918,886	8	1,849,497	7	578,868	2
1840 Deferred Tax Assets (Note 6 (n))	749,549	3	861,906	3	10,886,951	47
1980 Other Financial Assets – Non-current (Note 6 (h) & 7)	206,909	1	216,039	1	16,089,928	69
1990 Other Non-current Assets (Note 6 (o) and 7)	207,382	1	141,093	1		
	20,514,873	88	22,278,302	82		
Total Assets	\$ 23,345,175	100	27,277,407	100	\$ 23,345,175	100
Liabilities and Equity						
Current Liabilities:						
2100 Short-term Loans (Note 6 (j))						
2171 Accounts Payable (Note 6 (l))						
2219 Other Payables (Note 6 (f), (i) and 7)						
2230 Current Tax Liabilities						
2280 Current lease liabilities (Note 6 (m) and 7)						
2322 Current portion of long-term borrowings (Note 6 (k))						
2399 Other current liabilities						
	2,541		2,570		1,955,310	8
Non-current Liabilities:						
2541 Long-term Loans of Bank (Note 6 (k))					5,075,485	23
2570 Deferred Tax Liabilities (Note 6 (o))					580,244	2
2580 Non-current lease liabilities (Note 6 (m) and 7)					992,592	4
2645 Deposit Received					(395,963)	(2)
	2645		2645		(952,421)	(4)
Total Liabilities:						
Equity of Owner of Parent Company (Note 6 (n)):						
3100 Share Capital					7,255,247	31
3200 Additional Paid-in Capital					8,038,801	30
3310 Legal Reserve						
3320 Appropriated Retained Earnings						
3350 Retained Earnings						
3400 Other Equity						
	3100		3200			
Total Equity						



Chairman: GUO JEN HAO



Manager: HUANG QUN GHAI

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

Accounting Supervisor: LI CHANG



GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Balance Sheets
December 31, 2022 and 2021

Currency: RMB (thousand)

		Dec 31, 2022		Dec 31, 2021		Liabilities and Equity	
		Amount	%	Amount	%	Amount	%
Assets						Current Liabilities:	
Current Assets:							
1100	Cash and Cash Equivalents	\$ 371,933	7	812,449	18	2100	Short-term Loans
1110	Financial Assets Measured at Fair Value through Profit or Loss – Current	15,434	-	16,009	-	2171	Accounts Payable
1170	Accounts Receivable of Net Amount	57,749	1	43,566	1	2219	Other Payables
1200	Other Receivables	37,581	1	131,047	2	2230	Current Tax Liabilities
1300	Inventories – Merchandising Business	49,525	1	53,730	1	2280	Current lease liabilities
1410	Pre-payments	95,294	2	84,202	1	2322	Current portion of long-term borrowings
1476	Other Financial Assets – Current	14,567	-	10,887	-	2399	Other current liabilities
		642,083	12	1,151,890	18		
Non-current Assets:						Non-current Liabilities:	
1550	Investments using the equity method	6,270	-	8,441	-	2541	Long-term Loans of Bank
1600	Property, Plants and Equipment	1,434,786	27	1,551,429	25	2570	Deferred Tax Liabilities
1755	Right of use asset	2,513,600	48	2,866,430	45	2580	Non-Current lease liabilities
1780	Intangible Assets	435,318	8	426,159	7	2645	Deposit Received
1840	Deferred Tax Assets	170,043	3	198,600	3		
1980	Other Financial Assets – Non-current	46,939	1	49,780	1	Total Liabilities:	
1990	Other Non-current Assets	47,047	1	32,511	1		
		4,654,003	88	5,133,350	82	Equity of Owner of Parent Company (Note 6 (a)):	
						3100	Share Capital
						3200	Additional Paid-in Capital
						3310	Legal Reserve
						3320	Appropriated Retained Earnings
						3350	Retained Earnings
						3400	Other Equity
						Total Equity	
						1,645,925	31
						1,852,294	30



Chairman: GUO JEN HAO



Manager: HUANG QIN GHAI

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

Accounting Supervisor: LI CHIAO



GRAND OCEAN RETAIL GROUP LTD. and Relatinal Subsidiaries

Consolidated Income Statement

For the years ended December 31, 2022 and 2021

		Currency: NTD (thousand)			
		2022		2021	
		Amount	%	Amount	%
4000	Operating Revenues (Note 6 (t) & 7)	\$ 4,150,142	100	5,159,425	100
5000	Operating Costs	757,826	18	1,433,268	28
	Gross Profit	3,392,316	82	3,726,157	72
6000	Operating Expenses (Note 6 (f), (g), (h), (m), (n), (s) and 7)	3,346,426	81	3,294,613	64
6450	Expected credit loss(Note 6 (c))	17,951	-	2,686	-
		3,364,377	81	3,297,299	64
	Operating Income	27,939	1	428,858	8
	Non-operating Income and Expenses:				
7100	Total interest income(Note 6 (t))	26,034	1	25,759	1
7010	Other Revenues (Note 6 (t))	2,788	-	2,639	-
7020	Other Gains and Losses (Note 6 (f) ,(g) ,(h) and (t))	193,051	5	147,439	3
7050	Financial Costs (Note 6 (m) , (t) and 7)	(704,388)	(17)	(529,580)	(10)
7055	Expected Credit Losses (Note 6 (u))	(149,949)	(4)	5,572	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6 (d))	(9,290)	-	(2,771)	-
		(641,754)	(15)	(350,942)	(6)
7900	Earnings before Tax	(613,815)	(14)	77,916	2
7950	Deduction: Income Tax Expenses (Note 6 (o))	219,032	5	310,051	6
	Current Net Income	(832,847)	(19)	(232,135)	(4)
8300	Other Comprehensive Income:				
8360	Items that may be Re-classified Subsequently to Profit or Loss (Note 6 (d) and (p))				
8361	Exchange Difference on Translation of Foreign Operations	39,879	1	(30,754)	(1)
8370	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	292	-	(322)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Sum of Items that may be Re-classified Subsequently to Profit or Loss	40,171	1	(30,896)	(1)
8300	Other comprehensive income (loss)	40,171	1	(30,896)	(1)
	Comprehensive income	\$ (792,676)	(18)	(263,031)	(5)
	Profit (loss), attributable to:				
8610	Owners of parent	\$ (832,847)	(19)	(232,135)	(4)
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	\$ (792,676)	(18)	(263,031)	(5)
	Earnings (loss) per Share (Note 6 (q))				
9750	Basic earnings (loss) per share (NT dollars)	\$ (4.26)		(1.19)	
9850	Diluted earnings (loss) per share (NT dollars)	\$ (4.26)		(1.19)	

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

Chairman:

GUO JEN HAO



Manager:

HUANG QING HAI



Accounting Supervisor:

LI CHAO



GRAND OCEAN RETAIL GROUP LIMITED and Relatinal Subsidiaries

Consolidated Income Statement

For the years ended December 31, 2022 and 2021

		Currency: RMB (thousand)			
		2022		2021	
		Amount	%	Amount	%
4000	Operating Revenues (Note 6 (t) & 7)	\$ 935,433	100	1,189,084	100
5000	Operating Costs	170,812	18	330,323	28
	Gross Profit	764,621	82	858,761	72
6000	Operating Expenses (Note 6 (f), (g), (h), (m), (n), (s) and 7)	754,277	81	759,304	64
6450	Expected credit loss(Note 6 (c))	4,046	-	619	-
		758,323	81	759,923	64
	Operating Income	6,298	1	98,838	8
	Non-operating Income and Expenses:				
7100	Total interest income(Note 6 (t))	5,868	1	5,937	1
7010	Other Revenues (Note 6 (t))	628	-	608	-
7020	Other Gains and Losses (Note 6 (f) ,(g) ,(h) and (t))	43,513	5	33,980	3
7050	Financial Costs (Note 6 (m) , (t) and 7)	(158,768)	(17)	(122,051)	(10)
7055	Expected Credit Losses (Note 6 (u))	(33,798)	(4)	1,284	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6 (d))	(2,094)	-	(639)	-
		(144,651)	(15)	(80,881)	(6)
7900	Earnings before Tax	(138,353)	(14)	17,957	2
7950	Deduction: Income Tax Expenses (Note 6 (o))	49,369	5	71,457	6
	Current Net Income	(187,722)	(19)	(53,500)	(4)
8300	Other Comprehensive Income:				
8360	Items that may be Re-classified Subsequently to Profit or Loss (Note 6 (d) and (p))				
8361	Exchange Difference on Translation of Foreign Operations	(20,674)	(2)	4,273	-
8370	Share of other comprehensive income of associates accounted for using equity method,components of other comprehensive income that will be reclassified to profit or loss	(77)	-	(76)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Sum of Items that may be Re-classified Subsequently to Profit or Loss	(20,751)	(2)	(4,197)	-
8300	Other comprehensive income (loss)	(20,751)	(2)	(4,197)	-
	Comprehensive income	\$ (208,473)	(21)	(49,303)	(4)
	Profit (loss), attributable to:				
8610	Owners of parent	\$ (187,722)	(19)	(53,500)	(4)
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	\$ (208,473)	(21)	(49,303)	(4)
	Earnings (loss) per Share (Note 6 (q))				
9750	Basic earnings (loss) per share (NT dollars)	\$ (0.96)		(0.27)	
9850	Diluted earnings (loss) per share (NT dollars)	\$ (0.96)		(0.27)	

