Stock Symbol:2243

HORNG SHIUE HOLDING Co., Ltd.

2019 Annual General Shareholders' Meeting

Meeting Minutes
(Translation)

June 27th, 2019 AM9:00
Place: No. 378, Sec. 1, Ren'ai Rd., Linkou Dist., New Taipei City 244, Taiwan (R.O.C.) (4F Conference Room, Linkou District Office)

A、Meeting Agenda

HORNG SHIUE HOLDING CO., LTD.
The 2019 Annual Meeting of Shareholders

Time：June 27th, 2019 (Thursday) AM 09:00

Place：No. 378, Sec. 1, Ren'ai Rd., Linkou Dist., New Taipei City 244, Taiwan (R.O.C.) (4F Conference Room, Linkou District Office)

a、Call the Meeting to Order【Announce Shareholders Present in Person】

b、Chairperson Remarks

c、Company Reports

(a) 2018 Business Report

(b) Audit Committee's Review Report on 2018

(c) The Report of the Company Fisrt Issue of Domestic Unsecured Corporate Bonds

(d) The Amendment of the Company "Rules of Procedure for Shareholders' Meeting"

d、Proposals

Item 1: (Proposed by the Board)

(a) Proposal of 2018 Business Report and Financial Statements

Explanation：

a、HORNG SHIUE Company's Business Report and Financial Statements have been approved by the Board, and the Financial Statements were audited by independent auditors, Yi Fan, Lin and Chun Yao, Lin of PwC Taiwan.

b、To proceed Auditor's Reviews Report and examined by Auditor Committees.

c、Please refer to the Appendix a, page 9 to 12, and Appendix d, page 16 to 27 of the 2018 Operating Report and Financial Statement.

d、Please proceed.

RESOLVED, the above proposal was accepted as submitted.

Voting Results:

Number of shares represented at the time of voting ：31,587,232 shares

Option	Shares	(%)
For	30,424,224	96.31%
Against	1,000	0.01%
Invalid	0	0.00%
Abstained	1,162,008	3.68%

(Item 2：(Proposed by the Board)

(b) Proposal of 2018 Deficit Compensation Statement
The company 2018 Audit Committee's Review Report please refer to Appendix b
RESOLVED, the above proposal was accepted as submitted.
Voting Results:

Number of shares represented at the time of voting ：31,587,232 shares

Option	Shares	%
For	30,424,224	96.31%
Against	1,006	0.01%
Invalid	0	0.00%
Abstained	1,162,002	3.68%

E、Discussion and Election Matters
(Item 1：(Proposed by the Board)

Proposal：Amendment to the Company"Memorandum and Aricles of Association". Please proceed to discuss.
Explanation：

a、In order to conform to the needs of amendment to Check Table for Shareholder Right Protection of Foreign Issuer Country of Registration」by Taiwan Stock Exchange Corporation, and the Company amended"Memorandum and Aricles of Association".

b、Please refer to the Appendix f
RESOLVED, the above proposal was accepted as submitted.

Voting Results:

Number of shares represented at the time of voting ：31,587,232 shares

Option	Shares	%
For	30,424,224	96.31%
Against	1,000	0.01%
Invalid	0	0.00%
Abstained	1,162,008	3.68%

Item 2： (Proposed by the Board)

Proposal：Amendment to the Company "Procedures for Acquisition or Disposal of Assets". Please procee to discuss.

Explanation：

a、The amendment to the Company "Procedures for Acquisition or Disposal of Assets" is in accordance with the Confirmation No. 03410725 issuing by the R.O.C. Financial Supervisory Commissio.

b、Please refer to the Appendix g

RESOLVED, the above proposal was accepted as submitted.

Voting Results:

Number of shares represented at the time of voting ：31,587,232 shares

Option	Shares	%
For	30,424,224	96.31%
Against	1,000	0.01%
Invalid	0	0.00%
Abstained	1,162,008	3.68%

Item 3： (Proposed by the Board)

Proposal：Amendment to the Company "the Operational Procedures for Loaning of Company Funds"and "the Operational Procedures for Endorsements and Guarantees". Please procced.

Explanation：

a、In order to conform to the needs of amendment to"Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", and the Company amended"the Operational Procedures for Loaning of Company Funds" and "the Operational Procedures for Endorsements and Guarantees".

b、Please refer to Appendix h and i, Please proceed.

RESOLVED, the above proposal was accepted as submitted.

Voting Results:

Number of shares represented at the time of voting ：31,587,232 shares

Option	Shares	%
For	30,424,224	96.31%
Against	1,000	0.01%
Invalid	0	0.00%
Abstained	1,162,008	3.68%

Item 4： (Proposed by the Board)

Proposal：Amendment to the Company "Rules of Shareholders'Meeting". Please proceed.

Explanation：

a、In order to conform to the needs of amendment to "Check Table for Shareholder Right Protection of Foreign Issuer Country of Registration", the Company amended "Rules of Shareholders'Meeting".

b、Please refer to the Appendix j, Please proceed.

RESOLVED, the above proposal was accepted as submitted.

Voting Results:

Number of shares represented at the time of voting ：31,587,232 shares

Option	Shares	%
For	30,424,224	96.31%
Against	1,000	0.01%
Invalid	0	0.00%
Abstained	1,162,008	3.68%

Item 5： (Proposed by the Board)

Proposal：Amendement to the Company "Procedure of Election Directors". Please Proceed.

Explanation：

a、The Amendment to the Company "Procedure of Election Directors"refers to the Taiwan Securities and Exchange Act Article 26-3 and Corporate Charter.

b、Please refer to the Appendix k, Please proceed.

RESOLVED, the above proposal was accepted as submitted.

Voting Results:

Number of shares represented at the time of voting ：31,587,232 shares

Option	Shares	%
For	30,424,224	96.31%
Against	1,000	0.01%
Invalid	0	0.00%
Option	1,162,008	3.68%

Item 6：(Proposed by the Board)

Proposal：The Company proposes to issue 2019 New Restricted Employee Shares Regulation. Please proceed.

Explanation：

a、In order to encourage employees, promote their conherence toward the Compnay and reach the purpose of obtaining talents, the Company proposes to issue 2019 New Restricted Employee Shares Regulation with maximum 2,000,000 shares in accordance with the Corporation Charter Article 267 and the regulations Govering the Offering and Issuance of Securiies by Securities Issuers.

b、Issuing amounts and conditions please refer to the 2019 New Restricted

Employee Shares Regulation for Appendix l .

c、The Company shall provide the fair value of daily stock measurement,and shall recognize the related fee in vesting period accordingly by year. On the date May 7th, 2019, imputing the maximum amount per share of the closed price 18 dollars could be NT$36,000 thousands. Forecasting the imputed amount per share from 2020 to 2022 would be NTD 10,800、NTD 10,800 and NTD14,400 (in thousands) respectively.

d、Diluted Earnings per Share Status: According to the outstanding shares 43,718,529 trial, the maximum amount per share would reduce NTD 0.25, NTD0.25 and NTD 0.33 from 2020 to 2022 respectively. It shall restrict the diluted earnings per share to the Company, and shall not affect shareholders' equity significantly.

e、The proposal of issuance regulation shall be amendment to conform the current law or authority approved. It shall authorize to the Chairperson in charge with the case.

f、The proposal issuance date has authorized to the Chairperson to scheduled, it shall declare to authority one or several times from the date of approval after the resolution by the Annual Meeting of Shareholders in a year, and isuue one or several times from the date of receiving approval note from the authority. Please proceed

RESOLVED, the above proposal was accepted as submitted.

Voting Results:

Number of shares represented at the time of voting ：31,587,232 shares

Option	Shares	%
For	30,424,224	96.31%
Against	1,006	0.01%
Invalid	0	0.00%
Option	1,162,002	3.68%

Item 7： (Proposed by the Board)

Proposal ： Propose to the Company Directors re-election (including Independent Directors). Please Proceed.

Explanation

List of nominees for the board of directors in 2019

RANK	Title of the nominee	Name	Education and work experience	Part-time position of our company and other companies currently	Shares

1	Director	維元 Co.,Ltd. Representative: Lin Wei-yuan	Mechanical department of 華夏工業專科學校 株式會社富士宮津研習 Vice president of 暘盛工業(股)公司	General manager of the company, chairman of HORNG SHIUE INDUSTRIAL Co., Ltd., chairman of 上海宏旭模具工業有限公司, chairman of 浙江宏旭智能製造有限公司, chairman of 上海大澍投資諮詢有限公司, director of 維元(股)公司, director of Famous Season Limited.	35,513,208
2	Director	維元 Co.,Ltd. Representative: Xiao Wen-zhou	Master's degree of 湖南大學車輛工程專業 Engineer of 東風汽車廠 Vice president of 湖大海捷製造技術有限公司 Sales vice president of 上海宏旭模具工業有限公司	General manager of 上海宏旭模具工業有限公司, eneral manager of 浙江宏旭智能製造有限公司, supervisor of 上海奧宏尼汽車技術有限公司.	29,562,060
3	Director	思源 Co.,Ltd. Representative: Lin Mei-ying	Business department of 祐德 Senior high school	Chief financial officer of 志祥精密工業(股)公司.	29,562,060
4	Director	思源 Co.,Ltd. Representative: Lin Xian-ping	Electrician department of 祐德 Senior high school	General manager of 兼任志祥精密工業(股)公司, director of 耿鼎企業(股)公司.	29,562,060
5	independent director	Wang Shu-cai	Accounting department of Chinese Culture University Auditor of 立本 accountancy firm Business manager of Bank SinoPac	Director of E-packing Holding Limited.	29,562,060
6	independent director	Cai Jin-long	Mechanical department of 華夏工業專科學校 General manager of 錦明實業(股)公司 Vice president of 寧波旺泉電子有限公司		29,562,060
7	independent director	Chen Fu-cheng	EMBA of National Central University Associate of Construction department of 中華工程(股)公司		29,562,060

Item 8： **(Proposed by the Board)**

Proposal ： Proposal for Release the Prohibition on Directors from Participation in Competitive Business. Please proceed.

Explanation：

a、In accordance with the Corporation Charter Article 209, the regulation states "the director shall clarify and acquire the permission to the essential content of action for himself/herself or others belong to the company operation."

b、In order to comform to the needs of operating strategy, it shall draft the regulation for releasing the restriction of prohibition to new director and his/her agent under the circumstances of no affect to the company operation and profit. Please proceed.

RESOLVED, the above proposal was accepted as submitted.

Voting Results:

Number of shares represented at the time of voting ：31,587,232 shares

Option	Shares	%
For	30,424,224	96.31%
Against	2,006	0.01%
Invalid	0	0.00%
Option	1,161,002	3.68%

E、Motions

Adjournment

F、 Appendix

Appendix a

HORNG SHIUE HOLDING CO., LTD.

2018 Business Report

To Horng Shiue Shareholders, Laies and Gentlemen,

Thank you all to join Horng Shiue 2019 shareholders' meeting. To understand 2018 Operating Performance, 2019 Operation Proposal Summary, the Compnay Future Devolopment Strategy and External Environment Effect, please refer to the following report:

a、2018 Operating Performance

(a)the Result of Implement Operation Program

According to the data from China Association of Automobile Manufactures, it demonstrates the automobile production in China 2018 is 27.81 millions and 28.08 millions respectively, which declines individually 4.2% and 2.8%. The production is lower than expected as the beginning year, due to the tax preference for purchasing vehicle droping out in 2018. Besides, the company is influenced by factors, such as macroeconomics, US-China trade war and constomer confidence, which mean it will still face more pressure within short time. Overviewing the Company operating revenue 2,061,361 thousands, it is less 4.55%, which the net after tax is 34,117 thousands, comparing to 2017. It is mainly affected by the relevant vehicle industries slowly increase in main China. The prospect of vehicle industry in China has come to the stage of high quality development since the market of car penetration still has a wide range to grow.

(b)The Status of Budge Implement

It is not applicable due to the Company did not disclosethe financial forecast in 2018.

