



GRAPE KING BIO

2021 Shareholders Meeting Handbook

TSE 1707



<https://www.grapeking.com.tw/en/investor/candidate/board-candidate-list>
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I. Meeting Agenda**Grape King Bio Ltd.****Agenda for the 2021 Annual General Meeting of Shareholders**

Time: 9:00 a.m. May 28, 2021

Place: No.402, Sec. 2, Jinling Rd., Pingzhen Dist., Taoyuan City, Taiwan (R.O.C.),
(8F of Pingzhen Headquarters)

1. Commencement of Meeting
2. Chairman's Statement
3. Report Items
 - (1) 2020 Business Report
 - (2) Supervisors' Review Report on the 2020 Financial Statements
 - (3) Report on Remuneration Distribution for Employees, Directors and Supervisors for the Year 2020
 - (4) The execution result of issuing new common shares for cash in private placement
4. Matters for Ratification
 - (1) Adoption of the 2020 Business Report and Financial Statements
 - (2) Adoption of the Proposal for Distribution of 2020 Profits
5. Matters for Discussion
 - (1) To amend the Company's Articles of Incorporation
 - (2) To amend the Company's Procedures for Election of Directors and Supervisors
 - (3) To amend the Company's Procedure for the Acquisition and Disposal of Assets
 - (4) To amend the Company's Procedures for Loaning Funds to Others
 - (5) To amend the Company's Procedures for Endorsements and Guarantees
6. Matters for Election
 - (1) To elect the Board of Directors
7. Other matters
 - (1) To release the Directors elected from non-competition restrictions
8. Extempore motion
9. Adjournment

II. Report Items

1. 2020 Business Report

Despite the widespread transmission of COVID-19 across countries in 2020, Grape King Bio Ltd. still managed to generate earnings of NT\$9.34 per share by capitalizing on its quality products and business expansion as an original design manufacturer (ODM). We have also formed the exciting strategic partnership with Uni-President Enterprises Corporation (“UPEC”) which is geared towards the expansion of domestic and overseas markets in the near future. A brand leader in the biotechnology industry, Grape King Bio is committed to innovation, research and development as we continuously provide new quality products in hopes of providing a more comprehensive experience for our consumers. We aims to increase revenue growth by utilizing these top three strategies, new product releases, cross-industry alliances and export expansion as well as facilitating the construction of a plant in Pingzhen Industrial Park, in order to increase production capacity as a way to dominate our niche.

We continue to uphold good corporate governance practices amid the pandemic and other external factors. The Company has retained its rank in the Top 20% of all listed companies in Taiwan for 3 consecutive years based on corporate governance assessment results in 2020. We uphold our corporate social responsibility by achieving the following objectives, including but not limited to environmental sustainability, social engagement and corporate governance towards sustainable development and further improvement of performance through the ESG Committee's operating framework.

2020 was another great year for the awards and international recognition, receiving accolades for both Corporate and Product, Raw Materials Innovation parts of our business, including “No.2 on the Common Wealth Magazine Taiwanese -Pharmaceutical and Biotechnology Industry” as well as “2020 Agency & Advertiser

of the year-Social Enterprise Award”, etc. For our Technology Research and Development alone we were awarded with; 20 Gold, 1 Copper and 6 Special prizes for patent technologies such as Probiotics, Cicada, Antrodia, and *Lignosus Rhinocerus Mycelia*. Furthermore our involvement in Corporate Social Responsibility and for promoting a healthy workplace was recognized by the “Influenza Prevention Alliance Gold Award” from the Taiwan Immunization Vision and Strategy as well as won the Gold Medal at the TCSA Corporate Sustainability Report Awards for the 3rd consecutive year. In addition, our Chairman & General Manager, Dr. Shenglin Andrew Tseng, won 2020 Outstanding Brand Manager Gold Award at the "Agency & Advertiser of the Year”, showing his continuous dedication and leadership to the Company.

Our subsidiary Pro-Partner Ltd., led by the excellent leadership of Chairwoman Chang-Yeh Tseng, General Manager Mei-Ching Tseng and the six Consultants, has been growing at a steady rate for years and once again claimed the 2nd ranked placing on the Taiwan Multilevel Marketing listing based on revenue.