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

Chairman:

GUO JEN HAO



Manager:

HUANG QING HAI



Accounting Supervisor:

LI CHAO



GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries Consolidated Statement of Changes in Shareholders' Equity For the years ended December 31, 2022 and 2021 Currency: NTD (thousand)									
	Owner's Equity			Other Equity					
	Retained Earnings			Exchange Differences on Translation of Foreign Operations			Attributed to Parent Company		
	Additional Paid-in Capital	Legal Reserve	Appropriated Retained Earnings Reserve	Retained Earnings	Sum	Foreign Operations	Total Equity	Company Total Equity	Total Equity
Balance as of Jan 1, 2021									
Current Net Income	1,955,310	5,065,491	580,244	1,114,697	742,445	2,437,386	(961,696)	8,496,491	8,496,491
Current Other Comprehensive Income	-	-	-	-	(232,135)	(232,135)	-	(232,135)	(232,135)
Current Total Comprehensive Income	-	-	-	-	-	(30,896)	(30,896)	(30,896)	(30,896)
Appropriation and Distribution of	-	-	-	(232,135)	(232,135)	(30,896)	(263,031)	(263,031)	(263,031)
Retained Earnings:									
Cash dividends of ordinary share	-	-	-	-	(195,531)	(195,531)	-	(195,531)	(195,531)
Reversal of special reserve	-	-	-	(158,119)	158,119	-	-	-	-
Share based payment transaction	-	872	-	-	-	-	-	872	872
Balance as of Dec 31, 2021	1,955,310	5,066,363	580,244	956,578	472,898	2,009,720	(992,592)	8,038,801	8,038,801
Current Net loss	-	-	-	-	(832,847)	(832,847)	-	(832,847)	(832,847)
Current Other Comprehensive Income	-	-	-	-	-	40,171	40,171	40,171	40,171
Current Total Comprehensive Income	-	-	-	-	(832,847)	(832,847)	40,171	(792,676)	(792,676)
Exercising the right of imputation	-	9,122	-	-	-	-	-	9,122	9,122
Appropriation and Distribution of	-	-	-	-	-	-	-	-	-
Retained Earnings:									
Special reserve appropriated	-	-	-	36,014	(36,014)	-	-	-	-
Balance as of Dec 31, 2022	\$ 1,955,310	5,075,485	580,244	992,592	(395,963)	1,176,873	(952,421)	7,255,247	7,255,247

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

Chairman:
GUO JEN HAO

Manager:
HUANG QING HAI

Accounting Supervisor:
LI CHANG

GRAND OCEAN RETAIL, GUO JEN HAO, and Relational Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
For the years ended December 31, 2022 and 2021

Currency: RMB (thousand)

	Owner's Equity				Other Equity		Attributed to	
	Retained Earnings				Exchange Differences on Translation of Foreign Operations	Parent Company Total Equity	Attributed to	
	Additional Paid-in Capital	Legal Reserve	Appropriated Retained Earnings Reserve	Retained Earnings	Sum		Attributed to	
Share Capital								
Balance as of Jan 1, 2021	492,105	1,017,738	121,053	250,178	94,811	466,042	(29,301)	1,946,584
Current Net Income	-	-	-	-	(53,500)	(53,500)	-	(53,500)
Current Other Comprehensive Income	-	-	-	-	-	-	4,197	4,197
Current Total Comprehensive Income	-	-	-	-	(53,500)	(53,500)	4,197	(49,303)
Appropriation and Distribution of								
Retained Earnings:								
Cash dividends of ordinary share	-	-	-	-	(45,189)	(45,189)	-	(45,189)
Reversal of special reserve	-	-	-	(36,543)	36,543	-	-	-
Share based payment transaction	-	202	-	-	-	-	202	202
Balance as of Dec 31, 2021	492,105	1,017,940	121,053	213,635	32,665	367,353	(25,104)	1,852,294
Current Net loss	-	-	-	-	(187,722)	(187,722)	-	(187,722)
Current Other Comprehensive Income	-	-	-	-	-	-	(20,751)	(20,751)
Current Total Comprehensive Income	-	-	-	-	(187,722)	(187,722)	(20,751)	(208,473)
Exercising the right of imputation	-	2,104	-	-	-	-	-	2,104
Appropriation and Distribution of								
Retained Earnings:								
Special reserve appropriated	-	-	-	8,100	(8,100)	-	-	-
Balance as of Dec 31, 2022	492,105	1,020,044	121,053	221,735	(163,157)	179,631	(45,855)	1,645,925

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

Chairman:
GUO JEN HAO



Manager:
HUANG QING HAI



Accounting Supervisor:
LI CHAO



GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Statement of Cash Flows
For the years ended December 31, 2022 and 2021

	Currency: NTD (thousand)	
	2022	2021
Cash Flows from Operating Activities		
(Loss) profit before tax	\$ (613,815)	77,916
Adjusting Events:		
Income and Expenses		
Depreciation expense	1,636,110	1,503,564
Amortization expense	4,019	4,552
Expected credit loss	167,900	(2,886)
Net gain on financial assets or liabilities at fair value through profit or loss	(13,490)	(25,191)
Interest expense	704,388	529,580
Interest income	(26,034)	(25,759)
Dividend income	(2,788)	(2,639)
Cost of share-based payments awards	-	872
Share of profit (loss) of associates accounted for using equity method	9,290	2,771
Loss on disposal of property, plant and equipment	5	2,348
Real estate, plant and equipment transfer expenses	594	-
Impairment loss on non-financial assets	155,795	21,893
Gain on rent concessions	(101,425)	(31,195)
Lease modification benefit	(353,564)	-
Total adjustments to reconcile profit (loss)	2,180,800	1,977,910
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets and liabilities at fair value through profit	22,288	28,247
Accounts receivable	(80,875)	5,733
Other receivables	40,943	(26,152)
Inventories	18,659	79,432
Prepayments	(50,871)	(60,035)
Sum of Net Variance of Assets Concern Operating Activities	(49,856)	27,225
Changes in operating liabilities:		
Accounts Payable	(1,082,992)	(286,798)
Other Payables	43,206	16,624
Other current liabilities	-	(3)
Sum of Net Variance of Liabilities Concern Operating Activities	(1,039,786)	(270,177)
Sum of Net Variance of Assets and Liabilities Concern Operating Activities	(1,089,642)	(242,952)
Total adjustments	1,091,158	1,734,958
Cash inflow generated from operations	477,343	1,812,874
Interest received	47,627	19,250
Dividends received	2,788	2,639
Interest paid	(701,279)	(528,930)
Income taxes paid	(107,703)	(114,694)
Cash Inflow from Operating Activities	(281,224)	1,197,139

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Statement of Cash Flows (continued)
For the years ended December 31, 2022 and 2021
Currency: NTD (thousand)