(c)Analysis of Financial Disbursement and Profitability

Unit：in Thousands of New Taiwan Dollars

Item		2018	2017	Increase and Decrease Ratio%
Financial Disbursement	Operating Revenue	2,061,361	2,159,565	(4.55)
	Gross Profit	252,786	290,645	(13.03)
	Net Profit	(34,117)	43,502	(178.43)

Item			2018	2017	Increase and Decrease Ratio%
Profitability	Return on Assets (%)		0.16	1.81	(91.16)
	Return on Shareholders' equity		(3.74)	4.63	(180.78)
	Paid-in capital rate(%)	Operation income on capital	5.47	(75.02)	(75.02)
		Per-tax income to capital	(6.83)	(141.39)	(141.39)
	Net income to sales (%)		(1.66)	2.01	(182.59)
	Earning per shares (NT$)		(0.82)	1.14	(171.93)

(d)Research and Development Result

2017 Research and Development Result

Result	Application	Sale
New headlining switching mechanism design	Headlining switching mold	Two type of headlining board for all kind of cars
Improving the skill of car fender side flange die	Car fender mold	For all type of fender parts
Rebound control technique for front and back door ourtside plate	Car door outside plate mold	For all type of door outside plate parts
Crimping control technique for front and back door inside plate corner	Car door outside plate mold	For all type of door outside plate parts
Improving the skill for car side flange die	Car side mold	For all type of car side parts
Flange die and forming technique for car back door outer part for bottom	Mold for car back door outer top and bottom parts	For all type of back door outer top and bottom parts

The Company holds the technique independent principle, and cooperates with foreign corporation who has advance technology, and insists improving and upgrating design technology and production research, and cultivates talents for research and development. In conform the needs of car factory, we persist develop strong and special material mold, and improve the technique to increase finished product yield and decrease production cost. In the future, we will keep 3% of sale income in technique development and renovation investment in order to promote the product competitiveness.

b、2019 Operation Proposal Summary

(a)Operating Guideline

1. The Company continues promoting its competitiveness and market share through improvement of design techniques and manufacturing skills, and expects to be the leading professional car mold firm in China.
2. Enhancing high precision production equipment, inputing equipment and manufacture improvement, maintaining finish good yield and decreasing labor cost and operating cost.
3. Holding the principle of technique independent, corporating with foreign corporation with advance technology, and cultivating research and development talents, maintaining developing strong and special material mold to meet the clients' need, and improving technology and product precision.

(b) Sales prediction and reference

In accordance with the status of purchasing order, customer operating overview and market demand and development, the Company also considers the production to make the sales prediction. The Company upholds its core value of operating concept"Excellence, Integrating, Specialty, Inovation, Happiness", and controls the market and adopts the changing situation in order to achieve the 2019 Operation goal.

c、the Company Future Devolopment Strategy

(a)Improving mold product production and quality by adopting technology improvement and ability of market expand, development and cultivating subcontract cooperation system, and strengthening new product R&D and market expanding abilty to increasing the market share.

(b) Enhancing establishment of technology team, improving external cooperation and exchange, depending on technology independent and innovation, strengthen scientific management, increasing efficiency of resource usage, shorten the period of mold supply.

(c) Devloping towar high-class outer panel-beating mole, achieving the contractor for the whole car's mold.

(d) Expanding abroad market, implementing increase of mold export, becoming international mald supplier.

(e) Subcontracting low efficiency operating process, avoiding low added value product, decliening procurement price and unnecessary expanse to promote the Company's profit.

(f) through standard procedure, business process reengineering and informatization to improve the efficiency of production management, enhance company core competitiveness, reaching growth of product sales and profits.

d、Impact by External Competition, Law Restriction and the Whole Operating Environment

(一) To external competition, the Company do not compete with low-end market. The competition in middle-end market has became more steadily. Toward high-end market, the Company has gradually endeavored to gain the opportunity of solid cooperation relationship with the international main stream velicle corperation.

(二) The Company operates the production and sale procedure in accordance with law in the country of incorporation registeration. In recent years, the domestic and foreign courties' policy and regulation modification have not influenced our finance and sales. In the future, we will pay attention and seize the latest status of policy development and regulation modification in order to adopt the appropricate strategy.

(三) Recently in vehicle industry, the technology development and emphasis on safety and saving energy, the Company, with the vehicle corporation, siezes the developing trend to avoid great impact toward us by the whole operating environment.

The Company management team thanks every shareholders' and directors' support and trust. We will keep engage in operating company to produce more profits for shareholders.

Chairman: Wei Yuan, Lin Manager: Wei Yuan, Lin Accuting Manager: Sheng Fei, Ning

Appendix b

HORNG SHIUE HOLDING CO., LTD.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2018 Business Report, Financial Statements, and proposal for allocation of earnings, The PwC Taiwan was retained to audit HORNG SHIUE's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Finanacial Statement, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of HORNG SHIUE Holding Company Limited. According to relevant requirements of the Securities and Exchange Act and the Company Law, we hereby submit this report.

2019 HORNG SHIUE Holding Company Limited Shareholder Meeting

HORNG SHIUE Holding Company Limited

Chairmand of the Audit Committee：

王樹才印

Shu Tsai, Wang

March 26, 2019

HORNG SHIUE HOLDING CO., LTD.

Comparison Table for the Rules of Procedure for Shareholder Meetings

No.	Current Provisions	Proposed Amendmnets	Explanations
Article 15 Paragraph 1	If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voteon that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.	If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. Where the spouse, a blood 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 director, such director shall be deemed to have a personal interest in the matter. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another	In order to conform to the needs of amendments to No. 1071703794 「the Check Table for Shareholder Right Protection of Foreign Issuer Country of Registration」by Taiwan Stock Exchange Corporation, the company hereby proposes to amend the Corporate Charter.

No.	Current Provisions	Proposed Amendmnets	Explanations
		director.	
Article 20	The Article is approved on Setember 18, 2016, and the Article is amended on August 7, 2017.	The Article is approved on Setember 18, 2016, and the first amendment was approved on August 7, 2017, the second amendment was approved on May 27, 2019.	Clearly State the Article Amendment Date.

Appendix d

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Horng Shiue Holding Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Horng Shiue Holding Co., Ltd. and subsidiaries (the "Group") as at December 31, 2018 and 2017, and the related consolidated statements of comprehensive income, of changes in equity and of 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 at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China (ROC GAAS). 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 Code of Professional Ethics for Certified Public Accountants in the 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 for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements 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, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements of the current period are stated as follows:

Appropriateness of cut-off of stamping die sales revenue

Description

For accounting policy on sales revenue, please refer to Note 4(26).

The Group's revenue mainly derives from automotive sheet metal stamping die sold by assembly plant and stamping factory. Because automotive industry is belongs to a buyer's market, revenue recognised when customers accepted products and the control of products has been transferred to customers.

Considered revenue is recognised after the acceptance from client, which involves several manual controls and affects the accuracy of sales revenue recognition timing, and revenue is significant to the financial statements, therefore, we identified cut-off of sales revenue as a key audit matter.

How our audit addressed the matter

Our procedures in relation to the above key audit matter included:

1. Obtained an understanding of and inspected the procedures on sales revenue recognition of automotive sheet metal stamping die. Assessed and tested the effectiveness of design and performance of the internal control procedures on sale revenue recognition, and confirmed they were adopted consistently during the comparable periods of the financial statements.
2. Performed confirmation on the Company's accounts receivable around the year-end date in order to check whether recorded accounts receivable and customers' recognition timing are reasonable.
3. Performed cut off test on sales revenue transactions around the balance sheet date, and verified the date on the acceptance receipts that had been signed by customers in order to check the accuracy of cut-off timing.

Valuation of allowance for inventory valuation losses

Description

Please refer to Note 4(10) for description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(3) for the description of inventory.

The Group primarily engaged in manufacture, processing and trading of automotive sheet metal stamping die and gauge. Because the manufacture cycle is longer than one year, and there is a high possibility that inventory valuation loss occurred due to changes in the material price, labor costs and demands. The Group's inventories are measured at the lower of cost and net realisable value, and the Group adopted allowance for inventory valuation loss to assess inventories that are over a certain age and inventories individually identified as obsolete or slow-moving.

Inventory of $1,932,626 (constituting 49% of total assets) is significant to the financial statements, and the assessment of net realisable value is subjective judgment resulting in a high degree of estimation uncertainty. Thus, we determined valuation of allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

Our procedures in relation to the above key audit matter included:

1. Assessed the reasonableness of policies and procedures on allowance for inventory valuation loss, based on our understanding of the operations and industry of the Group.
2. Obtained an understanding of the inventory control procedures, and reviewed annual inventory count plan and participating in the annual inventory counting event;
3. Obtained the Group's allowance for inventory valuation loss report, and selected a sample of inventories to test the accuracy of calculation logic and information.
4. Interviewed with management to obtain supporting documents in relation to net realisable value, and selected a sample of and reviewed the related data to assess the reasonableness of determination of allowance for inventory valuation loss.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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 ROC GAAS 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 ROC GAAS, 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 auditor's 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 remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Lin, Yi-Fan

Lin, Chun-Yao

For and on behalf of PricewaterhouseCoopers, Taiwan
March 26, 2019

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic

(Expressed in thousands of New Taiwan dollars)

of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

	Assets	Notes	December 31, 2018 AMOUNT	December 31, 2017 AMOUNT
	Current assets			
1100	Cash and cash equivalents	6(1)	$ 254,183	$ 138,077
1150	Notes receivable, net	6(2)	117,240	145,037
1170	Accounts receivable, net	6(2) and 8	877,865	875,110
1200	Other receivables		17,364	8,171
130X	Inventory	6(3)	1,932,626	2,036,013
1470	Other current assets	8	84,364	104,706
11XX	**Current Assets**		3,283,642	3,307,114
	Non-current assets			
1600	Property, plant and equipment	6(4) and 8	484,788	561,648
1780	Intangible assets		15,981	19,156
1840	Deferred income tax assets	6(21)	16,320	21,592
1900	Other non-current assets	6(5) and 8	158,334	84,446
15XX	**Non-current assets**		675,423	686,842
1XXX	**Total assets**		$ 3,959,065	$ 3,993,956

(Continued)

HORNG SHIUE HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2018 AMOUNT	December 31, 2017 AMOUNT
	Current liabilities			
2100	Short-term borrowings	6(6)	$ 225,452	$ 615,880
2120	Current financial liabilities at fair value through profit or loss	6(7)	5,520	-
2130	Current contract liabilities	6(15)	964,194	-
2150	Notes payable		201,717	137,192
2170	Accounts payable		672,101	765,840
2200	Other payables	6(8)	224,555	179,853
2310	Advance receipts		-	1,211,664
2320	Long-term liabilities, current portion	6(10)	22,524	43,934
21XX	**Current Liabilities**		2,316,063	2,954,363
	Non-current liabilities			
2530	Bonds payable	6(9)	360,396	-
2540	Long-term borrowings	6(10)	312,757	21,932
2570	Deferred income tax liabilities	6(21)	4,724	7,531
25XX	**Non-current liabilities**		677,877	29,463
2XXX	**Total Liabilities**		2,993,940	2,983,826
	Equity			
	Share capital	6(12)		
3110	Share capital - common stock		416,000	416,000
	Capital surplus	6(13)		
3200	Capital surplus		488,515	490,692
	Retained earnings	6(14)		
3310	Legal reserve		16,253	12,064
3320	Special reserve		56,861	-
3350	Total unappropriated retained earnings		21,921	150,261
	Other equity interest			
3400	Other equity interest		(34,425)	(58,887)
3XXX	**Total equity**		965,125	1,010,130
	Significant contingent liabilities	9		
	Significant events after the balance sheet date	11		
3X2X	**Total liabilities and equity**		$ 3,959,065	$ 3,993,956

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

HORNG SHIUE HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share)

	Items	Notes	Year ended December 31 2018 AMOUNT	2017 AMOUNT
4000	**Sales revenue**	6(15)	$ 2,061,361	$ 2,159,565
5000	**Operating costs**	6(3)(18)(19)	(1,808,575)	(1,868,920)
5900	**Net operating margin**		252,786	290,645
	Operating expenses	6(18)(19)		
6100	Selling expenses		(18,168)	(18,785)
6200	General & administrative expenses		(102,348)	(115,654)
6300	Research and development expenses		(64,719)	(65,119)
6450	Impairment loss determined in accordance with IFRS 9	6(18)	(44,809)	-
6000	**Total operating expenses**		(230,044)	(199,558)
6900	**Operating profit**		22,742	91,087
	Non-operating income and expenses			
7010	Other income	6(16)	6,620	12,122
7020	Other gains and losses	6(17)	(10,320)	(3,052)
7050	Finance costs	6(20)	(47,472)	(31,534)
7000	**Total non-operating income and expenses**		(51,172)	(22,464)
7900	**(Loss) profit before income tax**		(28,430)	68,623
7950	Income tax expense	6(21)	(5,687)	(25,121)
8200	**(Loss) profit for the year**		($ 34,117)	$ 43,502
	Other comprehensive income			
	Components of other comprehensive income that will not be reclassified to profit or loss			
8361	Other comprehensive income, before tax, exchange differences on translation		$ 24,462	($ 17,582)
8500	**Total comprehensive income for the year**		($ 9,655)	$ 25,920
	Earnings per share	6(22)		
9750	**Basic earnings per share**		($ 0.82)	$ 1.14
9850	**Diluted earnings per share**		($ 0.82)	$ 1.14