In addition to meet the expectations and requirements of the Shareholders and customers, we have also adhered to the concept of social welfare, putting and emphasis on our role in society as a whole. We believe that, through continuous efforts to learn and improve we will be able to achieve a socially responsible company that works for the best interest of the Company, Employees and Society as well as making contributions to corporate social responsibility and sustainable development.

Lastly, we would like to wish you all good health and prosperity for 2021.

Chairman: **Shenglin Andrew Tseng** General Manager: **Shenglin Andrew Tseng** Chief Accountant: **Nick Hung**

2. Supervisors' Review Report on the 2020 Financial Statements

Description: The Supervisors' Review Report is attached as Appendix 1. (page 35).

3. Report on Remuneration Distribution for Employees, Directors and Supervisors for the Year 2020

Description:

- (1) The profit of the Company is NT\$1,481,654,535 (i.e., pre-tax profit before deducting the remuneration of employees, directors and supervisors). In accordance with Article 29 of the Articles of Incorporation, it has been proposed that the Company disburses 8% in cash, amounting to NT\$118,532,362, to employees and 2%, amounting to NT\$29,633,090, to directors and supervisors.
- (2) There is no difference between the amount of distribution and the amount of recognized expenses in 2020.

4. The execution result of issuing new common shares for cash in private placement

Description:

- (1) The Company passed a resolution limiting the issuance of common shares, i.e., 11,851,000 shares and NT\$10 per share for cash capital increase by means of private placement, pursuant to Article 43-6 of the Securities and Exchange Act, at the Special Shareholders' Meeting held on January 14, 2021. A private placement issuance shall be made once a year starting from the day the resolution was adopted at the meeting.
- (2) The Company has completed a private placement totaling 11,851,000 common shares, with a total placed amount of NT\$2,014,670,000.
- (3) For details of private placement of common stock in 2021, please refer to the list below:

Item	2021 1 st private placement Offering date(Stock issue date): March 5, 2021
The types of securities privately placed	Common Shares
The date and the quantity of the Shareholders' Meeting resolution	January 14, 2021 , within the limit of 11,851,000 common shares.
The basis and reasonableness of the private placement price	<p>1. Pricing basis of private placement :</p> <p>(1) The issue price of the Private Placement Shares is accordance with the Security and Exchange Act and regulations governing public companies issuing securities in private placement. Reference price is accordance the simple average closing price of the Company's common shares for either 1, 3, or 5 trading days prior to the pricing date and the simple average closing price of the Company's common shares for 30 trading days prior to the pricing date, after adjustment for shares issued as stock reduction and the cash dividends. The higher price of the above two pricing is the reference price.</p> <p>(2) Amount of issuance is no less than 80% of the reference price.</p> <p>2. Reasonableness of private placement :</p> <p>The price determination date of the Private Placement Shares is January 14, 2021.The issue price of the Private Placement Shares is referred to the closing price NT\$180.5 of the Company's common shares for 1 trading day prior to the pricing date. Subscription price of the Private Placement Shares is NT\$170, 94.2% of reference price, no less than 80% of the reference price approved by 2021 1st Special Shareholders' Meeting . The price determination for the subject private placement shall be reasonable.</p>
The method for selecting the specific persons	The investor(s) to subscribe to the Private Placement Shares shall meet the qualification listed in Article 43-6 of the Security and Exchange Act, and Article reference number 0910003455 of the Securities and Futures Bureau under the Financial Supervisory R.O.C. (Taiwan). The Company proposes to introduce Uni-President Enterprises Corporation ("UPEC") as the strategic investor(s) of the private placement.
The reasons for the necessity of conducting the private placement	The use of funds raised in the private placement will invest in capital expenditures, enrich working capital, strengthen financial structure and/or support the Company's funding for long-term development. Meanwhile, compared to a public-offering, an investor(s) subscribed to the private