	2022	2021
Cash flows from (used in) investing activities:		
Acquisition of investments using the equity method	-	(39,727)
Acquisitions of subsidiaries (net of cash acquired)	-	(3,529)
Acquisition of property, plant and equipment	(198,175)	(229,624)
Proceeds from disposal of property, plant and equipment	2,209	228
Decrease in Refundable Deposits	(7,141)	(65,893)
Decrease in other receivables	201,865	240,815
Acquisition of Intangible Assets	(4,288)	(1,047)
Decrease (Increase) in other financial assets	3,717	(6,500)
Decrease in other non-current assets	(64,353)	41,491
Net cash flows used in investing activities	(66,166)	(63,786)
Cash flows from (used in) financing activities:		
Increase in Short-term Loans	(837,198)	265,852
Lease from Long-term Loans	1,458,254	270,538
Payments for Long-term Loans	(1,360,039)	(548,493)
(Decrease) Increase in Deposit Received	(103,018)	128,540
Other payables - increase in related parties	89,523	41,990
Payment of lease liabilities	(870,243)	(1,300,894)
Distribution of Cash Dividends	-	(195,531)
Attribution right income	9,122	-
Net cash flows used in financing activities	(1,613,599)	(1,337,998)
Effect of exchange rate changes on cash and cash equivalents	74,515	(20,825)
Net decrease in cash and cash equivalents	(1,886,474)	(231,470)
Cash and cash equivalents at beginning of period	3,525,958	3,757,428
Cash and cash equivalents at end of period	<u>\$ 1,639,484</u>	<u>3,525,958</u>

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

Chairman:
GUO JEN HAO

Manager:
HUANG QING HAI

Accounting Supervisor:
LI CHAO


GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2022 and 2021

	Currency: RMB (thousand)	
	2022	2021
Cash Flows from Operating Activities		
(Loss) profit before tax	\$ (138,353)	17,957
Adjusting Events:		
Income and Expenses		
Depreciation expense	368,776	346,524
Amortization expense	906	1,049
Expected credit loss	37,844	(665)
Net gain on financial assets or liabilities at fair value through profit or loss	(3,041)	(5,806)
Interest expense	158,768	122,051
Interest income	(5,868)	(5,937)
Dividend income	(628)	(608)
Cost of share-based payments awards	-	202
Share of profit (loss) of associates accounted for using equity method	2,094	639
Loss on disposal of property, plant and equipment	1	541
Real estate, plant and equipment transfer expenses	134	-
Impairment loss on non-financial assets	35,116	5,046
Gain on rent concessions	(22,861)	(7,189)
Lease modification benefit	(79,693)	-
Total adjustments to reconcile profit (loss)	491,548	455,847
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets and liabilities at fair value through profit	5,024	6,510
Accounts receivable	(18,229)	1,321
Other receivables	9,228	(6,027)
Inventories	4,206	18,307
Prepayments	(11,466)	(13,836)
Sum of Net Variance of Assets Concern Operating Activities	(11,237)	6,275
Changes in operating liabilities:		
Accounts Payable	(244,104)	(66,098)
Other Payables	9,739	3,831
Other current liabilities	-	(1)
Sum of Net Variance of Liabilities Concern Operating Activities	(234,365)	(62,268)
Sum of Net Variance of Assets and Liabilities Concern Operating Activities	(245,602)	(55,993)
Total adjustments	245,946	399,854
Cash inflow generated from operations	107,593	417,811
Interest received	10,735	4,437
Dividends received	628	608
Interest paid	(158,067)	(121,902)
Income taxes paid	(24,276)	(26,433)
Cash Inflow from Operating Activities	(63,387)	274,521

GRAND OCEAN RETAIL GROUP LTD. and Relational Subsidiaries
Consolidated Statement of Cash Flows (continued)
For the years ended December 31, 2022 and 2021
Currency: RMB (thousand)

	2022	2021
Cash flows from (used in) investing activities:		
Acquisition of investments using the equity method	-	(9,156)
Acquisitions of subsidiaries (net of cash acquired)	-	(810)
Acquisition of property, plant and equipment	(44,668)	(52,921)
Proceeds from disposal of property, plant and equipment	498	53
Decrease in Refundable Deposits	(1,610)	(15,186)
Decrease in other receivables	45,500	55,500
Acquisition of Intangible Assets	(967)	(241)
Decrease (Increase) in other financial assets	838	(1,498)
Decrease in other non-current assets	(14,505)	9,562
Net cash flows used in investing activities	(14,914)	(14,697)
Cash flows from (used in) financing activities:		
Increase in Short-term Loans	(188,703)	61,271
Lease from Long-term Loans	328,687	62,350
Payments for Long-term Loans	(306,550)	(126,410)
(Decrease) Increase in Deposit Received	(23,220)	29,624
Other payables - increase in related parties	20,178	9,677
Payment of lease liabilities	(196,151)	(299,815)
Distribution of Cash Dividends	-	(45,189)
Attribution right income	2,104	-
Net cash flows used in financing activities	(363,655)	(308,492)
Effect of exchange rate changes on cash and cash equivalents	1,440	273
Net decrease in cash and cash equivalents	(440,516)	(48,395)
Cash and cash equivalents at beginning of period	812,449	860,844
Cash and cash equivalents at end of period	<u>\$ 371,933</u>	<u>812,449</u>

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

Chairman:
GUO JEN HAO

Manager:
HUANG QING HAI

Accounting Supervisor:
LI CHAO


Topic 2: 2022 Loss Recovery Statement

Board's Proposals

Descriptions:

- I. Net loss after tax of the company in 2022 is NT\$832,846,555, which is proposed offsetting of losses with special surplus reserve. The Loss Recovery Statement is as follows:

GRAND OCEAN RETAIL GROUP LIMITED

2022 Loss Recovery Statement

Currency: NTD

Retained earnings at the beginning of the period	436,884,688
Deduction : Net loss after tax for the period	(832,846,555)
Addition : Reverse special surplus reserve	40,170,619
Deficit at the end of the period	(355,791,248)
Deferred items	
Offsetting losses with special surplus reserves	355,791,248
Retained earnings at the end of the period (Appropriated)	0

Chairman:

GUO RENHAO



Manager:

HUANG QINGHAI



Accounting Supervisor:

Li Chao



- II. 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 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 40~44 of the handbook for comparison table of the articles.
- III. Please be informed for discussion.

Resolution:

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

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
1.	Sections 8 and 19(3) of the Electronic Transactions Act (<u>As Revised</u>) shall not apply to the extent that it imposes obligations or requirements in addition to those set out.	Sections 8 of the Electronic Transactions Act shall not apply to the extent that it imposes obligations or requirements in addition to those set out.	Revised per law of the Cayman Islands.
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 <u>vote against or</u> 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:	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:	Revised per Article 12 of the Business Mergers and Acquisitions Act.
63.	Without prejudice to the Statute, if agreement on the price of the shares can be reached between the dissenting 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 of the date of the resolution passed by the Members under Article 61. In case no agreement is reached between the Company and the	Without prejudice to the Statute, if agreement on the price of the shares can be reached between the dissenting 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 of the date of the resolution passed by the Members under Article 61. In case no agreement is reached between the Company and the	Revised per Article 12 of the Business Mergers and Acquisitions Act.

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
	<p>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 <u>ninety (90)</u> days of the date of such resolution. If no payment has been made by the Company within <u>ninety (90)</u> 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. <u>The Member who has voted against or abstained from exercising his voting rights during the general meeting in relation to the matters described under Article 61 may request the Company to acquire or purchase his share(s).</u> 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 the dissenting Members who hasn't reach an agreement with the Company as the opposing party in the</p>	<p>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 the dissenting Members who hasn't reach an agreement with the Company as the opposing party in the Taipei District Court as the court of first instance.</p>	

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
	<p>Taipei District Court as the court of first instance. <u>Shares for which voting right has been abstained in the general meeting described in Article 61 shall be counted in the quorum of that general meeting; provided that such Member who abstained his voting right shall not be counted as person being entitled to vote for such matter(s).</u></p>		
78.	<p>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</p>	<p>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</p>	<p>Revised per Paragraph 4, Article 5 of the Business Mergers and Acquisitions Act.</p>

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
	<p>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 <i>mutatis mutandis</i> 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</p>	<p>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 <i>mutatis mutandis</i> 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</p>	

Articles No.	Amended and Restated Articles of Association (Proposed Revision)	Amended and Restated Articles of Association (Original)	Explanations
	<p>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 matter is considered the essential details of such personal interest and explain the reasons why he/she approves or disapproves such transaction. <u>The Company shall itemize the essential contents of the director's personal interest and the cause of approval or dissent to the resolution of merger, consolidation and/or acquisition in the notice to convene the general meeting. The essential contents may be posted on the website designated by the ROC competent authority in charge of securities affairs or the Company, and the Uniform Resource Locator (URL) of such website shall be indicated in the notice of such general meeting.</u></p>	<p>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 matter is considered the essential details of such personal interest and explain the reasons why he/she approves or disapproves such transaction.</p>	

Topic2: Amendment to Certain Articles of “Procedural Rules of General Meeting of Members”

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 “Procedural Rules of General Meeting of Members” of the company.
- II. Please refer to Page 46~83 of the handbook for comparison table of the articles.