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

HORNG SHIUE HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent							
			Capital Reserves		Retained Earnings				
	Notes	Share capital - common stock	Additional paid-in capital	Share options	Legal reserve	Special reserve	Total unappropriated retained earnings	Financial statements translation differences of foreign operations	Total equity
Year 2017									
Balance at January 1, 2017		$ 369,770	$ 384,464	$ -	$ -	$ -	$ 155,800	($ 41,305)	$ 868,729
Balance at 1 January after adjustments		369,770	384,464	-	-	-	155,800	(41,305)	868,729
Profit for the year		-	-	-	-	-	43,502	-	43,502
Other comprehensive loss for the year		-	-	-	-	-	-	(17,582)	(17,582)
Total comprehensive income		-	-	-	-	-	43,502	(17,582)	25,920
Cash capital increase	6(12)	46,230	106,228	-	-	-	-	-	152,458
Appropriation and distribution of 2016 retained earnings:	6(14)								
Legal reserve		-	-	-	12,064	-	(12,064)	-	-
Cash dividend		-	-	-	-	-	(36,977)	-	(36,977)
Balance at December 31, 2017		$ 416,000	$ 490,692	$ -	$ 12,064	$ -	$ 150,261	($ 58,887)	$ 1,010,130
Year 2018									
Balance at January 1, 2018		$ 416,000	$ 490,692	$ -	$ 12,064	$ -	$ 150,261	($ 58,887)	$ 1,010,130
Balance at 1 January after adjustments		416,000	490,692	-	12,064	-	150,261	(58,887)	1,010,130
Loss for the year		-	-	-	-	-	(34,117)	-	(34,117)
Other comprehensive income		-	-	-	-	-	-	24,462	24,462
Total comprehensive income		-	-	-	-	-	(34,117)	24,462	(9,655)
Appropriation and distribution of 2017 retained earnings:	6(14)								
Legal reserve		-	-	-	4,350	-	(4,350)	-	-
Special reserve		-	-	-	-	58,887	(58,887)	-	-
Cash dividend		-	-	-	-	-	(20,800)	-	(20,800)
Differences of exchange rate arising from changes in functional currencies	4(4)	-	(30,542)	-	(161)	(2,026)	(10,186)	-	(42,915)
Issuance of convertible bonds	6(9)	-	-	28,365	-	-	-	-	28,365
Balance at December 31, 2018		$ 416,000	$ 460,150	$ 28,365	$ 16,253	$ 56,861	$ 21,921	($ 34,425)	$ 965,125

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

	Notes	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) profit before tax		($ 28,430)	$ 68,623
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(18)(19)	75,277	77,905
Amortisation charge	6(18)(19)	10,985	6,393
Expected credit impairment loss	6(18)	44,809	-
Bad debt expense	6(18)	-	21,995
Interest income	6(16)	(1,546)	(1,005)
Interest expense	6(20)	47,472	31,534
Losses (gains) on disposals of property, plant and equipment	6(17)	30	(55)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(24,319)	(22,433)
Accounts receivable		(9,464)	(462,043)
Other receivables		(9,387)	1,526
Inventories		76,235	139,441
Prepayments		(1,443)	(34,395)
Other current assets		(6,049)	(4,680)
Changes in operating liabilities			
Contract liabilities		(234,175)	-
Notes payable		67,455	(28,412)
Accounts payable		(84,368)	167,062
Other payables		36,851	(60,531)
Receipt in advance		-	(83,715)
Cash outflow generated from operations		(40,067)	(182,790)
Interest received		1,546	1,005
Interest paid		(37,911)	(31,438)
Net cash flows used in operating activities		(76,432)	(213,223)
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in other financial assets-current (shown as 'Other current assets')		27,502	1,606
Acquisition of property, plant and equipment	6(24)	(5,200)	(187,249)
Disposal of property, plant and equipment		358	231
Acquisition of intangible assets		(3,141)	(18,562)
Increase in refundable deposits		(17,542)	(1,964)
Increase in prepaid equipments (shown as 'Other non-current assets')		(60,919)	-
Increase in other financial assets - non-current (shown as 'Other non-current assets)		(787)	-
Net cash flows used in investing activities		(59,729)	(205,938)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net changes in short-term borrowings	6(25)	(390,223)	82,588
Lease payable		-	(1,785)
Proceeds from long-term borrowings	6(25)	379,002	86,898
Repayments of long-term borrowings	6(25)	(104,509)	(21,758)
Cash capital increase	6(12)	-	152,458
Cash dividend	6(14)	(20,800)	(36,977)
Proceeds from issuing convertible bonds	6(9)(25)	394,510	-
Net cash flows from financing activities		257,980	261,424
Effect of exchange rate changes		(5,713)	(38,722)
Net increase (decrease) in cash and cash equivalents		116,106	(196,459)
Cash and cash equivalents at beginning of year		138,077	334,536
Cash and cash equivalents at end of year		$ 254,183	$ 138,077

Appendix e

HORNG SHIUE HOLDING CO., LTD.

Earning Distribution Proposal

2018

Unit: NT$

Beginning Retained Earnings	66,223,886
Other Adjustment: Functional Currency Cumulative Translation	(10,185,602)
2018 Profit (Loss)	(34,117,058)
Add: reversal of special reserve (note)	22,436,304
Unappropriated retained earnings	44,357,530

Chairman: Wei Yuan, Lin　Manager: Wei Yuan, Lin　Accuting Manager: Sheng Fei, Ning

Note: Reversal 2018 shareholders' equity-other equities debit's balance differences.

Appendix f

HORNG SHIUE HOLDING CO., LTD.

Comparison Table for MEMORANDUM AND ARTICLES OF ASSOCIATION

No.	Current Provisions	Proposed Amendments	Explanations
Article 7	Add.	**When conducting business, the Company shall comply with the laws and regulations as well as business ethics, and may take actions that will promote public interests in order to fulfil its social responsibilities.**	In order to conform to the needs of amendments to No. 1071703794 「the Check Table for Shareholder Right Protection of Foreign Issuer Country of Registration」 by Taiwan Stock Exchange Corporation, the company hereby proposes to amend the Article 7 of MEMORANDUM AND ARTICLES OF ASSOCIATION.

Comparison Table for ARTICLES OF ASSOCIATION

No.	Current Provisions	Proposed Amendments	Explanations
Article 2	(1) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires: Discount Transfer — has the meaning set out in Article 23**(4)**; Ordinary Resolution — a resolution:- (a) passed by a simple majority of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Members being Juristic Persons, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting of the Company held in accordance with these Articles; **and** (b) at any time other than during the Relevant Period, approved in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general	(1) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires: Discount Transfer — has the meaning set out in **Paragraph (4) of** Article 23; Ordinary Resolution — a resolution:- (a) passed by a simple majority of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Members being Juristic Persons, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting of the Company held in accordance with these Articles; (b) at any time other than during the Relevant Period, approved in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being Juristic	Adjusting words to avoid doubts and organize the Articles coding.

		meetings (or being Juristic Persons by their duly authorized representatives); **<u>and</u>** (c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of the resolution so adopted shall be the date on which the instrument is executed;		Persons by their duly authorized representatives); **<u>or</u>** (c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of the resolution so adopted shall be the date on which the instrument is executed;	
	Special Resolution	a special resolution of the Company passed in accordance with the Law, being a resolution: (a) passed by a majority of at least two-thirds of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Members being Juristic Persons, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting of the Company held in accordance with these Articles, of which notice, specifying (without prejudice to the power	Special Resolution	a special resolution of the Company passed in accordance with the Law, being a resolution: (a) passed by a majority of at least two-thirds of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Members being Juristic Persons, by their respective duly authorised representatives or, where proxies are allowed, by proxy, present at a general meeting of the Company held in accordance with these Articles, of which notice, specifying (without prejudice to the power contained in these Articles to	

No.	Current Provisions	Proposed Amendments	Explanations
	contained in these Articles to amend the same) the intention to propose the resolution as a Special Resolution, has been duly given; **<u>and</u>** (b) at any time other than during the Relevant Period, approved in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being Juristic Persons by their duly authorized representatives); **<u>and</u>** (c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of the special resolution so adopted shall be the date on which the instrument is executed. A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any	amend the same) the intention to propose the resolution as a Special Resolution, has been duly given; (b) at any time other than during the Relevant Period, approved in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being Juristic Persons by their duly authorized representatives); **<u>or</u>** (c) where the Company has only one Member, approved in writing by such Member signed by such Member and the effective date of the special resolution so adopted shall be the date on which the instrument is executed. A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is	

No.	Current Provisions	Proposed Amendments	Explanations
	provision of these Articles;	expressed to be required under any provision of these Articles;	
Article 7	Add paragraph 4.	**(4) The Company shall neither issue Shares without par value nor convert its Shares from Shares with par value to Shares without par value.**	In order to conform to the needs of amendments to No. 1071703794 「the Check Table for Shareholder Right Protection of Foreign Issuer Country of Registration」 by Taiwan Stock Exchange Corporation (hereby "November 30th, 2018 Check Table for Shareholder's equity Protection Item", the company hereby proposes to add

No.	Current Provisions	Proposed Amendments	Explanations
			the Article 7 Paragraph 4 of Memorandum and Articles of Association.
Article 18	Subject to the Law, the Board shall cause to be kept the Register at such place within or outside the Cayman Islands as it deems fit. During the Relevant Period, the Register shall be entered therein the particulars required under the Law and the Applicable Listing Rules, and shall be made available at its Shareholder Service Agent's office in the R.O.C.	Subject to the Law, the Board shall cause to be kept the Register at such place within or outside the Cayman Islands as it deems fit. During the Relevant Period, the Register shall be entered therein the particulars required under the Law and the Applicable Listing Rules, and shall be made available at its Shareholder Service Agent's office in the R.O.C. **<u>The Board or any other authorized conveners of general meetings of the Company may request that the Company or the Company's Shareholder Service Agent provide a copy of the Register for inspection.</u>**	In order to conform to the needs of Check Table for Shareholder's equity Protection Item on November 30^{th}, 2018, hereby to add the last part of Article 18.

No.	Current Provisions	Proposed Amendments	Explanations
Artiel 28	(2) During the Relevant Period, subject to the Law, for the purposes of (a) determining the Members entitled to receive any dividend/bonus, distribution or issue; and (b) determining the Members entitled to receive notices of, attend or vote at any general meeting or any adjournment thereof, the Board shall fix the period that the Register shall be closed for transfers at least for a period of sixty (60) days before the date of each annual general meeting, thirty (30) days before the date of each extraordinary general meeting and five (5) days before the target date for a dividend, bonus or other distribution. For the purpose of calculating the **abovementioned period**, the respective convening date of the general meeting or the relevant target date shall be included.	(2) During the Relevant Period, subject to the Law, for the purposes of (a) determining the Members entitled to receive any dividend/bonus, distribution or issue; and (b) determining the Members entitled to receive notices of, attend or vote at any general meeting or any adjournment thereof, the Board shall fix the period that the Register shall be closed for transfers **(the "Book Closure Period")** at least for a period of sixty (60) days before the date of each annual general meeting, thirty (30) days before the date of each extraordinary general meeting and five (5) days before the target date for a dividend, bonus or other distribution. For the purpose of calculating the **Book Closure Period**, the respective convening date of the general meeting or the relevant target date shall be included.	Adjusting words to organize the term
Article 32	Any one or more Member(s) **holding at least three percent (3%) of the issued and outstanding Shares of the Company for a period of one year or a longer time** may, by depositing the requisition notice specifying the proposals to be resolved and the reasons, request the Board to convene an extraordinary general meeting. If the Board does not give notice to Members to convene such meeting within fifteen (15) days after the date of the requisition notice, the proposing Member(s) may convene a general meeting.	**(1)** Any one or more Member(s) may, by depositing the requisition notice specifying the proposals to be resolved and the reasons **thereof**, request the Board to convene an extraordinary general meeting**, provided that such Member or Members continuously holds at least three percent (3%) of the issued Shares of the Company as at the date of deposit of the requisition notice for a period of at least one (1) year immediately prior to that date**. If the Board does not give notice to Members to convene such meeting within fifteen (15) days after the date of the requisition notice, the proposing Member(s) may convene a general meeting. **(2) Any one or more Member(s) continuously holding more than half of the total issued Shares of the Company for a period of no less than three (3) months may convene an extraordinary general meeting. The number of Shares held by such Member or Members and the holding period of which such Member or Members hold**	In order to conform to the needs of Check Table for Shareholder's equity Protection Item on November 30th, 2018, hereby to add Article 32 paragraph 2 and 3, and adjusting words in current article 32 Paragraph 1 to avoid

No.	Current Provisions	Proposed Amendments	Explanations
		<u>such Shares shall be calculated and determined based on the Register as of the first day of the Book Closure Period.</u> **<u>(3) In addition to the circumstance where the Board should have convened a general meeting but does not or is unable to convene a general meeting pursuant to the Law, the Applicable Listing Rules or these Articles, an Independent Director from the audit committee of the Company may also, for the benefit of the Company, call a general meeting when it is deemed necessary.</u>**	doubts.
Article 36	The following matters shall not be considered, discussed or proposed for approval at a general meeting unless they are specified in the notice of general meeting with the description of their major contents: (a) any election or removal of Director(s); (b)any alteration of the Memorandum and/or these Articles; …*(Omitted)*	The following matters shall not be considered, discussed or proposed for approval at a general meeting unless they are specified in the notice of general meeting with the description of their major contents**<u>; the major contents may be posted on the website designated by the R.O.C. competent authorities or the Company, and such website shall be indicated in the notice</u>**: (a) any election or removal of Director(s); (b)any alteration of the Memorandum and/or these Articles; **<u>(c) any capital reduction or compulsory purchase and cancellation of Shares pursuant to Paragraph (1) of Article 24;</u>** **<u>(d) applying for the approval of ceasing the status as a public company;</u>** …*(Omitted)*	In order to conform to the needs of Check Table for Shareholder's equity Protection Item on November 30th, 2018, hereby to add Article 36 paragraph (c) and (d).

