

Meeting Notice of Annual Meeting of Shareholders

- A. The 2017 Annual General Shareholders' Meeting (the "Meeting") of REGAL HOLDING CO., LTD. (the "Company") will be convened at the (Building Everlight) 3F., No.197, Sec. 3, Zhongxiao E. Rd., Da'an Dist., Taipei City 106, Taiwan R.O.C. at 9:00 a.m. on June 22, 2017.

The agenda for the meeting are as follows:

I. Report items:

1. 2016 Business Report
2. Audit Committee's Review Report
3. 2016 Employees' and Directors' Compensation Report
4. Report for Amendment of the "Corporate Social Responsibility Best Practice Principles"

II. Acknowledgements

1. Adoption of the 2016 Business Report and Financial Report
2. Adoption of the Proposal for Distribution of 2016 earnings

III. Discussion and Election Items

1. Discussion on the Amendment to the Company's "Procedures for Acquisition or Disposal of Assets"
2. Discussion on the Amendment to the Company's "Articles of Association"
3. Discussion on the issuance of Restricted Stock Awards
4. Re-election of one director to fill the vacancy of the Board of Directors
5. Discussion to relieve the non-compete restriction of the newly re-elected director

IV. Extemporaneous Motions

- B. The main content for the Company's proposal for distribution of 2016 earnings is as follows:

Each common share holder will be entitled to receive a cash dividend of NT\$3.375 per share and the total amount for distribution will be NT\$ 114,480,000. The reference date for distribution will be decided by the Chairman as authorized by the Annual Meeting of Shareholders.

- C. The related matters regarding the issuance of Restricted Stock Awards ("RSA") for Employees:

I. Total amount for issuance

The number of common shares issued shall not exceed 340,000 shares. Each share shall have a par value of NT\$ 10 for a total amount of NT\$ 3,400,000. It is allowed to issue the RSA once or multiple times within one year commencing from the date that the approval

notice from the Competent Authority has delivered to the Company.

II. Terms and condition for issuance

1. Price for issuance

The current issue is gratuitous. The price for issuance is NT\$ 0.

2. Vesting conditions

Employees' continuous employment with the Company through the reference date (vesting date) and get at least A on the annual individual's performance evaluation result as well as no violation of the Company's employee handbook are capable of receiving the RSA for employees in the following ratio respectively:

On board for one year: the ratio for RSA distribution is 0%

On board for two years: the ratio for RSA distribution is 50%

On board for three years: the ratio for RSA distribution is 50%

3. Shares for distribution: The Company's common shares newly issued.

4. Dealing process when the employees do not comply with the vesting conditions or inheritance occurs

- (1) The Company will redeem the issued RSA for employees and cancel the full number of shares when the vesting conditions are not met.
- (2) When the employees died for any cause, the legal heirs of the employee may inherit the RSA not vested and shall be deemed to reach the vesting conditions when each duration of the years has been met. The legal heirs shall follow the related articles governing inheritance in civil code and "Regulations Governing the Administration of Shareholder Services of Public Companies" to proceed the necessary procedures for transfer and provide relevant certificates to acquire the RSA after the death of the employees. 2.3 Qualification for the employees and total amount of shares capable of distribution.

III. Qualification for the employees and Total amount of shares capable of distribution

1. Qualification for the employees

- (1) It's limited to the employees of the Company and its affiliates being on board before the date the Board of Directors approves the list for distributing RSA.
- (2) The granted shares shall be determined by the employees' experience, seniority, and position, working performance, total contributions, special performance and other meaningful factors in management. The results of share distribution shall be reviewed by the Chairman and obtain the approval from the meeting of the Board of Directors in accordance with the Company Act and any related regulations enacted by Taiwan's competent authority for the securities.

2. Total amount of shares capable of distribution

The sum of the cumulative number of shares granted to each employee shall not

exceed the limited amount specified in Article 60-9 of the Regulations governing the offering and issuance of securities by securities issuer.