The Comparison Table of Amended Articles of Procedural Rules of General Meeting of Members

Amended Article	Original Article	Explanation
<p>Article 1</p> <p>Under the jurisdiction of Cayman Islands, this Corporation's shareholders' meeting 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.</p> <p>Hereinafter "the Act" is referred to the financial supervision laws of the region where the Company is listed.</p>	<p>Article 1</p> <p>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.</p>	<p>Paragraph 2 is added.</p>
<p>Article 2</p> <p>Unless otherwise provided by law or regulation, this Corporation's shareholders' meetings shall be convened by the board of directors.</p> <p>Unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporation that will convene a virtual shareholders' meeting shall expressly provide for such meetings in the Articles of Incorporation and obtain a resolution of the board of directors. The convening of virtual shareholders' meetings shall be determined by the board of directors through a resolution adopted by a majority vote at a</p>	<p>Article 7</p> <p>Unless there are other specific laws and regulations to stipulate for the convention, shareholders meeting shall be coordinated by the Board of Directors of the Company.</p> <p>The Company shall make the electronic files including notice of shareholders meeting, letter (paper) of administration, recognition case, topic discussion, electing or dismissal of a Director, as well as cause and descriptions for each bill, and upload to Market Observation Post System 30 days prior to the general shareholders meeting, or 15 days prior to the temporary shareholders meeting. Also, the Company shall make the</p>	<ol style="list-style-type: none"> 1.The numbering of this article is changed. 2. In accordance with relevant laws and regulatory amendments, the relevant content has been added to include procedures for convening virtual shareholders' meetings, procedures for changes to the method of

Amended Article	Original Article	Explanation
<p><u>meeting attended by over two-thirds of the directors.</u></p> <p><u>Changes to how this Corporation convenes its shareholders' meeting shall be resolved by the board of directors and shall be made no later than mailing of the shareholders' meeting notice.</u></p> <p>This Corporation shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. This Corporation shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. <u>If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the</u></p>	<p>electronic files including handbook for the shareholders meeting as well as supplementary meeting information, and upload to Market Observation Post System 21 days prior to the general shareholders meeting, or 15 days prior to the temporary shareholders meeting. Handbook for current shareholders meeting as well as supplementary meeting information shall be prepared 15 days prior to the shareholders meeting for the shareholders to view anytime, demonstrated in the Company and the mandated stock transfer agent of the Company, <u>as well as being provided on the site of shareholders meeting.</u></p> <p>Reasons of convention shall be detailed in the notice and announcement; electronic format used for the information hereto is permissible if the offeree approves.</p> <p>Election or dismissal of Directors, 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</p>	<p>convening a shareholders' meeting, specifications for uploading electronic copies of the meeting agenda and related information, and the method for providing the meeting agenda and supplementary information on the day of the meeting.</p>

Amended Article	Original Article	Explanation
<p><u>most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders' meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders' meeting.</u> In addition, before 15 days before the date of the shareholders' meeting, this Corporation shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.</p> <p><u>This Corporation shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:</u></p> <ol style="list-style-type: none"> <u>1. For physical shareholders' meetings, to be distributed on-site at the meeting.</u> <u>2. For hybrid shareholders' meetings, to be distributed</u> 	<p>Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, 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.</p> <p>Reasons for convening a shareholders meeting have been specified of the full re-election of Directors, 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.</p> <p>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, proposals which aim to urge the Company to promote the public interest or fulfill social responsibilities should still be included in the proposal</p>	

Amended Article	Original Article	Explanation
<p><u>on-site at the meeting and shared on the virtual meeting platform.</u></p> <p><u>3. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.</u></p> <p>The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p> <p>Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the</p>	<p>discussion. The proposals should cover 1 discussion item in accordance with Article 172-1 of the Company Act, and those with more than 1 will not be included in the motion. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.</p> <p>Prior to the book closure date before a regular shareholders 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.</p> <p>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.</p> <p>Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the</p>	

Amended Article	Original Article	Explanation
<p>shareholders' meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.</p> <p>A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one</p>	<p>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.</p>	

Amended Article	Original Article	Explanation
<p>in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.</p> <p>Prior to the book closure date before a regular shareholders' meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>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.</p> <p>Prior to the date for issuance of notice of a shareholders' meeting, this Corporation 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</p>		

Amended Article	Original Article	Explanation
reasons for exclusion of any shareholder proposals not included in the agenda.		
<p>Article 3</p> <p>For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting and shall deliver the proxy form to this Corporation before five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy</p>	<p>Article 3</p> <p><u>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.</u></p> <p>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.</p> <p>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</p>	<p>1.Paragraph 1 has been respectively adjusted as Article 5 and Article 9.</p> <p>2.Paragraph 5 to 7 have been respectively adjusted as Article 9.</p> <p>3.Pursuant to relevant laws and regulatory amendments, the relevant content has been added to include specifications for virtual attendance by shareholders at the shareholders' meeting.</p>

Amended Article	Original Article	Explanation
<p>shall prevail.</p> <p><u>If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders' meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></p>	<p>entrustee is not subject to this rule.</p> <p>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.</p> <p><u>Chairman will announce the start of general meeting once the time has come. At the same time, announce the number of non-voting rights and number of shares present and other relevant information. 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</u></p>	

Amended Article	Original Article	Explanation
	<p><u>the general meeting.</u></p> <p><u>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending 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.</u></p> <p><u>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.</u></p>	
<p><u>Article 4</u></p> <p><u>The venue for a shareholders' meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</u></p> <p><u>The restrictions on the place of the meeting shall not apply when</u></p>		<p>Pursuant to relevant laws and regulatory amendments, a new article has been added.</p>

Amended Article	Original Article	Explanation
this Corporation convenes a virtual-only shareholders' meeting.		
<p>Article 5</p> <p>This Corporation shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors, and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.</p> <p>Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance.</p>	<p>Article 2</p> <p>The company should detail the check-in time of shareholders' acceptance, check-in location, as well as other announcements.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>	<p>1.The numbering of this article is changed.</p> <p>2.Pursuant to relevant laws and regulatory amendments, the content related to virtual meeting has been added and the wording has been slightly amended.</p>

Amended Article	Original Article	Explanation
<p><u>This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</u></p> <p>This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.</p> <p>When <u>the government or</u> a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p> <p><u>In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.</u></p>	<p>meeting, only one person can be assigned for the attendance.</p>	

Amended Article	Original Article	Explanation
<p><u>In the event of a virtual shareholders' meeting, this Corporation shall upload the meeting agenda book, annual report, and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>		
<p><u>Article 6</u></p> <p><u>To convene a virtual shareholders' meeting, this Corporation shall include the follow particulars in the shareholders' meeting notice:</u></p> <p><u>1. How shareholders attend the virtual meeting and exercise their rights.</u></p> <p><u>2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents, or other force majeure events, at least covering the following particulars:</u></p> <p><u>A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u></p> <p><u>B. Shareholders not having</u></p>		<p>Pursuant to relevant laws and regulatory amendments, a new article has been added.</p>

Amended Article	Original Article	Explanation
<p><u>registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.</u></p> <p><u>C. In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholder' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.</u></p> <p><u>D. Actions to be taken if the</u></p>		