No.	Current Provisions	Proposed Amendments	Explanations
Article 40	(1) During the Relevant Period, one or more Member(s) holding one percent (1%) or more of the total issued **and outstanding** Shares of the Company may submit to the Company not more than one proposal in writing **for resolution at an annual general meeting; provided that only one matter shall be allowed in a single proposal, the number of words therein contained shall not be more than three hundred (300), and the matter of such proposal may be resolved by a general meeting, or otherwise such proposal shall not be included in the agenda**. …*(Omitted)* (4) The Board **may exclude** a proposal submitted by Member(s) **if**: (a) the proposal involves matters which cannot be settled or resolved at a general meeting under the Law, the Applicable Listing Rules and these Articles; (b) the number of Shares held by the proposing Member(s) is less than one percent (1%) of the total issued **and outstanding** Shares in the Register upon commencement of the period in which the Register is closed for transfers before the relevant annual general meeting of the Company; or **(c)** the proposal is submitted after the expiration of the specified period announced by the Company for submitting proposals. **(5)** The Company shall, prior to the despatch of a notice of the relevant annual general meeting, inform all the proposing Members of whether their proposals are accepted or not, and shall list in the notice of the relevant annual general meeting all the accepted proposals. The Board shall	(1) During the Relevant Period, one or more Member(s) holding one percent (1%) or more of the total issued Shares of the Company may submit to the Company not more than one proposal in writing **or by way of electronic transmission for resolution at an annual general meeting**. …*(Omitted)* (4) The Board **shall include** a proposal submitted by Member(s) **unless**: (a) the proposal involves matters which cannot be settled or resolved at a general meeting under the Law, the Applicable Listing Rules and these Articles; (b) the number of Shares held by the proposing Member(s) is less than one percent (1%) of the total issued Shares in the Register upon commencement of the period in which the Register is closed for transfers before the relevant annual general meeting of the Company; **(c) the proposal contains more than one matter;** **(d) the proposal contains more than three hundred (300) words; or** **(e)** the proposal is submitted after the expiration of the specified period announced by the Company for submitting proposals. **(5) If a proposal submitted by Member(s) is intended to urge the Company to promote public interests or fulfil its social responsibilities, the Board may include the proposal notwithstanding that one of the circumstances set forth in the preceding Paragraph (4) of this Article applies.**	In order to conform to the needs of Check Table for Shareholder's equity Protection Item on November 30th, 2018, hereby to amend Article 40 paragraph 1 and 2 and add Paragraph 5, and the current Paragraph 5 adjust to Paragraph 6. Adjusting words to avoid doubts in accordance with the regulations of the Company Act.

No.	Current Provisions	Proposed Amendments	Explanations
	explain at the relevant annual general meeting the reasons for excluding any proposal submitted by Members.	<u>(6)</u> The Company shall, prior to the despatch of a notice of the relevant annual general meeting, inform all the proposing Members of whether their proposals are accepted or not, and shall list in the notice of the relevant annual general meeting all the accepted proposals. The Board shall explain at the relevant annual general meeting the reasons for excluding any proposal submitted by Members.	
Article 46	Add Paragraph 1 Subparagraph (t) and Paragraph 2	<u>(1)</u> Subject to the Law and the Applicable Listing Rules, the Company may by a Special Resolution: … **<u>(t) apply for approval of ceasing the status as a public company.</u>** **<u>(2) Notwithstanding anything contained in these Articles, unless otherwise provided by the Law and the Applicable Listing Rules, in case the Company is dissolved after participating in the merger/consolidation or the Company is delisted from the TPEx or TWSE due to the general transfer (or the assignment of all rights and delegation of all duties of the Company), the transfer of business or assets of the Company, any share swap arrangement or any Spin-off entered into or carried out by the Company while the surviving, transferee, existing or newly incorporated company is not a listed company (including TWSE/TPEx listed company), any such action aforementioned shall be approved by the affirmative vote of at least two-thirds (2/3) of the total votes cast by the Members of the Company.</u>**	In order to conform to the needs of Check Table for Shareholder's equity Protection Item on November 30th, 2018, hereby to add Article 46 paragraph 2. Adjusting the current article 46 to adopt term into 1. To add Article 46 Paragraph 1 Subparagraph (t) in accordance with regulation of the Company Act

No.	Current Provisions	Proposed Amendments	Explanations
Article 48	(1) Subject to the Law, in the event any of the resolutions with respect to the matter(s) as set out in **Paragraphs** (a), (b) or (c) of Article 46 is adopted at a general meeting, a Member who has notified the Company in writing of his objection to such proposal prior to that meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Member shall have the abovementioned appraisal right if the resolution to be adopted is in relation to the matter(s) set out in **Paragraph** (b) of Article 46 and at the same meeting the resolution for the winding up of the Company is also adopted. (2) **In** the event any part of the Company's business is involved in any Spin-Off, Merger or Consolidation, a Member, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing before the relevant vote, may request the Company to purchase all of his Shares at the then prevailing fair price **in accordance with the Law**. (3) Without prejudice to the Law, in the event the Company and a Member making a request pursuant to Paragraphs (1) or (2) of this Article fail to reach agreement on the purchase price within sixty (60) days following the date of the resolution, the Member may, within thirty (30) days after such sixty (60) days period, file a petition to the R.O.C. Courts **if and to the extent permitted under the Law,** for a ruling on the appraisal price.	(1) Subject to **the compliance with** the Law, in the event any of the resolutions with respect to the matter(s) as set out in **Subparagraphs** (a), (b) or (c) **of Paragraph (1)** of Article 46 is adopted at a general meeting, a Member who has notified the Company in writing of his objection to such proposal prior to that meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Member shall have the abovementioned appraisal right if the resolution to be adopted is in relation to the matter(s) set out in **Subparagraph** (b) **of Paragraph (1)** of Article 46 and at the same meeting the resolution for the winding up of the Company is also adopted. (2) **Subject to the Compliance with Law, in** the event any part of the Company's business is involved in any Spin-Off, Merger or Consolidation, a Member, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing **or orally with an entry to that effect in the minutes of the meeting** before the relevant vote, may request the Company to purchase all of his Shares at the then prevailing fair price. (3) Without prejudice to the Law, in the event the Company and a Member making a request pursuant to Paragraphs (1) or (2) of this Article fail to reach **an** agreement on the purchase price within sixty (60) days following the date of the resolution, the Member may, within thirty (30) days after such sixty (60) days period, file a petition to the R.O.C. Courts for a ruling on the appraisal price. **However, for the purpose of protecting rights of the dissenting Member, the Company may elect to act in accordance with the laws of place where the securities of the Company are registered or listed.**	Adjusting words in order to conform to the amendment of Article 46 and in accordance with the Company Act. Adding last part of Article 48 Paragraph 3 in accordance with regulation of the Company Act to protect shareholder's equity.

No.	Current Provisions	Proposed Amendments	Explanations
Article 68	(2) Without prejudice to other provisions of these Articles, the **Company** may **by an Ordinary Resolution** put **all Directors** for re-election before the expiration of the term of office of such Directors. In **this** event**, if it is not specified in such resolution that the existing Directors will not retire until** the expiration **date** of **their terms** of office **or other specified date, they shall be deemed to have retired on the date of such resolution**, subject to the successful election of the new Directors at the same meeting	(2) Without prejudice to other provisions of these Articles, the **Directors** may **be** put **up** for re-election **at any time** before the expiration of the term of office of such Directors. In **the** event **where all Directors are subject for re-election at a general meeting before** the expiration of **the term** of office **of such Directors**, subject to the successful election of the new Directors at the same meeting**, the term of office of all current Directors is deemed to have expired on the date of the re-election if the Members do not resolve that all current Directors will only retire at the expiration of their present term of office or any other date as otherwise resolved by the Members at the general meeting**.	In order to conform to the needs of Check Table for Shareholder's equity Protection Item on November 30th, 2018, hereby to add Article 68 paragraph 2, and adjusting words to organized terms.
Article 83	(1) During the Relevant Period, a person who is under any of the following circumstances shall not act as a Director of the Company; if he has already held office of a Director, he shall cease to act as a Director and be removed from the position of Director automatically: (a) commits a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of the R.O.C.) and has been convicted thereof, and **the time elapsed after he has served the full term of the sentence** is less than five (5) years; (b) has been **sentenced to** imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and the time elapsed after **he has**	(1) During the Relevant Period, a person who is under any of the following circumstances shall not act as a Director of the Company; if he has already held office of a Director, he shall cease to act as a Director and be removed from the position of Director automatically: (a) commits a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of the R.O.C.) and has been convicted thereof, and **has not started serving the sentence, has not completed serving the sentence, or the time elapsed after completion of serving the sentence, expiration of the probation, or pardon** is less than five (5) years; (b) has been **imposed a final sentence involving** imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and **has not started serving the sentence, has not**	In order to conform to the needs of Check Table for Shareholder's equity Protection Item on November 30th, 2018, hereby to amend Article 83 paragraph 1 subparagraph （a）、（b）、（c）、（d）及（f）, and

No.	Current Provisions	Proposed Amendments	Explanations
	served the full term of such sentence is less than two (2) years; (c) has been **convicted of misappropriating public funds during the time of his public service**, and the time elapsed after **he has served the full term of such sentence** is less than two (2) years; (d) becomes bankrupt under the laws of any jurisdiction and has not been reinstated to his rights and privileges; (e) has allowed cheques and other negotiable instruments to be dishonoured and the records thereof have not been cancelled or expunged by the relevant regulatory authorities; (f) dies or **has no or is limited in legal capacity according to the Law and/or Applicable Listing Rules**; ... *(Omitted)* (3) During the Relevant Period, if a Director (other than Independent Director), (i) after having been elected and before his inauguration of the office of a Director, has transferred some or all his Shares held by him such that the remaining Shares are less than one half of the Shares held by such Director at the time of his election or, (ii) within the **closing period** fixed by the Board in accordance with Article 28(2) prior to the general meeting for the election of	**completed serving the sentence, or** the time elapsed after **completion of serving the** sentence**, expiration of the probation, or pardon** is less than two (2) years; (c) has been **imposed a final sentence due to violation of the Anti-corruption Act**, and **has not started serving the sentence, has not completed serving the sentence, or** the time elapsed after **completion of serving the sentence, expiration of the probation, or pardon** is less than two (2) years; (d) becomes bankrupt **or is adjudicated of commencement of liquidation proceeding by a court** under the laws of any jurisdiction, and has not been reinstated to his rights and privileges; (e) has allowed cheques and other negotiable instruments to be dishonoured and the records thereof have not been cancelled or expunged by the relevant regulatory authorities; (f) dies or **an order has been made by any competent court or authority on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and such order has not been revoked, or his legal capacity is restricted according to the applicable laws**; ... *(Omitted)* (3) During the Relevant Period, if a Director (other than Independent Director), (i) after having been elected and before his inauguration of the office of a Director, has transferred some or all his Shares held by him such that the remaining Shares are less than one half of the Shares held by such Director at the time of his election or, (ii) within the **Book Closure Period** fixed by the Board in accordance with Article 28(2) prior to the general meeting for the election of such Director, has transferred some or all his Shares held by him such that the remaining Shares are less than one half of	adjusting terms in article. Adjusting words and organizing terms in order to conform to the amendment article 28.