IV. The necessity to issue the RSA for employees

To retain and attract talents needed by the Company, enhance employees' sense of belonging to the Company as well as to create the benefit for the Company and all shareholders.

V. Calculated expense amount, dilution of EPS and other factors affecting shareholders' equity

1. The Company shall value the shares' fair market value on the granted date (issuance date) and record the expense during the vesting period annually.
2. The estimated calculated expense amount and dilution of EPS per share when the full amount of RSA for employees reaches the vesting conditions are as follows:

Year	calculated expense amount (NT\$ 1,000)	Dilution of EPS per share (NT \$)	Description
2017	690	0.02	estimated by two months
2018	9,333	0.28	estimated by a year
2019	17,147	0.50	estimated by a year
2020	6,350	0.19	estimated by a year
2021	276	0.01	estimated by ten months
TOTAL	33,796		

Note 1: It is estimated by the average price which is NT 99.40 per share (on April 28th, 2017) on the prior business day when the Board of Director has the meeting (on May 9th, 2017) and sent out the meeting notice as well as the total outstanding shares are 33,920,000. The actual calculated expense amount and dilution of EPS per share will be determined by the fair market value on the date of issuance in the future.

3. Please refer to Handbook for the 2017 Annual Meeting of Shareholders for the Rules governing the first time issuance of Restricted Stock Awards for Employees in 2017.
 4. After the Rules has been approved by the meeting of Shareholders', if it becomes a must to revise the Rules because of the change of law, opinions from the competent authority or the change of environment as well as other situations, it's decided to authorize the Board of Directors to revise the Rules subject to the relevant laws or opinions from the competent authority within the scope applicable by the law.
- D. Subject to Article 47.4 of the Company's Articles of Association, a director who is engaged in anything on his own account or on behalf of another person, which is within the scope of the Company's business, shall explain in shareholder's meeting the essential contents of such conduct and seek approval. it is proposed to relieve the non-compete restriction of the newly elected director and its assigned representative.
- E. From April 24th, 2017 to June 22th, 2017, the Company may stop the stock transfer

registration subject to Article 165 of the Company Act.

- F. The shareholders may begin to register for the meeting from 8:30 am at the (Building Everlight) 3F., No.197, Sec. 3, Zhongxiao E. Rd., Da'an Dist., Taipei City 106, Taiwan.
- G. Each attendance notification and proxy form will be attached in this meeting notice. **If the shareholder(s) is attending the meeting in person, please sign or stamp on the attendance notification form and carry it to the check-in desk on the day of the meeting.** In the case that an agent(s) is entrusted to attend the meeting, the shareholder(s) shall sign or stamp on the proxy form and personally fill out the name and address of the agent, then deliver the proxy form to the Transfer Agency Department of SinoPac Securities at least 5 days prior to the day of the meeting. The signed proxy form will serve as the sign-in card for agent(s) to represent your vote at the meeting.
- H. Shareholders, Solicitors and agents attending the meeting shall bring proof of identity.
- I. If a proxy is solicited by the shareholder(s), the Company is required to compile details on the proxy solicitation parties and disclose such information on the Securities & Futures Institute (SFI) website no later May 22, 2017. Shareholder(s) can obtain information on proxy solicitation firms from the "Free proxy disclosure & related information system" (<http://free.sfi.org.tw>), via the "proxy disclosure and meeting notices" search page.
- J. Shareholders may exercise their voting rights through the STOCKVOTE platform of Taiwan Depository & Clearing Corporation (<http://www.stockvote.com.tw>) during the period from May 23, 2017 to June 19, 2017.
- K. One director will be elected during the meeting.
- L. The list of candidate is as follow: Ausrine Marketing Corp. Please refer to the following link for more details: [http:// mops.twse.com.tw](http://mops.twse.com.tw).
- M. The Transfer Agency Department of SinoPac Securities is the proxy tallying and verification institution for this annual general meeting.
- N. These regulations should be abided and applied.

Sincerely,

Board of Directors

REGAL HOLDING CO. , LTD.