Amended Article	Original Article	Explanation
<p><u>outcome of all proposals has been announced and extraordinary motion has not been carried out.</u></p> <p><u>3. To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified. Unless otherwise specified in Paragraph 6, Article 44-9, of the Regulations Governing the Administration of Shareholder Services of Public Companies, this corporation shall provide shareholders with connection equipment and necessary assistance, and expressly provide for the period during which shareholders may apply to this Corporation and other relevant notices.</u></p>		
<p><u>Article 7</u></p> <p>If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice</p>	<p><u>Article 14.1</u></p> <p>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</p>	<p>1.The numbering of this article is changed.</p> <p>2.Pursuant to relevant laws and regulatory amendments, the relevant content has been added.</p>

Amended Article	Original Article	Explanation
<p>chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.</p> <p><u>When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of this Corporation. The same shall be true for a representative of a juristic person director that serves as chair.</u></p> <p><u>It is advisable that shareholders' meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.</u></p>	<p>of the board does not assign any representative, the board will choose one representative among themselves.</p> <p>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.</p> <p>The company is to assign the authorized attorneys, accountants as well as related personnel to attend the shareholders meeting.</p>	

Amended Article	Original Article	Explanation
<p>If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.</p> <p>This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.</p>		
<p><u>Article 8</u></p> <p><u>This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.</u></p> <p><u>The recorded materials of the preceding paragraph shall be retained</u> for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p> <p><u>Where a shareholders' meeting is held online, this Corporation shall keep records of shareholder registration, sign-in,</u></p>	<p><u>Article 4</u></p> <p><u>The company should record the sound or video of the entire process of general meeting and preserve it</u> for at least one year.</p> <p>Whereas if a shareholder has been filed with a lawsuit by Article 189 of Company Act <u>of R.O.C.</u>, then the record should be preserved until it ends.</p>	<p>1.The numbering of this article is changed.</p> <p>2.Pursuant to relevant laws and regulatory amendments, the content related to virtual meeting has been added and the wording has been slightly amended.</p>

Amended Article	Original Article	Explanation
<p><u>check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u></p> <p><u>In case of a virtual shareholders' meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u></p>		
<p><u>Article 9</u></p> <p><u>Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.</u></p> <p><u>The chair shall call the</u></p>		<p>1.Paragraph 5 to 7 of the original Article 3 have been adjusted as Article 9.</p> <p>2.Pursuant to relevant laws and regulatory amendments, the content related to virtual meeting has been added and the</p>

Amended Article	Original Article	Explanation
<p><u>meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.</u></p> <p><u>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p><u>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending 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</u></p>		<p>wording has been slightly amended.</p>

Amended Article	Original Article	Explanation
<p><u>another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6.</u></p> <p><u>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.</u></p>		
<p><u>Article 10</u></p> <p>If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.</p> <p>The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of</p>	<p><u>Article 5</u></p> <p><u>1.</u> If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors, as well as that the relevant bills (including extraordinary motions and amendments to the original bills) shall all be put to the votes case by case. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.</p> <p><u>2.</u> If the shareholders meeting is coordinated by other rightful coordinator instead of the board of directors, the same rules described as above are also</p>	<p>1.The numbering of this article is changed.</p> <p>2.Pursuant to relevant laws and regulatory amendments, the wording has been slightly amended.</p>

Amended Article	Original Article	Explanation
<p>directors.</p> <p>The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</p> <p>The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.</p>	<p>applicable.</p> <p><u>3. Except for the one which has been voted by resolution of the shareholders meeting, or the one treated by Article 14 of the Procedural Rules,</u> the chairman is not able to announce the adjournment if the former two agenda (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.</p> <p><u>4. The Chairperson shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the Chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, <u>or, that an amendment thereof complies with the outline, corporate charter, and applicable laws and regulations of the Company,</u></u> the</p>	

Amended Article	Original Article	Explanation
	Chairperson may announce the discussion closed and call for a vote and arrange the adequate time for it.	
<p>Article 11</p> <p>Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.</p> <p>A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.</p> <p>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has</p>	<p>Article 6</p> <p><u>1.</u> 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.</p> <p><u>2.</u> 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.</p> <p><u>3.</u> 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.</p> <p><u>4.</u> 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.</p>	<p>1.The numbering of this article is changed.</p> <p>2.Pursuant to relevant laws and regulatory amendments, the relevant content has been added to include specifications for virtual attendance by shareholders at the shareholders' meeting.</p>

Amended Article	Original Article	Explanation
<p>the floor; the chair shall stop any violation.</p> <p>When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p> <p><u>Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</u></p> <p><u>As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u></p>	<p><u>5.</u> 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.</p> <p><u>6.</u> After the speech given by the shareholders, the chairman has to reply on his own, or designates the related personnel to respond.</p>	
<p><u>Article 12</u></p> <p>Voting at a shareholders' meeting shall be calculated based</p>	<p><u>Article 8</u></p> <p><u>1.</u> Voting of the shareholders' meeting should be measured</p>	<p>The numbering of this article was changed.</p>

Amended Article	Original Article	Explanation
<p>the number of shares.</p> <p>With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.</p> <p>When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.</p> <p>The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.</p> <p>With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.</p>	<p>based on the shares held.</p> <p><u>2.</u> 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.</p> <p><u>3.</u> 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.</p> <p><u>4.</u> 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.</p> <p><u>5.</u> 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.</p>	

Amended Article	Original Article	Explanation
<p><u>Article 13</u></p> <p>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.</p> <p>When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written</p>	<p><u>Article 9</u></p> <p>Each share represents one voting right in volume for every shareholder, except for those who are subject to Article 179.2 <u>as well as Article 197.1</u> of Company Act of R.O.C., listing as the ones who do not have the voting rights.</p> <p><u>Article 10</u></p> <p>When the Company holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this</p>	<p>1.The original Article 10 to 11 have been relocated to paragraphs 2 to 8 of the article.</p> <p>2.Pursuant to relevant laws and regulatory amendments, the original Articles 9 to 11 have been merged into a single article, and the wording has been slightly amended.</p>

Amended Article	Original Article	Explanation
<p>declaration of intent to this Corporation before two 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.</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two 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.</p> <p>Except as otherwise provided in the Company Act and in this</p>	<p>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.</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to 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.</p> <p>When voting for a bill, it is considered to be an approval if at least half of the number of the</p>	

Amended Article	Original Article	Explanation
<p>Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. <u>After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</u></p> <p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.</p> <p>Vote counting <u>for shareholders' meeting proposals</u></p>	<p>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.</p> <p>When voting, the Chairperson or the designated person shall announce the total number of the votes by the shareholders who present case by case, and then leave the shareholders to vote case by case.</p> <p>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.</p> <p>If one of them has been approved, then the other bills shall be considered as rejection and a revote shall not be carried out.</p> <p><u>Article 11</u></p> <p>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 <u>is subject to be implemented in the conference hall openly, and the voting results should be reported on the spot and be recorded.</u></p>	

Amended Article	Original Article	Explanation
<p><u>or elections shall be conducted in public at the place of the shareholders' meeting.</u></p> <p><u>Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</u></p> <p><u>When this Corporation convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p> <p><u>When this Corporation convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the</u></p>		

Amended Article	Original Article	Explanation
<p><u>same manner as they registered.</u> <u>If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>		
<p><u>Article 14</u></p> <p>The election of directors or supervisors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with</p>	<p><u>Article 12</u></p> <p>If election of directors of the board is held in the shareholders' meeting, then the related election rules <u>as well as articles of the company</u> should be followed, and the election results should be announced on the spot, including the list of elected directors and the final tally, and a list of those who are not elected and the number of shares they have.</p> <p>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 <u>of R.O.C.</u>, then the record</p>	<p>1.The numbering of this article is changed.</p> <p>2.The wording has been slightly amended.</p>

Amended Article	Original Article	Explanation
the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.	should be preserved until it ends.	
<p>Article 15</p> <p>Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.</p> <p>This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or</p>	<p>Article 13</p> <p>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.</p> <p>2. 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 is held, and shall be retained for the duration of the existence of this Corporation.</p>	<p>1.The numbering of this article is changed.</p> <p>2.Pursuant to relevant laws and regulatory amendments, the wording has been slightly amended.</p>