No.	Current Provisions	Proposed Amendments	Explanations
	such Director, has transferred some or all his Shares held by him such that the remaining Shares are less than one half of the Shares held at the commencement of the **closing period**, his election as a Director shall be deemed invalid and void.	the Shares held at the commencement of the **Book Closure Period**, his election as a Director shall be deemed invalid and void.	
Article 85	In case a Director has, in the course of performing his/her/its duties, committed any act resulting in material damage to the Company or in serious violation of the Law, the Applicable Listing Rules or these Articles, but has not been removed from office by a resolution in a general meeting, one or more Members holding three percent (3%) or more of the total number of issued **and outstanding** Shares of the Company may, within thirty (30) days after that general meeting, submit a petition to a competent court, including the Taiwan Taipei District Court of the R.O.C., but only if and to the extent permitted under the Law and the Applicable Listing Rules, for removing such Director from office.	In case a Director has, in the course of performing his/her/its duties, committed any act resulting in material damage to the Company or in serious violation of the Law, the Applicable Listing Rules or these Articles, but has not been removed from office by a resolution in a general meeting, one or more Members holding three percent (3%) or more of the total number of issued Shares of the Company may, within thirty (30) days after that general meeting, submit a petition to a competent court, including the Taiwan Taipei District Court of the R.O.C., but only if and to the extent permitted under the Law and the Applicable Listing Rules, for removing such Director from office.	Adjusting words in accordance with the regulation of the Company Act.
Article 86	Subject to the Law, one or more Members holding **three** percent (**3**%) or more of the total number of the **outstanding** Shares continuously for a period of **more than one year** may request in writing any Independent Director of the Audit Committee to file, on behalf of the Company, an action against a Director who has, in the course of performing his/her duties, committed any act resulting in damage to the Company or in violation of the Law, the Applicable Listing Rules or these Articles, with a competent court, including the Taiwan Taipei District Court of the R.O.C. In case the Independent Director fails to file such action within thirty (30) days after receipt of such request, to the extent permitted under the laws of the Cayman	Subject to the Law, one or more Members holding **one** percent (**1**%) or more of the total number of the **issued** Shares continuously for a period of **six (6) months or a longer time** may request in writing any Independent Director of the Audit Committee to file, on behalf of the Company, an action against a Director who has, in the course of performing his/her duties, committed any act resulting in damage to the Company or in violation of the Law, the Applicable Listing Rules or these Articles, with a competent court, including the Taiwan Taipei District Court of the R.O.C. In case the Independent Director fails to file such action within thirty (30) days after receipt of such request, to the extent permitted under the laws of the Cayman	In order to conform to the needs of Check Table for Shareholder's equity Protection Item on November 30th, 2018, hereby to amend Article 86.

No.	Current Provisions	Proposed Amendments	Explanations
	Islands, the Members making such request may file the action for the Company.	Islands, the Members making such request may file the action for the Company.	
Article 91	A Director who is in any way, whether directly or indirectly, interested in a matter discussed, considered or proposed in a meeting of the Board shall declare the nature of his interest and its essential contents at such relevant meeting. Any Director who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a meeting of Board shall abstain from voting, on his own behalf or as a proxy or corporate representative, with respect to the said matter. Any and all votes cast by such Director(s) shall not be counted in determining the number of votes for or against such matter.	A Director who is in any way, whether directly or indirectly, interested in a matter discussed, considered or proposed in a meeting of the Board shall declare the nature of his interest and its essential contents at such relevant meeting. <u>**Where the spouse, a blood relative within the second degree of kinship of a Director as defined under the Civil Code of R.O.C., or any company which has a controlling or subordinate relation with a Director bear any interest in the matter under discussion at a Board meeting, such Director shall be deemed to bear a personal interest in the matter.**</u> Any Director who bears a personal interest that may conflict with and impair the interest of the Company in respect of any matter proposed for consideration and approval at a meeting of Board shall abstain from voting, on his own behalf or as a proxy or corporate representative, with respect to the said matter. Any and all votes cast by such Director(s) shall not be counted in determining the number of votes for or against such matter.	In order to conform to the needs of Check Table for Shareholder's equity Protection Item on November 30th, 2018, hereby to amend Article 91.
Article 95	During the Relevant Period, the Company shall set aside out of the profits of the Company for each financial year: (i) a reserve for payment of tax for the relevant financial year; and (ii) an amount to offset losses incurred in previous year(s); and (iii) a Statutory Reserve in accordance with the Applicable Listing Rules, and after the aforesaid sums as set aside from the profits for such relevant financial year, the Board <u>**may**</u>, before recommending any dividend or bonuses, set aside the remaining profits of the Company for the relevant financial year as a reserve or reserves (the "**Special Reserve**") <u>**which shall, at the discretion of the Board, be**</u>	During the Relevant Period, the Company shall set aside out of the profits of the Company for each financial year: (i) a reserve for payment of tax for the relevant financial year; and (ii) an amount to offset losses incurred in previous year(s); and (iii) a Statutory Reserve in accordance with the Applicable Listing Rules, and after the aforesaid sums as set aside from the profits for such relevant financial year <u>**for any purpose to which the profits of the Company may be properly applied**</u>, the Board <u>**shall**</u>, before recommending any dividend or bonuses, set aside the remaining profits of the Company <u>**in whole or in part**</u> for the relevant financial	In accordance with Taiwan Securities and Exchange Act and the Company Act, adjusting the terms in Article 95 to avoid doubts.

No.	Current Provisions	Proposed Amendments	Explanations
	<u>applicable for any purpose to which the profits of the Company may be properly applied</u>.	year as a **<u>special</u>** reserve or reserves **<u>in accordance with the order from the Commission, and the Company may also, under these Articles or by Special Resolution of the general meeting, set aside another sum as a special reserve or reserves</u>** (**<u>collectively,</u>** the "**Special Reserve**").	
Article 100	(3) During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles and except as otherwise provided by the rights attaching to any Shares, where the Company still has annual net profit for the year, after paying all relevant taxes, offsetting losses (including losses of previous years and adjusted undistributed profits, if any), setting aside the Statutory Reserve of the remaining profits in accordance with the Applicable Listing Rules (provided that the setting aside of the Statutory Reserve does not apply if the aggregate amount of the Statutory Reserve amounts to the Company's total **<u>issued</u>** capital), and setting aside the Special Reserve (if any), the Company may distribute not less than not less than ten percent (10%) of the remaining balance (including the amounts reversed from the Special Reserve) (the "Distributable Profit"), plus undistributed profits of previous years (including adjusted undistributed profits) in part or in whole as determined by an Ordinary Resolution passed at an annual general meeting of the Company duly convened and held in accordance with these Articles to the Members as dividends/bonuses in proportion to the number of Shares held by them respectively pursuant to these Articles, provided that, cash dividends/bonuses shall not be less than ten percent (10%) of the total amount of dividends/bonuses to Members. If the Distributable Profit is less than one percent (1%) of the paid-in capital of the Company, as determined by an Ordinary	(3) During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles and except as otherwise provided by the rights attaching to any Shares, where the Company still has annual net profit for the year, after paying all relevant taxes, offsetting losses (including losses of previous years and adjusted undistributed profits, if any), setting aside the Statutory Reserve of the remaining profits in accordance with the Applicable Listing Rules (provided that the setting aside of the Statutory Reserve does not apply if the aggregate amount of the Statutory Reserve amounts to the Company's total **<u>paid-in</u>** capital), and setting aside the Special Reserve (if any), the Company may distribute not less than not less than ten percent (10%) of the remaining balance (including the amounts reversed from the Special Reserve) (the "Distributable Profit"), plus **<u>accumulated</u>** undistributed profits of previous years (including adjusted undistributed profits) in part or in whole as determined by an Ordinary Resolution passed at an annual general meeting of the Company duly convened and held in accordance with these Articles to the Members as dividends/bonuses in proportion to the number of Shares held by them respectively pursuant to these Articles, provided that, cash dividends/bonuses shall not be less than ten percent (10%) of the total amount of dividends/bonuses to Members. If the Distributable Profit is less than one percent (1%) of the paid-in capital of the Company, as	Adjusting the terms in article to avoid doubts.

No.	Current Provisions	Proposed Amendments	Explanations
	Resolution, the Company may not distribute dividends/bonuses to the Members in accordance with this Paragraph in such year (i.e., no or less dividends/bonuses are paid).	determined by an Ordinary Resolution, the Company may not distribute dividends/bonuses to the Members in accordance with this Paragraph in such year (i.e., no or less dividends/bonuses are paid).	
Article 107	**The** Board shall keep copies of the Memorandum, these Articles, the minutes of every general meeting, the Financial Statements, the Register and the counterfoil of corporate bonds issued by the Company at its Shareholder Service Agent's office in the R.O.C. Any Member may request at any time, by submitting evidentiary document(s) to show his interests involved and indicating the scope of requested matters, access to **inspect and to make copies of** the above documents.	**During the Relevant Period, the** Board shall keep copies of the Memorandum, these Articles, the minutes of every general meeting, the Financial Statements, the Register and the counterfoil of corporate bonds issued by the Company at its Shareholder Service Agent's office in the R.O.C. Any Member may request at any time, by submitting evidentiary document(s) to show his interests involved and indicating the scope of requested matters, access to **inspecting, transcribing and making copies of the above documents; the Company shall make Shareholder Service Agent provide** the above documents.	In order to conform to the needs of Check Table for Shareholder's equity Protection Item on November 30th, 2018, hereby to amend Article 107.

*The standard for amendment of Memorandum and Aricles of Association shall be the English version; if only the errata and number correction, not the content amendment, or only the words adjustment in Chinese translation, it shall not disply.

Appendix g

HORNG SHIUE HOLDING Co., Ltd.

Comparison Table for The Amendments of Regulations Governing the Acquisition and Disposal of Assets

Revised Article	Current Version	Amendment basis and reasons
Article 2. The scope of assets The term "assets" as used in these Regulations includes the following: 1.Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2.Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment. 3.Memberships. 4.Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5.Right-of-use assets. 6.Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables). 7.Derivatives. 8.Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law. 9.Other major assets.	Article 2. The scope of assets The term "assets" as used in these Regulations includes the following: 1.Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2.Real property (including land, houses and buildings, investment property, land use rights, and construction enterprise inventory) and equipment. 3.Memberships. 4.Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5.Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables). 6.Derivatives. 7.Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law. 8.Other major assets.	1.Coordinate with the provisions of the International Financial Reporting Standards No. 16 (IFRS 16) of Lease to add paragraphs 5, extend the scope of right-of-use assets and move the current standard of paragraph 2 about land access to paragraph 5. 2.Move the current standard of paragraph 5~8 to paragraph 6~9.
Article 3. The definition of terms Terms used in these Regulations are defined as follows: 1.Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term	Article 3. The definition of terms 1.Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from an asset, rate, foreign exchange rate, index, or other interests and commodities; or compound contract composed of the above commodities. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.	1.Coordinate with the provisions of the International Financial Reporting Standards No. 9 of the definition of financial instruments, formulate the scope of derivatives clearly.

"forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts. 2.Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act. 3.~6. (without amendment) 7.Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located. 8.Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.	2.As referred to in this article, "Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law": Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under paragraph 6 of Article 156 of the Company Act. 3.~6. (without amendment)	2.Coordinate with the clause for the amendment. 3.Add subparagraphs 7 and 8 to formulate the scope of domestic and foreign securities exchanges and the over-the-counter venue.

Article 4. Appraisal procedures (the means of price determination and supporting reference materials) 1.When acquiring or disposing of assets, the Company and its subsidiaries shall, in accordance with the following provisions, appoint an expert who is objective, impartial and independent in accordance with the types of assets to issue reports: (1)In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: 1.Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. (The followings are without amendment.) (3)Our company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the company	Article 4. Appraisal procedures (the means of price determination and supporting reference materials) 1.When acquiring or disposing of assets, the Company and its subsidiaries shall, in accordance with the following provisions, appoint an expert who is objective, impartial and independent in accordance with the types of assets to issue reports: (1)In acquiring or disposing of real property, or equipment thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: 1.Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. (The followings are without amendment.) (3)Our company acquires or disposes of intangible assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified	1.Coordinate with the provisions of the International Financial Reporting Standards No. 16 (IFRS 16) of Lease to add paragraphs 5, include the right-of-use assets into this article; the government agency referred to refers to the central and local government agencies of R.O.C. 2.The contents were revised In order to comply with the legal process. 3.Same as the first point. 4.Define the negative responsibility and qualifications of relevant experts , and stipulate the assessment, verification and declaration of matters of an appraisal report or opinion by the relevant experts.

shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. 2~3. (without amendment) 4.Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide our company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: (1)May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. (2)May not be a related party or de facto related party of any party to the transaction. (3)If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following: (1)Prior to accepting a case, they shall prudently assess their own	public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. 2~3. (without amendment) 4.Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide our company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions_ may not be a related party of any party to the transaction.	