Amended Article	Original Article	Explanation
<p>supervisors. The minutes shall be retained for the duration of the existence of this Corporation.</p> <p><u>Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</u></p> <p><u>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online.</u></p>	<p><u>3. Numbers of shares by approval or rejection for a bill, as well as the total shares, shall be documented precisely in the meeting minutes.</u></p>	
<p><u>Article 16</u></p> <p><u>On the day of a shareholders' meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by</u></p>		<p>Pursuant to relevant laws and regulatory amendments, a new article has been added.</p>

Amended Article	Original Article	Explanation
<p><u>proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event a virtual shareholders' meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p> <p><u>During this Corporation's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></p> <p><u>If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.</u></p>		

Amended Article	Original Article	Explanation
<p><u>Article 17</u></p> <p><u>Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.</u></p> <p><u>The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."</u></p> <p><u>At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.</u></p> <p><u>When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.</u></p>		<p>Pursuant to relevant laws and regulatory amendments, a new article has been added.</p>
<p><u>Article 18</u></p> <p>When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the</p>	<p><u>Article 14</u></p> <p><u>1.</u> When the meeting is proceeding, the chairman should revoke the time and announce the break. Should there be any irresistible circumstances, the chairman will need to pause the meeting temporarily and announce the</p>	<p>1.The numbering of this article is changed.</p> <p>2. In accordance with paragraph 2 of Article 1, the wording of the</p>

Amended Article	Original Article	Explanation
<p>circumstances, the meeting will be resumed.</p> <p>If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.</p> <p>A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.</p>	<p>time when the meeting will commence again depending on the situation.</p> <p><u>2.</u> 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.</p> <p><u>3.</u> Also the shareholders meeting is to comply with Article 182 of Company Act <u>of R.O.C.</u>, and the resolution is made to either postpone the meeting in 5 days or to proceed.</p>	<p>Company Act has been amended.</p>
<p><u>Article 19</u></p> <p><u>In the event of a virtual shareholders' meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u></p>		<p>Pursuant to relevant laws and regulatory amendments, a new article has been added.</p>
<p><u>Article 20</u></p> <p><u>When this Corporation convenes a virtual-only shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is</u></p>		<p>Pursuant to relevant laws and regulatory amendments, a new article has been added.</p>

Amended Article	Original Article	Explanation
called to order.		
<p>Article 21</p> <p>In the event of a virtual shareholders' meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</p> <p>In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</p> <p>For a meeting to be postponed or resumed as described in the</p>		<p>Pursuant to relevant laws and regulatory amendments, a new article has been added.</p>

Amended Article	Original Article	Explanation
<p><u>preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.</u></p> <p><u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u></p> <p><u>During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</u></p> <p><u>When this Corporation convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in</u></p>		

Amended Article	Original Article	Explanation
<p><u>second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.</u></p> <p><u>When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p>		

Amended Article	Original Article	Explanation
<p><u>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.</u></p>		
<p><u>Article 22</u></p> <p><u>When convening a virtual-only shareholders' meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online. Unless otherwise specified in Paragraph 6, Article 44-9, of the Regulations Governing the Administration of Shareholder Services of Public Companies, this corporation shall provide shareholders with connection equipment and necessary assistance, and expressly provide for the period during which shareholders may apply to this Corporation and other relevant notices.</u></p>		<p>Pursuant to relevant laws and regulatory amendments, a new article has been added.</p>

Amended Article	Original Article	Explanation
Article 23 (Omitted)	Article 15 (Omitted)	The numbering of this article was changed.
Article 24 (Omitted)	Article 16 (Omitted)	The numbering of this article was changed.

Topic : Full Re-election of Directors of Board

Board's Proposal

Description:

- I. The term of office of the current Directors of Board shall be terminated on Jun 16, 2023 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 15, 2023 to Jun 14, 2026.
- IV. Election of Director of the Company shall company with the candidate nomination system, where shareholders shall vote for the election among the candidate list of Director.
- V. The candidate list of the Director has been investigated by the Board on April 28, 2023, where the related information is as follows:

Serial Number	Name	Number of Shares	Major Education and Experience
General Director			
1	Kuo Jen Hao	0	Education: Pace University NY MBA Finance and Accounting major. Certified Public Accountant of American. Working Experience: Director 、 Chief financial officer of Natural Group. Private Equity Management Group Vice president. PWC Transaction Services. Merrill Lynch Research Assistant.
2	First Steamship Company Ltd (Representative : Ng Qing Hai)	19,552 /2,600	Education: Management Consulting Program at the French Graduate Business School. Certified Public Accountant of China. Working Experience: Director, CFO, Deputy chairman and GM of Shanghai Allied Cement Limited. Managing Director of Allied Cement Holdings Limited Legal representative of Nanjing Tiandu Industry Co., Ltd. Executive director, Managing Director of CHIANVISION MEDIA GROUP LIMITED.
3	First Steamship	91,560	Education:

Serial Number	Name	Number of Shares	Major Education and Experience
	S.A (Representative : Zhang Jin Guo)	/0	<p>Department of Business Economics Renmin University of China</p> <p>Working Experience: General manager of Beijing Xicheng Department Store. Business manager of Beijing Xidan Shopping Center. Manager of Beijing Scitech Shopping Center Department store. Deputy General Manager of the Wuhan Store at Beijing SOGO Department Store Group. Wanda Group: Assistant to the president and Wanda Department Store Deputy general manager. Xi'an and Jinan Regional general manager of Wanda Business Management Company. Director, Vice president of Grand Ocean Department Store Group Limited.</p>
4	Lee Seng Chay	0	<p>Education: Bachelor of Science, Monash University, Australia .</p> <p>Working Experience: Mulpha International Bhd, General Manager ; Mabuhay Holdings Corporation, President/ Vice President .</p>
Independent Director			
1	DING JIN HUEI	0	<p>Education: NCTU Executive Master of Business Administration ; Ph.D. in Business Management, Tianjin Nankai University ; Certified Public Accountant of the Republic of China</p> <p>Working Experience: Member of School Affairs Fund of NCTU ; Director 、 Secretary of Chinese Association of Valuation ; Host of Taipei's bus privatization planning and implementation plan ; Independent Director of ASSEM TECHNOLOGY CO., LTD 、 LUNG HWA ELECTRONIC CO., LTD 、 TRENDCHIP TECHNOLOGY CO., LTD 、 Taiwan Environment Scientific Co., Ltd ; Remuneration Committee of TSTI.</p>
2	SHER CHING YEE	0	<p>Education: Master of Practising Accounting, MONASH UNIVERSITY ; Bachelor degree from University of London ; Member of the Association of Chartered Certified Accountants, UK.</p> <p>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.</p>
3	LEE JENN	0	<p>Education: Master of Real Estate Management at New</p>

Serial Number	Name	Number of Shares	Major Education and Experience
	YUH		<p>York University. Bachelor of Urban Planning, NCKU. Passed the urban planner professional licensure examination. Passed the special examination for land registration professional agents. Passed the examination for financial trust business personnel.</p> <p>Working Experience: Investment Analyst at Young Land Realty Partners LLC. Executive Assistant to the President and Investment Department Manager at Fu Hwa Investment Company (American Real Estate Investment Private Equity Fund). Manager at Beijing Rui Ding Cheng Co., Ltd. and Fu Hwa Investment Company. Asset Business Manager and Investment Department Manager at Taiwan Tesco Co., Ltd. (British Tesco supermarket). Development Department Manager and Investment Department Manager at Taiwan Carrefour Co., Ltd. (French Carrefour). Assistant to the President and Director of Development Department at Grand Ocean Department Store Group Limited. General Manager in Charge of Preparatory Work at Shanghai 1,000 trees Commercial Management Co., Ltd.</p>

I. Please be informed for the election.

Election Results:

Topic: Relief of Competition Limitation for New Elected Directors

Board's Proposal

Description:

- I. 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:



A.O.B.