<u>professional capabilities, practical experience, and independence. (2)When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. (3)They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. (4)They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</u>		
Article 5. Acquire the limits of real estate, equipment or securities, and the operating procedures, decision-making procedures, investment scope, quota and execution units of the trading conditions: 1、 The Company and its subsidiaries shall not invest in the purchase of real estate not used for business purposes and its right-of-use assets, except for assets acquired for business use. If the future operation or economic situation of the company is changed after the acquisition, the original real estate for the business use is not used for business purposes, then it's not included; investing in the purchase of securities shall not exceed the total amount of shareholders' equity; the amount of investment in individual securities shall not exceed the	Article 5. Acquire the limits of real estate, equipment or securities, and the operating procedures, decision-making procedures, investment scope, quota and execution units of the trading conditions: 1.The Company and its subsidiaries shall not invest in the purchase of real estate not used for business purposes, except for assets acquired for business use. If the future operation or economic situation of the company is changed after the acquisition, the original real estate for the business use is not used for business purposes, then it's not included; investing in the purchase of securities shall not exceed the total amount of shareholders' equity; the amount of investment in individual securities shall not exceed the total amount listed above. (The followings are without amendment.)	Coordinate with the provisions of the International Financial Reporting Standards No. 16 (IFRS 16) of Lease to amend subparagraph 2 of paragraphs 1, and includes the non-business real property and right-of-use assets in the provision of handling procedure.

total amount listed above. (The followings are without amendment.)		
Article 6. Subsidiary company's management of acquisition or disposal of assets All subsidiaries acquire or dispose of assets in accordance with this processing procedure. No additional acquire or dispose of assets procedure is required.	Article 6. Management of purchase of real estate, equipment or securities by subsidiaries 1. The assets acquired or disposed of by each subsidiary shall be handled in accordance with this processing procedure. 2. Each subsidiary shall, in accordance with the provisions of this procedure, establish a “procedure for the acquisition or disposal of assets”, which shall be approved by the board of directors.	The amendment is in accordance with question 54 of “Q&A of Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.
Article 7. Transaction that engages in any related party 1.~3.(without amendment) 4.Our Company’s acquisition or disposal of real estate property or the right-of-use assets from or with a stakeholder, or acquisition or disposal of other non-real estate property, with transaction amount equals to or more than 20% of our Company’s paid-up capital, 10% of total asset, or NT$ 300 million, except for domestic government bonds, re-purchase or re-sale of bonds, subscription or redemption of domestic monetary funds, shall also require presenting the following information to the board of directors and supervisors for approval before the respective transaction agreement may be executed and payment be made: (1)~(2) 1.~ 2. (without amendment) (3)Obtain real estate property or right-of-use assets from related parties. The information regarding to assessing the reasonability of the intended transaction’s terms and conditions in accordance with Paragraph 5, 6 of this Article. (4)~(7)(without amendment) With respect to the types of transactions listed below, when to be conducted between our company and its parent or subsidiaries, or between its subsidiaries in which it directly or	Article 7. Transaction that engages in any related party 1.~3.(without amendment) 4.Our Company’s acquisition or disposal of real estate property from or with a stakeholder, or acquisition or disposal of other non-real estate property, with transaction amount equals to or more than 20% of our Company’s paid-up capital, 10% of total asset, or NT$ 300 million, except for government bonds, re-purchase or re-sale of bonds, subscription or redemption of domestic monetary funds, shall also require presenting the following information to the board of directors and supervisors for approval before the respective transaction agreement may be executed and payment be made: (1)~(2) 1.~ 2. (without amendment) (3)Obtain real estate property from related parties. The information regarding to assessing the reasonability of the intended transaction’s terms and conditions in accordance with Paragraph 5, 6 of this Article. (4)~(7)(without amendment) About the acquisition or disposal of the equipment for business use of the company and the parent company or subsidiaries, the board of directors may authorize the chairman to make a decision within the amount of	1.Coordinate with the provisions of the International Financial Reporting Standards No. 16 (IFRS 16) of Lease, includes the right-of-use assets into this standard. The government bond refers to domestic government bond. 2.It is considered that the risk of trading with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares is relatively low,

indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within the amount of 500 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting: (1)Acquisition or disposal of equipment or right-of-use assets thereof held for business use. (2)Acquisition or disposal of real property right-of-use assets held for business use. If independent directors are already in place, their opinions as the previous Paragraph may concern shall be thoroughly considered. Any objection or reserve opinion raised by an independent director shall be recorded in the meeting record of the board meeting. Where an audit committee has been established in accordance with the provisions of the Act, the matters for which requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 12. 5.Our Company's acquisition or disposal of property or the right-of-use asset from or with stakeholder shall require assessment on the reasonability of transaction cost pursuant to the following methods: (1)~(2) (without amendment) For joint acquisition or leasehold of a same land and house, the separate assessments for the transaction cost of the land and the house shall be made pursuant to any of this paragraph. Our company's acquisition of real estate property or the right-of-use asset from a stakeholder shall require assessment on the real estate	500 million, and then report to the board of directors for confirmation in the most recent period. If independent directors are already in place, their opinions as the previous Paragraph may concern shall be thoroughly considered. Any objection or reserve opinion raised by an independent director shall be recorded in the meeting record of the board meeting. Where an audit committee has been established in accordance with the provisions of the Act, the matters for which requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" in paragraph 3 and "all directors" shall be counted as the actual number of persons currently holding those positions. 5.Our Company's acquisition or disposal of property from or with stakeholder shall require assessment on the reasonability of transaction cost pursuant to the following methods: (1)~(2) (without amendment) For joint acquisition of a same land and house, the separate assessments for the transaction cost of the land and the house shall be made pursuant to any of this paragraph. Our company's acquisition of real estate property from a stakeholder shall require assessment on the real estate property or the right-of-use	and the amendment is relaxed to authorize the chairman to handle the transaction first. 3.The company that has set up the audit committee, the preceding paragraph of the subparagraph is applicable to the independent board members of the audit committee.

property or the right-of-use asset cost pursuant to subparagraphs 1 and 2, of this paragraph, and a secondary review and opinion from accountant are required. Where our company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with paragraph 4 of this Article, and this paragraph does not apply: (1)The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift. (2)More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction. (3)The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land. (4)The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital. 6.When the results of our company's appraisal conducted in accordance with subparagraphs 1, 2, paragraph 5 of this Article are uniformly lower than the transaction price, the matter shall be handled in compliance with paragraph 7. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:	asset cost pursuant to subparagraphs 1 and 2, of this paragraph, and a secondary review and opinion from accountant are required. Where our company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with paragraph 4 of this Article, and this paragraph does not apply: (1)The related party acquired the real property through inheritance or as a gift. (2)More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction. (3)The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land. 6.When the results of our company's appraisal conducted in accordance with subparagraphs 1, 2, paragraph 5 of this Article are uniformly lower than the transaction price, the matter shall be handled in compliance with paragraph 7. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:	

(1)Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: 1.Omitted. 2.Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices. (2)Our Company presents evidence that proves the transaction terms and conditions for the acquisition of property or lease to acquire property right-of-use asset, from a stakeholder are comparable to other transactions property of comparable acreage in adjacent area made between other non-stakeholders. The term transactions in adjacent area shall mean, principally, a property locating on the same or neighboring block with a distance to the target property in concern does not exceed 500 meters and the announced present values are comparable. The term comparable acreage shall mean the transactions of property, having acreage no less than 50% of the target property's acreage, made between other non-stakeholders. The term one year shall be the past year before the actual occurrence date of the property or right-of-use asset acquisition.	(1)Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: 1.Omitted. 2.Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale. 3.The assessment on other property on other floor leased to a non-stakeholder in the past one year, with terms and conditions complying with common practice in real estate transactions and referencing to price difference due to floor number, suggests similar terms and conditions. (2)Our Company presents evidence that proves the transaction terms and conditions for the acquisition of property from a stakeholder are comparable to other transactions property of comparable acreage in adjacent area made between other non-stakeholders. The term transactions in adjacent area shall mean, principally, a property locating on the same or neighboring block with a distance to the target property in concern does not exceed 500 meters and the announced present values are comparable. The term comparable acreage shall mean the transactions of property, having acreage no less than 50% of the target property's acreage, made between other non-stakeholders. The term one year shall be the past year before the actual occurrence date of the property acquisition.	

7.Our Company's acquisition of real estate property or right-of-use asset from a stakeholder shall require completing the following tasks if the assessment made in accordance with paragraphs 5, 6, suggests a price lower than transaction price: (1)Regarding to the recognition of special reserve, pursuant to Paragraph 1, Article 40 of the Securities Exchange Act, our Company may not distribute or transfer as common stock for distribution the difference of the real estate property or right-of-use asset transaction's transaction price and assessed cost. A listed company investing in our Company and adopting equity method for assessment shall recognize the special reserve at the shareholding ratio in accordance with Paragraph 1, Article 41 of the Securities Exchange Act. (2)The Audit Committee shall observe Article 218 of the Company Act. (3)The handling of subparagraphs 1, 2 shall be reported to the shareholders' meeting and disclose the details of the transaction in the annual report and the prospectus. Our company that has set aside a special reserve under subparagraphs 1, paragraph 7 may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent. The above two paragraphs shall be also observed if other evidence is in place proving that the transaction in which our Company acquires real estate property or right-of-use asset	7.Our Company's acquisition of real estate property from a stakeholder shall require completing the following tasks if the assessment made in accordance with paragraphs 5, 6, suggests a price lower than transaction price: (1)Regarding to the recognition of special reserve, pursuant to Paragraph 1, Article 40 of the Securities Exchange Act, our Company may not distribute or transfer as common stock for distribution the difference of the real estate property transaction's transaction price and assessed cost. A listed company investing in our Company and adopting equity method for assessment shall recognize the special reserve at the shareholding ratio in accordance with Paragraph 1, Article 41 of the Securities Exchange Act.。 (2)The Audit Committee shall observe Article 218 of the Company Act. (3)The handling of subparagraphs 1, 2 shall be reported to the shareholders' meeting and disclose the details of the transaction in the annual report and the prospectus. Our company that has set aside a special reserve under subparagraphs 1, paragraph 7 may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.	

from a stakeholder does not conform to common practice.		
Article 10. Public announcement and regulatory filing procedures. 1.Omitted. (1)Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (2)Merger, demerger, acquisition, or transfer of shares. (3)Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company. (4)Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: 1.~ 2. (without amendment) (5)Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT$500 million.	Article 10. Public announcement and regulatory filing procedures. 1.Omitted. (1)Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (2)Merger, demerger, acquisition, or transfer of shares. (3)Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company. (4)Where equipment for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: 1.~ 2. (without amendment) (5)Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction reaches NT$500 million.	1.Coordinate with the provisions of the International Financial Reporting Standards No. 16 (IFRS 16) of Lease, includes the right-of-use assets into this standard. The government bond refers to domestic government bond. 2.Consider the announcement of subparagraph 1 of paragraph 1 that has clearly defined the transaction of related party, and subparagraph 5 of the same paragraph regulates the transaction of non-related party , which is followed by the company.

(6)Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million; provided, this shall not apply to the following circumstances: 1.Trading of domestic government bonds. 2.Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. The amount of transactions above shall be calculated as follows: (1)The amount of any individual transaction. (2)The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. (3)The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year. (4)The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. 3.~7. (without amendment) 8.Information required to be publicly announced and reported in accordance with the provisions of information disclosure on acquisitions and disposals of assets by our company's subsidiary that is not itself a public company in Taiwan shall be reported by our company. The paid-in capital or total assets of the public company shall be	(6)Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million; provided, this shall not apply to the following circumstances: 1.Trading of government bonds. 2.Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. The amount of transactions above shall be calculated as follows: (1)The amount of any individual transaction. (2)The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. (3)The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property within the same development project within the preceding year. (4)The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. 3.~7. (without amendment) 8.Information required to be publicly announced and reported in accordance with the provisions of information disclosure on acquisitions and disposals of assets by our company's subsidiary that is not itself a public company in Taiwan shall be reported by our company. The 20% of paid-in capital or 10% total assets of the public	3.The subsidiary's public announcement and regulatory filing procedures shall be consistent with its parent company and shall comply with the first paragraph of Article 31 to add a standard for the amount of paid-up capital that reaches of NT$10 billion.

the standard applicable to a subsidiary that is not itself a public company in Taiwan referred to in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under this Article, paragraph 1.	company shall be the standard applicable to a subsidiary that is not itself a public company in Taiwan referred to in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under this Article, paragraph 1.	
This article is deleted.	Article 13. The company that has set up the audit committee, the Article 7, 8, 12 related to provision to supervisors is applicable to the audit committee. And subparagraph 2, paragraph 7 of Article 7 is applicable to the independent board members of the audit committee.	Coordinate with paragraph 3, 4 , Article 14-4 of the Securities Exchange Act for the amendment, and be formulated clearly in each Article.
Article 13. For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a company whose shares have no par value or a par value other than NT$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT$10 billion, NT$20 billion of equity attributable to owners of the parent shall be substituted.	Article 14. For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a company whose shares have no par value or a par value other than NT$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted.	Add content in the second paragraph about a company whose shares have no par value or a par value other than NT$10, and calculations under the provisions of Article 31 regarding transaction amounts relative to paid-in capital of NT$10 billion.
Article 14. Miscellaneous This procedure was established on October 10, 2015, first revised on March 6, 2017, agreed by the shareholders' meeting on June 12, 2017, and the second revision was made on December 27, 2018.	Article 15. Miscellaneous This procedure was established on October 10, 2015, and was revised on June 12, 2017.	

Appendix h

HORNG SHIUE HOLDING Co., Ltd.

Comparison table for the amendment of Procedures for Loaning Funds to Others

Clause	Revised Article	Current Version	Amendment basis and reasons
Article 1	(Omitted) Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable financial laws, rules, and regulations.	(Omitted) Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.	The revision is based on ”Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” (hereinafter this procedure).
Article 10	(Omitted) “Date of occurrence” in these Regulations means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the loan of funds, whichever date is earlier.	(Omitted) “Date of occurrence” in these Regulations means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the loan of funds, whichever date is earlier.	The revision is based on this procedure, considering the loan is not a transactional property.
Article 13	Internal auditors shall perform auditing on the Procedures and the implementation of the Procedures every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the Audit Committee.	Internal auditors shall perform auditing on the Procedures and the implementation of the Procedures every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the ~~board of directors.~~	Added according to this procedure. The company that has set up Audit Committee, should there be any violation about loaning of funds or endorsements/guarantees found, a written report is needed to notify the Audit Committee. A corrective plan has also to be provided to the Audit Committee.
Article 14	Should a borrower no longer satisfy the criteria set forth in the relevant regulations and/or the Procedures or there be any excess over the lending limit due to unexpected changes of the Company, a corrective plan has to be provided to the Audit Committee and the proposed correction actions should be implemented within the period specified in such plan.	Should a borrower no longer satisfy the criteria set forth in the relevant regulations and/or the Procedures or there be any excess over the lending limit due to unexpected changes of the Company, a corrective plan has to be provided to the ~~board of directors.~~ and the proposed correction actions should be implemented within the period specified in such plan.	Ditto.

Article 17	(Omitted) Where a company has established the position of audit committee, to set up and amend the Procedures for Loaning Funds to Others, it shall be approved by more than half of all audit committee members, and submit to the board of directors for resolution. If approval of more than half of all audit committee members is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.	(Omitted) ~~If our company has established the position of independent director, when it submits the procedure for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions; the independent directors' specific opinions of assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting. If our company has established an audit committee, when reporting the procedure to the board of directors, it shall require the approval of the audit committee.~~	According to Article 14-5 of the Securities Exchange Act, the Audit Committee's authority includes procedures for determining or amending the material financial operations of the loan to others. And referred to Article 6 of Regulations Governing the Acquisition and Disposal of Assets and amend this procedure.

Appendix i

HORNG SHIUE HOLDING Co., Ltd.

Comparison table for the amendment of "Regulations Governing Making of Endorsements/Guarantees"

Clause	Revised Article	Current Version	Amendment basis and reasons
Article 1	Where the Company endorses or provides guarantees for others, it shall be implemented in accordance with this procedure and relevant regulations. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable financial laws, rules, and regulations.	Where the Company endorses or provides guarantees for others, it shall be implemented in accordance with this procedure and relevant regulations. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.	The revision is based on ”Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” (hereinafter this procedure).
Article 6	(Omitted) The Financial Unit shall assess and recognize, if any, contingent losses brought about by the endorsement/guarantee, to adequately disclose information in the financial statements, and to provide external auditors with necessary information for conducting due auditing and issuing auditing report.	(Omitted) ~~The Accounting department~~ shall assess and recognize, if any, contingent losses brought about by the endorsement/guarantee, to adequately disclose information in the financial statements, and to provide external auditors with necessary information for conducting due auditing and issuing auditing report.	Revise and unify the contact window.
Article 9	3.The balance of endorsements/guarantees by our company and the subsidiaries for a single enterprise reaches NT$10 million or more and the aggregate amount of all endorsements/guarantees for, carrying value of equity method investment in, and balance of loans to, such enterprise reaches 30 percent or more of our company's net worth as stated in its latest financial statement.	3.The balance of endorsements/guarantees by our company and the subsidiaries for a single enterprise reaches NT$10 million or more and the aggregate amount of all endorsements/guarantees for, and balance of loans to, such enterprise reaches 30 percent or more of our company's net worth as stated in its latest financial statement.	To clarify the definition of long-term investment, amendment is referred to subparagraph 1, paragraph 4 of Article 9 of Regulations Governing the Preparation of Financial Reports by Securities Issuers.
Article 11	Internal auditors shall perform auditing on the Procedures and the implementation of the Procedures every quarter and produce written auditing reports. Should there be any violation found, a written report is needed	Internal auditors shall perform auditing on the Procedures and the implementation of the Procedures every quarter and produce written auditing reports. Should there be any violation found, a written report is needed	Added according to this procedure. The company that has set up Audit Committee, should there be any violation

	to notify the Audit Committee.	to notify the ~~supervisor or~~ Audit Committee ~~and independent director.~~.	about loaning of funds or endorsements/guarantees found, a written report is needed to notify the Audit Committee. A corrective plan has also to be provided to the Audit Committee.
Article 13	Where our company has established the position of audit committee, to set up and amend the Procedures for Loaning Funds to Others, it shall be approved by more than half of all audit committee members, and submit to the board of directors for resolution. If approval of more than half of all audit committee members is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. It must be reported to the shareholders' meeting for approval and implementation. The same applies to the amendment.	Where our company ~~submits the procedure for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions; the independent directors' specific opinions of assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting~~; It must be reported to the shareholders' meeting for approval and implementation. The same applies to the amendment.	According to Article 14-5 of the Securities Exchange Act, the Audit Committee's authority include procedures for determining or amending the material financial operations of the loan to others. And referred to Article 6 of Regulations Governing the Acquisition and Disposal of Assets and amend this procedure.

Appendix j

HORNG SHIUE HOLDING CO., LTD.

Comparison Table for the Amended Articles of "Rules of Procedure for Shareholders' Meeting"

Clause	Current version	Draft of revised article	Reason for revision
Paragraph 1 of Article 3	Unless otherwise provided by law or regulation of our company, this Corporation's shareholders meetings shall be convened by the board of directors.	Unless otherwise provided by law or regulation of our company, this Corporation's shareholders meetings shall be convened by the board of directors. **The board of directors or other authorized conveners of shareholders' meetings may require a company or its shareholder service agent to provide with the roster of shareholders.**	In response to the stock exchange's announcement on November 30, 2018 Take the word on the Taiwanese card 1071703794 to amend the "Checklist for the protection of shareholders' rights and interests of foreign issuers" （Hereinafter "Checklist for Shareholders' Rights Protection"）, and in accordance with the new regulations of the company, add the latter specification of this paragraph.
Paragraph 4 of Article 3	None of the following may be raised by an extraordinary motion except in the case of an emergency or legitimate reason: 1.Election or dismissal of director. 2.Amendments to the articles of incorporation. 3.(i) The dissolution, merger, or demerger of the corporation, (ii) Enter into, amend, or terminate any contract for lease of the company's business in whole, or for entrusted business, or for regular joint operation with others, (iii)Transfer the whole or any essential part of its business or assets; or (iv)Acquire or	The following essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice: 1.Election or dismissal of director. 2.Amendments to the articles of incorporation. 3.(i) The dissolution, merger, or demerger of the corporation, (ii) Enter into, amend, or terminate any contract for lease of the company's business in	Coordinate with the Checklist for Shareholders' Rights Protection, and in accordance with the new regulations of the company, amendment of this paragraph is made.

	accept the transfer of another's whole business or assets, which has great bearing on the business operation of the company. 4.Make the approval for a director who does anything for himself or on behalf of another person that is within the scope of the company's business. 5.Distribute all or part of the reserve by issuing new shares and equity capital. 6.By issuing new shares or cash to distribute the legal reserve and the income derived from the issuance of new shares at a premium, and capital reserve due to the income from endowments received by the company. 7.The company privately placed securities with equity characteristics. 8.To issue employee stock warrants that are not subject to the exercise price restriction which may not be lower than the closing price of the company stocks as of the issuing date. 9.An issuer applies for issuance of new restricted employee shares.	whole, or for entrusted business, or for regular joint operation with others, (iii)Transfer the whole or any essential part of its business or assets; or (iv)Acquire or accept the transfer of another's whole business or assets, which has great bearing on the business operation of the company. 4.Make the approval for a director who does anything for himself or on behalf of another person that is within the scope of the company's business. 5.Distribute all or part of the reserve by issuing new shares and equity capital. 6.By issuing new shares or cash to distribute the legal reserve and the income derived from the issuance of new shares at a premium, and capital reserve due to the income from endowments received by the company. 7.The company privately placed securities with equity characteristics. 8.To issue employee stock warrants that are not subject to the exercise price restriction which may not be lower than the closing price of the company stocks as of the issuing date. 9.An issuer applies for issuance of new restricted	

		employee shares. **<u>10.Reduction of capital or purchase of shares of the company in accordance with the provisions of Paragraph 1, Article 24 of Regulation of the Company, and shall be written off.</u>** **<u>11.Application for the approval of ceasing its status as a public company.</u>**	
Paragraph 5 of Article 3	**Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. Unless any of the following circumstances is satisfied, the board of directors of the company shall include the proposal submitted by a shareholder in the list of proposals to be discussed at a regular meeting of shareholders:** **1.The shareholder that makes the said proposal possesses the number of shares of the company which is less than one percent (1%) of the total number of outstanding shares prior to the book closure date before a regular shareholders meeting is held.** **2.Where the subject (the issue) of the said**	**Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal or an email for discussion at a regular shareholders' meeting. Unless any of the following circumstances is satisfied, the board of directors of the company shall include the proposal submitted by a shareholder in the list of proposals to be discussed at a regular meeting of shareholders:** **1.The shareholder that makes the said proposal possesses the number of shares of the company which is less than one percent (1%) of the total number of outstanding shares prior to the book closure date before a regular shareholders meeting is held.** **2.Where the subject (the issue) of the said proposal cannot be settled or resolved by a resolution to be adopted at a meeting of shareholders.** **3.Where a proposal contains more than**	Coordinate with the Checklist for Shareholders' Rights Protection, and in accordance with the new regulations of the company, amendment of this paragraph is made.

	proposal cannot be settled or resolved by a resolution to be adopted at a meeting of shareholders. **3.Where a proposal contains more than one matter.** **4.Where the said proposal is submitted on a day beyond the deadline fixed and announced by the company for accepting shareholders' proposals.**	**one matte or more than 300 words.** **4.Where the said proposal is submitted on a day beyond the deadline fixed and announced by the company for accepting shareholders' proposals.**	
Paragraph 6 of Article 3	The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words. The one which contains more than 300 words shall not be included in the agenda. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.	The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.	Coordinate with paragraph 5, Article 3 of this regulation for the revision, and adjust the terms to avoid disputes.
Paragraph 2 of Article 9	The chair shall call the meeting to order at the appointed meeting time. 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 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still	The chair shall call the meeting to order at the appointed meeting time. 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 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still	According to Article 39 of this regulation of our Company, the shareholders' meeting of our Company shall have representatives who have issued more than half of the total number of shares with voting rights to attend in person, by proxy or by legally authorized representatives (such as legal person shareholders). Therefore, provisions about tentative resolution of the

	represent less than <u>one third</u> of the total number of issued shares, the chair shall declare the meeting adjourned.。	represent less than <u>half</u> of the total number of issued shares, the chair shall declare the meeting adjourned.	Company Act in Taiwan shall not apply, and the provisions of paragraph 2 of this Article shall be amended.
Paragraph 3 of Article 9	<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>	(This paragraph is deleted.)	Amendment is made in accordance with Article 9, paragraph 2 of this regulation, and this paragraph is deleted to avoid disputes.
Paragraph 4 of Article 9	<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>	(This paragraph is deleted.)	Amendment is made in accordance with Article 9, paragraph 2 of this regulation, and this paragraph is deleted to avoid disputes.
Article 20	This regulation was stated on September 18, 2016.	This regulation was stated on September 18, 2016. **This regulation was first revised on March 26, 2019.**	Stated the date of revision of this regulation clearly.