A.O.B

Adjournment

Appendix

Appendix I: Articles of Incorporation (Before Version)

TENTH AMENDED AND RESTATED MEMORANDUM

AND

NINTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

GRAND OCEAN RETAIL GROUP LIMITED

Incorporated on the 23rd day of August, 2006

(adopted pursuant to special resolutions of the shareholders

of the Company passed on the 23 day of July, 2022)

INCORPORATED IN THE CAYMAN ISLANDS

THE COMPANIES LAW (2013 Revision)
Company Limited by Shares

TENTH AMENDED AND RESTATED MEMORANDUM
OF ASSOCIATION

OF

GRAND OCEAN RETAIL GROUP LIMITED

(adopted pursuant to special resolutions of the shareholders

of the Company passed on the 23 day of June, 2022)

1. The name of the Company is GRAND OCEAN RETAIL GROUP LIMITED
2. The Registered Office of the Company shall be at the offices of Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands or at such other place as the Directors may from time to time decide.
3. The objects for which the Company is established are unrestricted and shall include, but without limitation, the following:
 - (a) (i) To carry on the business of an investment company and to act as promoters and entrepreneurs and to carry on business as financiers, capitalists, concessionaires, merchants, brokers, traders, dealers, agents, importers and exporters and to undertake and carry on and execute all kinds of investment, financial, commercial, mercantile, trading and other operations.
 - (ii) To carry on whether as principals, agents or otherwise howsoever the business of realtors, developers, consultants, estate agents or managers, builders, contractors, engineers, manufacturers, dealers in or vendors of all types of property including services.
 - (b) To exercise and enforce all rights and powers conferred by or incidental to the ownership of any shares, stock, obligations or other securities including without prejudice to the generality of the foregoing all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special proportion of the issued or nominal amount thereof, to provide managerial and other executive, supervisory and consultant services for or in relation to any company in which the Company is interested upon such terms as may be thought fit.
 - (c) To purchase or otherwise acquire, to sell, exchange, surrender, lease, mortgage, charge, convert, turn to account, dispose of and deal with real and personal property and rights of all kinds and, in particular, mortgages, debentures, produce, concessions, options, contracts, patents, annuities, licences, stocks, shares, bonds, policies, book debts, business concerns, undertakings, claims, privileges and choses in action of all kinds.

- (d) To subscribe for, conditionally or unconditionally, to underwrite, issue on commission or otherwise, take, hold, deal in and convert stocks, shares and securities of all kinds and to enter into partnership or into any arrangement for sharing profits, reciprocal concessions or cooperation with any, person or company and to promote and aid in promoting, to constitute, form or organize any company syndicate or partnership of any kind, for the purpose of acquiring and undertaking and property and liabilities of the Company or of advancing, directly or indirectly, the object of the Company or for any other purpose which the Company may think expedient.
- (e) To stand surety for or to guarantee, support or secure the performance of all or any of the obligations of any person, firm or company whether or not related to or a Subsidiary of the Company in any manner and whether by personal covenant or by mortgage, charge or lien upon the whole or any part of the undertaking, property and assets of the Company, both present and future, including its uncalled capital or by any such method and whether or not the Company shall receive valuable consideration thereof.
- (f) To engage in or carry on any other lawful trade, business or enterprise which may at any time appear to the Directors of the Company capable of being conveniently carried on in conjunction with any of the aforementioned businesses or activities or which may appear to the Directors or the Company likely to be profitable to the Company.

In the interpretation of this Memorandum of Association in general and of this Clause 3 in particular no object, business or power specified or mentioned shall be limited or restricted by reference to or inference from any other object, business or power, or the name of the Company, or by the juxtaposition of two or more objects, businesses or powers and that, in the event of any ambiguity in this clause or elsewhere in this Memorandum of Association, the same shall be resolved by such interpretation and construction as will widen and enlarge and not restrict the objects, businesses and powers of and exercisable by the Company.

4. Except as prohibited or limited by the Companies Law(2013 Revision), the Company shall have full power and authority to carry out any object and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and 7the power to do any of the following acts or things, viz: to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company or without security; to invest monies of the Company in such manner as the Directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to

distribute assets in specie to Members of the Company; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors and officers liability insurance and to carry on any trade or business and generally to do all acts and things which , in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a license is required under the laws of the Cayman Islands when so licensed under the terms of such laws.

5. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.
6. The share capital of the Company is NT\$5,000,000,000 divided into 500,000,000 shares of a nominal or par value of NT\$10 each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law(2013 Revision) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained PROVIDED ALWAYS that, notwithstanding any provision to the contrary contained in this Memorandum of association, the Company shall have no power to issue bearer shares, warrants , coupons or certificates.
7. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 193 of the Companies Law (2013 Revision) and, subject to the provisions of the Companies Law (2013 Revision) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

We, the undersigned, are desirous of being formed into a Company pursuant to this Memorandum of Association and the Companies Law (2013 Revision), and we hereby agree to take the numbers of shares set opposite our name below.

Signature, Name, Occupation, and Address Of Subscriber	Number of Shares Taken by Each Subscriber
For and on behalf of Offshore Incorporations (Cayman) Limited Corporation Of Scotia Centre, 4 th Floor, P.O. Box 2804 George Town, Grand Cayman Cayman Islands	ONE

<p>..... (Sd.) Authorised Signatory</p>	
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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 the Memorandum of Association of this Company
duly incorporated on the

REGISTRAR OF COMPANIES(SD.)

THE COMPANIES ACT (AS REVISED)
Company Limited by Shares

TENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION

(adopted pursuant to a special resolution of the shareholders

of the Company passed on the 23 day of June, 2022)

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,

"Acquisition"	means any company acquiring shares, business or assets of another company in exchange for shares, cash or other assets under the Business Mergers and Acquisitions Act of ROC, the Company Act of ROC, the Securities and Exchange Act of ROC, the Financial Institutions Merger Act of ROC or the Financial Holding Act of the ROC;
"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"	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.
"Secretary"	includes an Assistant Secretary and any person appointed to perform the duties of Secretary of the Company.

"Share"	includes a fraction of a share.
"Special Reserves"	means the reserve allocated from profits of the Company in accordance with the Applicable Law, or resolutions of shareholders meetings.
"Special 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 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 Act of the Cayman Islands (As Revised), as amended and every statutory modification or re-enactment thereof for the time being in force.
"Subsidiary"	any other person or entity that directly, or indirectly 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;
"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 Writing"	include all modes of representing or reproducing 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 Act shall not apply to the extent that it imposes obligations or requirements in addition to those set out.

A reference to a meeting: shall mean a meeting convened and held in any manner permitted by these Articles and any Member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statute and these Articles, and attend, participate, attending, participating, attendance and participation shall be construed accordingly;

References to a person's participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statute or these Articles to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly; and

References to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems to the extent that permitted by Applicable Law and do not conflict with or contravene the laws of the Cayman Islands.

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.
- (d) Where any subscriber proposes to purchase shares of the Company, the Company shall require such subscriber to pay in full the subscription price prior to the allotment and issue of any new share of the Company.
- (e) Where a subscriber failed to make payment for the shares subscribed by such subscriber on or before the payment date 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 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.

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. The 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.

TRANSFEEF 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 Statute 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:
 - (i) 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

7implementation 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.
- 15 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).
26. 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) General meetings of the Company can be convened by means of electronic facilities, visual communication network or other methods promulgated by the central competent authority which permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. The visual communication network shall be subject to the prerequisites, procedures, and other compliance matters set by the competent authority of the Company Act of the ROC to the extent that they do not conflict with or contravene the laws of the

Cayman Islands. Participation in such a meeting shall constitute presence in person at such meeting.

- (c) In addition to sub-paragraphs (d) and (e) below and Article 29, general meetings of the Company shall be convened by the Board and may be held at such time and place (unless the meeting is to be held electronically without any physical place of meeting) 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.
- (d) 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.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) 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 (save for a meeting which is to be held entirely electronically without any physical place of meeting) and time at which the meeting is to be held and, as far as practicable, the other business to be conducted at the meeting. If a general meeting is to be held by way of electronic facilities, visual communication network or other methods promulgated by the competent authority of the Company Act of the ROC in whole or in part, the notice of general meeting shall include a statement to such effect and with details of the electronic facilities, visual communication network or other methods promulgated by the central competent authority to be provided for attendance and participation by such means at such meeting or in any event, such details shall be made available by the Company prior to 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
- (e) 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. In the case that the Company's paid-in capital at the end of the most recent fiscal year exceeds NT\$10 billion or at the last general meeting held in the current recent fiscal year, the total shareholding ratio of foreign capital and mainland capital recorded in the Register of Member was more than thirty percent (30%), the manual shall be distributed to the Members by electronic form at least thirty (30) days prior to a 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 Statute, 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 split-up 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;
 - (l) 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. The Company shall list electronic transmission as one of the ways for Members to exercise their voting rights when holding a general meeting. 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;
- (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 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.