Appendix k

HORNG SHIUE HOLDING CO., LTD.
Comparison Table for Amended Articles of "Procedures for Election of Directors"

Clause	Current version	Draft of revised article	Reason for revision
Paragraph 3 of Article 3	More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.	More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director. **If there is any inconsistency in this paragraph, the director who received a ballot representing the lower number of votes, the election will be invalid.**	Refer to Article 26 of the Securities Exchange Act in Taiwan, state the processing method of "More than half of the directors have a spousal relationship or a relationship within the second degree of kinship with other director" in paragraph 3, Article 3 of this procedure.
Paragraph 2 of Article 4	The election of independent directors of this Corporation shall be conducted in accordance with the candidate nomination system in this procedure and comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.	The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.	According to the provisions of the company, the election of all independent directors shall be conducted in accordance with the candidate nomination system during the listing period. The original provision about candidate nomination system of the election of independent directors is deleted, and is unified in Article 5 of this procedure.
Paragraph 1 of Article 5	The election of independent directors of the Company shall, in accordance with the provisions of this provision of the Company, adopt a nomination system for candidates in accordance with the rules of the	The election of directors (include the independent directors) of the Company shall, in accordance with the provisions of this provision of the Company, adopt a nomination system for candidates in accordance with the rules of the Public Company of the Republic of China. Except	The provisions of this Article are amended by reference to the provisions of Article 192 of the Company Act, which was amended on July 6, 2018 and implemented on November 1 in the

	Public Company of the Republic of China.	as otherwise provided by the Act, no documents shall be arbitrarily required to be attached to the qualifications of the candidates for the directors, and the list of candidates for directors and their academic qualifications and experience shall be announced. Shareholders shall be selected in accordance with the provision in the company and on the list of candidates.	same year.
Article 15	This regulation was stated on June 30, 2016.	This regulation was stated on June 30, 2016. This regulation was first revised on March 26, 2019.	Stated the date of revision of this regulation clearly.

Appendix 1

HORNG SHIUE HOLDING CO., LTD.

Regulations Governing Issuance of Restricted Stock Awards in 2019

1.Purpose

To attract and retain the professional talents required by the company, and to motivate employees and enhance employee commitment and sense of belonging to the company, so as to jointly create benefit to the company and its shareholders. According to paragraph 8 of Article 267 of the Company Act and "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" issued by the Financial Supervisory Committee (hereinafter, "Recruitment Regulations"), to stipulate the company's current Regulations Governing Issuance of Restricted Stock Awards. Employee Rights New Shares Issuance Method (hereinafter, "this Regulation").

2.Issuing period

Within one year from the date of the resolution of the shareholders' meeting, it shall be reported once or in several times, and within one year from the date of the notification of the effective date of the notification by the competent authority, it may be issued once or in several times according to the actual needs. The actual issue date shall be authorized by the board of directors.

3.Qualifications and conditions for employees and the numbers of shares distributable

(1)This shall apply only to employees of our company and subordinate company. The distribution shall only apply to employees who has served for more than one year (inclusive) of the company's manager-level (including) or above and has special contribution full-time employees before the date that they were given the Restricted Stock Awards.

(2)The employee who actually be given the distribution and the amount of distribution of shares will refer to the years of service, grade level, overall contribution, special merits, or other conditions for management, and it shall be submitted to the Board of Directors for approval by the Chairman. Only employees who are managerial or directors with employee status should first report to the Compensation/Remuneration Committee for approval.

(3)Where an single employee issues employee stock warrants under Article 56-1, paragraph 1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the cumulative number of shares subscribable by a single warrant holder of the employee stock warrants, in combination with the cumulative number of new restricted employee shares obtained by the single warrant holder, may not exceed 0.3 percent of the issuer's total issued shares. And the above in combination with the cumulative number of shares subscribable by the single warrant holder of employee stock warrants issued by our company under Article 56, paragraph 1, may not exceed 1 percent of the issuer's total issued shares. However, with special approval from the central competent authority of the relevant industry, the total number of employee stock warrants and new restricted employee shares obtained by a single employee may be exempted from the above-mentioned restriction.

4.The total number of shares to be issued

The total number of Restricted Stock Awards is 2,000,000 shares, and the denomination of each share is NT$10. The total issuance is NT$20,000,000.

5.The terms and conditions of issuance

(1)Issue price: Each share is issued at a price of NT$0, which is issued gratuitously.

(2)Vesting conditions: Employees who are granted with the restricted employees shares should remain employed by the company with 1 year or more from the time of the award of the new restricted employee shares and have achieved the required individual performance rating, and do a good job in the service rules, did not violate the company's work rules, etc. The proportions of shares are granted to employees according to the respective vesting conditions reached as follows:

Remain employed after 1 year from the time of the award: 30% of the distribution.

Remain employed after 2 year from the time of the award: 30% of the distribution.

Remain employed after 3 year from the time of the award: 40% of the distribution.

(3)Class of issued shares: Common shares of the company.

(4)Measures to be taken when employees fail to meet the vesting conditions: After the employees have been distributed the Restricted Stock Awards by the company, if they encounter violations of the labor contract or work rules, or violate the provisions of this Regulation, our company has right to withdraw issued shares without compensation and cancel all shares granted to employees who fail to meet the vesting conditions.

6.Processing method for employees who voluntarily resign, leave of absence, retire, be laid off, transfer companies, pass away, be dismissed, etc.:

(1)Voluntary resignation:

In the case of employees who voluntarily resign, the part of the Restricted Stock Awards that has not reached the vested period is deemed to have failed to reach the condition of the vesting on the effective date of the resignation. Our company will withdraw issued shares without compensation and cancel all shares granted.

(2)Leave of absence:

In the case of employees who are specially approved for a leave of absence, about the part of the Restricted Stock Awards that has not reached the vested period, the calculation will be suspended from the effective date of the leave of absence, and will be calculated continuously from the date of reinstatement. The timetable of paragraph 2 of this Article will be deferred. If there is no reinstatement before the expiration of a leave of absence, it will be treated as voluntary resignation accordingly.

(3)Retirement:

In the case of employees who apply for retirement, the part of the Restricted Stock Awards that has not reached the vested period is deemed to have failed to reach the condition of the vesting on the effective date of the retirement. Our company will withdraw issued shares without compensation and cancel all shares granted.

(4)Severance:

In the case of employees who are laid off in accordance with the relevant provisions of Labor Standard Laws, the part of the Restricted Stock Awards that has not reached the vested period is deemed to have failed to reach the condition of the vesting on the effective date of the severance. Our company will withdraw issued shares without compensation and cancel all shares granted.

(5)A transfer to relationship enterprise:

In the case of employees who transfer to a relationship enterprise, for the part of the Restricted Stock Awards that has not reached the vested period, it shall be treated as voluntary resignation accordingly. However, for the purpose of the company's operations, when it is appointed or transferred to the company's affiliate company or other company, for the part of the Restricted Stock Awards that has not reached the vested period, after the employee is appointed or transferred to the company's relationship company or other company, and under the condition that the employee remain in-service, it is still process in accordance with the provisions of paragraph 2 of this Article, but whether the individual performance assessment have reached the vested conditions will be determined by the chairman of the company with reference to the performance of the company's requirements and the performance evaluation provided by the company which the employ transfer to. If there is a manager or a director with employee status, it should be evaluated by the Compensation/Remuneration Committee and approved by the board of directors.

(6)General death:

In the case of employees who die due to non-occupational disasters reason, the part of the Restricted Stock Awards that has not reached the vested period is deemed to have failed to have the qualification of the vesting condition on the death date. Our company will withdraw issued shares without compensation and cancel all shares granted.

(7)Persons with disabilities or deaths due to occupational disasters:

1.In the case of employees who are unable to continue to serve due to a physical disability due to occupational disasters, the part of the Restricted Stock Awards that has not reached the vested period is deemed to have reached the vesting condition on the effective date of resignation.

2.In the case of employees who are died due to occupational disasters, the part of the Restricted Stock Awards that has not reached the vested period is deemed to have failed to have the qualification of the vesting condition on the death date. Our company will withdraw issued shares without compensation and cancel all shares granted. However, the board of directors authorizes the chairman of the board to verify that the legal heirs of the employee can complete the vesting shares if they have completed the necessary procedures and provided relevant supporting documents according to the actual situation.

(8)dismissal:

In the case of employees who are dismissed, the part of the Restricted Stock Awards that has not reached the vested period is deemed to have failed to have the qualification of the vesting condition on the effective date of dismissal. Our company will withdraw issued shares without compensation and cancel all shares granted.

7.Restricted rights before employees meet the vesting conditions:

(1)Restricted Stock Awards that are granted in accordance with this Regulation by employees, before the vesting conditions are reached, it shall be delivered fully to the institution trust designated by the company, and cooperate with the signing of all procedures and related documents. Employees may not request the Trustee to return the Restricted Stock Awards for any reason or manner until the vesting conditions are fulfilled.

(2)Except for the restrictions on the custody of trust of the preceding paragraph, Restricted Stock Awards that are granted in accordance with this Regulation by employees, before the vesting conditions are reached, the Restricted Stock Awards may not be sold, mortgaged, transferred, donated, pledged, or otherwise.

(3)Restricted Stock Awards that are granted in accordance with this Regulation by employees, before the vesting conditions are reached, Other rights, including but not limited to dividends, bonuses, rights of distributed paid-In capital, employee stock rights of increased cash capital , voting rights, etc., are the same as ordinary shares of the Company.

(4) The attendance, proposals, speeches, voting rights and other related shareholders' equity of the shareholders' meeting shall be executed in accordance with the trust custody institution by contract.

8.Tax

The related tax of Restricted Stock Awards that are granted in accordance with this Regulation by employees shall be handled in accordance with the provisions of the Republic of China Law at the time.

9.Other important stipulations:

(1)This Regulation shall be attended by more than two-thirds of the directors of the board of directors and approved by more than one-half of the directors, and shall be effective upon approval by the competent authority, and the same applies to the amendment before issued. If, during the review process, an amendment is required due to the requirements of the competent authority's review, the chairman of the board of directors is authorized to amend the method, and then will be issued after the board of directors' ratification.

(2)Signing and confidentiality

1.After the number of the total number of units issued, the subscription price, the principle of distribution, and the list of employees who are actually subscribed to the shares of the Restricted Stock Awards, the organizer of the company will notify the employees to sign the relevant documents. If the employee has not signed the relevant documents, the distribution will be disqualified.

2.All employees who are distributed shall comply with the confidentiality provisions of the company, and shall not inquire into others or disclose the content and quantity of Restricted Stock Awards. If there is any violation, the part of the Restricted Stock Awards that has not reached the vested period, our company will withdraw issued shares without compensation and cancel all shares granted.

(3)During the delivery of the Restricted Stock Awards to the Trust, the Company shall be the sole agent of the employees and stock trusts, and shall conduct, sign, revise, extend, dismiss, terminate, and deliver the Trust Property, application and disciplinary instructions (including but not limited to). Employees shall, in accordance with the provisions of Article 106 of the Civil Code, authorize the company to be both the party, the beneficiary and the agent of the trust contract.

(4)If there are any unfinished matters in this measure, except as otherwise provided by the Act, the Chairman or his authorized person shall be authorized to handle the matter in accordance with the relevant laws and regulations.

Appendix m

List of nominees for the board of directors in 2019

Title of the nominee	Name	Number of shares that are holding by our company (thousands of shares)	Education and work experience	Part-time position of our company and other companies currently
director	維元 Co.,Ltd.	6,225	Mechanical department of 華夏工業專科學校 株式會社富士宮津研習 Vice president of 暘盛工業(股)公司	General manager of the company, chairman of HORNG SHIUE INDUSTRIAL Co., Ltd., chairman of 上海宏旭模具工業有限公司, chairman of 浙江宏旭智能製造有限公司, chairman of 上海大澍投資諮詢有限公司, director of 維元(股)公司, director of Famous Season Limited.
	Representative: Lin Wei-yuan	3,663		
director	維元 Co.,Ltd.	6,225	Master's degree of 湖南大學車輛工程專業 Engineer of 東風汽車廠 Vice president of 湖大海捷製造技術有限公司 Sales vice president of 上海宏旭模具工業有限公司	General manager of 上海宏旭模具工業有限公司, eneral manager of 浙江宏旭智能製造有限公司, supervisor of 上海奧宏尼汽車技術有限公司.
	Representative: Xiao Wen-zhou	–		

director	思源 Co.,Ltd.	6,000	Business department of 祐德 Senior high school	Chief financial officer of 志祥精密工業(股)公司.
	Representative : Lin Mei-ying	1,388		
director	思源 Co.,Ltd.	6,000	Electrician department of 祐德 Senior high school	General manager of 兼任志祥精密工業(股)公司, director of 耿鼎企業(股)公司.
	Representative : Lin Xian-ping	943		
independent director	Wang Shu-cai	−	Accounting department of Chinese Culture University Auditor of 立本 accountancy firm Business manager of Bank SinoPac	Director of E-packing Holding Limited.
independent director	Cai Jin-long	−	Mechanical department of 華夏工業專科學校 General manager of 錦明實業(股)公司 Vice president of 寧波旺泉電子有限公司	−
independent director	Chen Fu-cheng	−	EMBA of National Central University Associate of Construction department of 中華工程(股)公司	−