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 cessation 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.

PROXIES

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 way of electronic transmission (as provided under the ROC Electronic Signatures Act) two (2) days prior to commencement of 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). 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 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 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.
56. (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, Acquisition or share swap of the Company pursuant to which all of the issued shares 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;
 - (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, number of shares and the asking price for the repurchase buying back that such Member requests the Company to repurchase.
63. Without prejudice to the Statute, if agreement on the price of the shares can be reached between the dissenting 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 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 the dissenting Members who hasn't reach an agreement with the Company as the opposing party in the Taipei District Court as the court of first instance.
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 non-re-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.
- (e) The election of the directors shall adopt candidates nomination system and such adoption shall comply with ROC SEA and the ROC Company Act, to the maximum extent permitted under the Statute.

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. 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 matter is considered the essential details of such personal interest and explain the reasons why he/she approves or disapproves such transaction.

- 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 dependants 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 or more directors 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 be 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 re-appointed 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 scheduled 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

- acqui-si-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 an 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 or to transfer amounts standing to the credit of the Special Reserve to another account 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. With respect to the earnings available for distribution, except for reserving part thereof for such purposes as considered appropriate by the Directors depending on the financial needs and circumstances of the Company, remaining retained earnings may be distributed 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 (as defined in Article 111(a)).

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 one-percent (1%) or more of the total number of the outstanding voting shares of the Company continuously for a period of six (6) months or more may request a member of the Audit Committee in writing, 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 one-percent (1%) or more of the total number of the outstanding voting shares of the Company continuously for a period of six (6) months 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.

126B.

- (a) Before any resolution for merger/consolidation and acquisition is proposed to the Board of Directors for consideration and approval, Audit Committee shall review the fairness and reasonableness of the plan and terms of the merger/consolidation or acquisition, and then report their review outcome to the Board of Directors and Members of the Company if a resolution of Members of the Company is required for such matter under Applicable Laws or these Articles.
- (b) When Audit Committee review any transaction, it shall seek opinions from an 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 does not require approval 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.

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, charges, 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 or 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.

For and on behalf of
Offshore Incorporations (Cayman) Limited
Corporation
Of Scotia Centre, 4th Floor, P.O. Box 2804
George Town, Grand Cayman
Cayman Islands

.....
(Sd.) Authorised Signatory

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 (Before Version)

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. At the same time, announce the number of non-voting rights and number of shares present and other relevant information. 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.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending 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 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 a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors, as well as that the relevant bills (including extraordinary motions and amendments to the original bills) shall all be put to the votes case by case. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
2. If the shareholders 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 shareholders 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 agenda (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. The Chairperson shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the Chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, or, that an amendment thereof complies with the outline, corporate charter, and applicable laws and regulations of the Company, the Chairperson may announce the discussion closed and call for a vote and arrange the adequate time for it.

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 other specific laws and regulations to stipulate for the convention, shareholders meeting shall 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 dismissal of a Director, as well as cause and descriptions for each bill, and upload to Market Observation Post System 30 days prior to the general shareholders meeting, or 15 days prior to the temporary shareholders meeting. Also, the Company shall make the electronic files including handbook for the shareholders meeting as well as supplementary meeting information, and upload to Market Observation Post System 21 days prior to the general shareholders meeting, or 15 days prior to the temporary shareholders meeting. Handbook for current shareholders meeting as well as supplementary meeting information shall be prepared 15 days prior to the shareholders meeting for the shareholders to view anytime, 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 Directors, 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, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers,

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.

Reasons for convening a shareholders meeting have been specified of the full re-election of Directors , 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.

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, proposals which aim to urge the Company to promote the public interest or fulfill social responsibilities should still be included in the proposal discussion. The proposals should cover 1 discussion item in accordance with Article 172-1 of the Company Act, and those with more than 1 will not be included in the motion. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders 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.

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 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.
3. 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 the Company holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to

have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by 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 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 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 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.

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, including the list of elected directors and the final tally, and a list of those who are not elected and the number of shares they have.

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. 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 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..
3. Numbers of shares by approval or rejection for a bill, as well as the total shares, shall 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

Article 1: To ensure a just, fair, and open election of Directors, these Principles are adopted pursuant to Articles 21 of the Corporate Governance Best-Practice Principles.

Article 2: Except as otherwise provided by law and regulation or by the corporate charter, elections of Directors shall be conducted in accordance with these Principles.

Article 3: 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.

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 Board of Directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

Article 4: 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 region where the Company is listed.

Article 5: Elections of Directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in the Company Act in the region where the Company is listed.

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, an extraordinary general meeting shall be convened for the by-election within 60 days from the date of the occurrence.

If the number of Independent Directors is less than the stipulation of Article 14-2, Paragraph 1 of the Securities and Exchange Act of the region where the Company is listed, the by-election shall be held at the next shareholders' meeting. If all the Independent Directors are dismissed, an extraordinary general meeting shall be convened for the by-election within 60 days from the date of the occurrence.

Article 6: 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.

Article 7: The Board of Directors shall prepare separate ballots for Directors in numbers corresponding to the Directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8: The number of Directors will be as specified in the corporate charter, with voting rights separately calculated for Independent and Non-Independent Director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not in attendance.

Article 9: Before the election begins, the chairperson shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10: A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 11: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as Directors and the numbers of votes with which they were elected, shall be announced by the chairperson on the site.

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 12: The Board of Directors of the Company shall issue notifications to the persons elected as Directors.

Article 13: 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	2023
Item			
Beginning Paid-in Capital			195,531,000
Dividends	Cash Dividends per Share (NTD)		0
Distribution of This Year	Shares Distribution by Each Share of Earnings Transferred to Capital Increase (share)		0
	Shares Distribution by Each Share of Additional Paid-in Capital Transferred to Capital Increase (share)		0
Variance in Operating Performance	Operating Income (Note 1)		
	Increase (decrease) Ratio of Operating Income from Comparison with Same Period Last Year		
	Net Income after Tax		
	Increase (decrease) Ratio of Net Income after Tax from Comparison with Same Period Last Year		Inapplicable (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 Earnings per Share as well as PER	If Cash Dividends Distribution by Total of Capital Increase Transferred from Earnings	Pro Forma Earnings per Share	
		Pro Forma Average ROI Annual	
	If Capital Increase Transferred from Additional Paid-in Capital Undone	Pro Forma Earnings per Share	
		Pro Forma Average ROI Annual	Inapplicable (Note 2)
	If Additional Paid-in Capital Undone as well as Cash Dividends Distribution by Total of Capital Increase Transferred from Earnings	Pro Forma Earnings per Share	
		Pro Forma Average ROI Annual	

Note 1: Shares distribution as well as 2021 dividends distribution are estimated in accordance with the board resolution on MARCH 31, 2023. 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 2022 financial prediction.

Appendix V: Proposals related to the shareholders meeting

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.
2. Proposal application of the shareholders' general meeting 2023 is under acceptance, which the term is from April 10, 2023 to April 19, 2023, and has been announced in the Market Observation Post System.

II. There were no shareholder proposals during the shareholder meeting proposal period.

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 17, 2023

Title	Name	Shares in Hand
Chairman	GUO REN HAO	0
Board of Directors	First Steamship Co., Ltd. Representative: HUANG QIN GHAI	19,552,000 2,600,000
Board of Directors	First Steamship S.A. Representative: ZHANG JIN GUO	91,560,000
Board of Directors	LEE SENG CHAY	0
Independent Director	DING JIN HUEI	0
Independent Director	SHER CHING YEE	0
Independent Director	LIN YUK YAN MAYA	0
<i>Total</i>		113,712,000

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 Apr 17, 2023 are 195,531,000 shares



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