	placement is subject to a lock-up period of 3 years which would ensure a closer strategic collaboration with the investor(s). Issuance of the Private Placement Shares is also considered to be more efficient and suitable to accommodate the Company's development planning.				
The date of subscription has been paid up in full	January 18, 2021. The total amount of the private placement is NT\$2,014,670,000.				
Information for placees	The places of the private placement	Qualification requirements	Subscription quantities	Relationship to the Company	involvement in company operations
	Uni-President Enterprises Corporation ("UPEC")	Article 43-6 (1)-2 of the Security and Exchange Act	11,851,000 shares	Non-related	Anticipated to acquire one seat of directors at the general shareholder's meeting in 2021.
Actual subscription price	NT\$ 170				
The discrepancy between the actual subscription price and the reference price	Actual subscription price is NT\$170, 94.2% of reference price NT\$180.5, no less than 80% of the reference price approved by 1 st Special Shareholders' Meeting.				
Any effect of the private placement on shareholder equity	The ratio of the private placement amount to the paid-in capital is 8%.				
The status of utilization of funds and plan implementation progress	Planned use	The total amount required: NT\$	The actual amount spent (As of February 24, 2021)	implementation progress	
	Repay bank loans	1,701,461,112	1,701,461,112	100.00%	
	Enrich working capital	313,208,888	313,208,888	100.00%	



	Total	2,014,670,000	2,014,670,000	100.00%
The status of realization of plan benefits	Use of the funds raised in this private placement is to repay bank loans and to enrich working capital to strength financial structure and benefit for shareholder equity.			

III. Matters for Ratification

Item 1 Proposed by the Board of Directors

Item: Adoption of the 2020 Business Report and Financial Statements.

Description:

(1) The Company's 2020 Financial Statements have been audited by Yu Feng Huang and Ming Yuan Chung, Certified Public Accountants of Deloitte & Touche, and an audit report has been issued.

(2) The Business Report and Financial Statements have been examined by the supervisors.

Business Report (Please refer to page 2 to 3)

Financial Statements (Please refer to page 36 to 55)

Resolution:

Item 2

Proposed by the Board of Directors

Item: Adoption of the Proposal for Distribution of 2020 Profits.

Description:

- (1) The Company's 2020 Profit Distribution Table was approved by the 18th meeting of the 19th Board of Directors on February 25, 2021. It was proposed that the Company disburses cash dividend amounting to NT\$948,079,187 which is obtained from retained earnings, valued at NT\$6.4 per share, and estimated by rounding down to the dollar unit. The fractional amount will be included in the Company's other income. Upon approval during the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date, ex-rights date, and other relevant issues.
- (2) In the event that the subsequent changes in capital affect the number of outstanding shares and cause changes in the dividend payout ratio, it is proposed that the Board of Directors be authorized to adjust the payout ratio.
- (3) Profit Distribution Table for 2020 please refer to Page 56.

Resolution:

IV. Matters for Discussion

Item 1

Proposed by the Board of Directors

Item: To amend the Company's Articles of Incorporation.

Description:

(1) The amendments of the Company's Articles of Incorporation were proposed to tailor the Audit Committee established and the needs of the Company.

(2) Comparison Table on the Amendments to Articles of Incorporation:

Clause	After Amendment	Before Amendment	Explanation
Chapter 4	Director and Audit Committee	Director, Supervisor and Audit Committee	In accordance with the Audit Committee established to delete the "Supervisor" relevant text.
Article 20	The Company shall have nine (9) to thirteen (13) directors. The number of directors is authorized by the Board of Directors. The term of office shall be three (3) years. Directors shall be elected from a list of candidates and appointed by the shareholders during the shareholders' meetings. Directors may also be re-elected for succeeding terms. The number of independent directors shall not be less than three, and shall not be less than one fifth of the directors' seats. The election of directors entails a nomination system. The nomination, notice and other matters relating to the candidates for directors shall be in accordance with the Company Act, securities	The Company shall have nine (9) to thirteen (13) directors. The number of directors is authorized by the Board of Directors. The term of office shall be three (3) years. Directors shall be elected from a list of candidates and appointed by the shareholders during the shareholders' meetings. Directors may also be re-elected for succeeding terms. The number of independent directors shall not be less than three, and shall not be less than one fifth of the directors' seats. The election of directors and supervisors entails a nomination system. The nomination, notice and other matters relating to the candidates for directors and supervisors shall	In accordance with the Audit Committee established to delete the "Supervisor" relevant text and make appropriate modification.

	trading law, related laws and regulations. Independent directors and non-independent directors should be elected together to determine their designation. The total shares of nominal stocks held by directors shall not be less than the specified percentage regulated by the relevant competent authority.	be in accordance with the Company Act, securities trading law, related laws and regulations. Independent directors and non-independent directors should be elected together to determine their designation. The total shares of nominal stocks held by either directors or supervisors shall not be less than the specified percentage regulated by the relevant competent authority.	
Article 20-2	The Board of Directors of the Company may set up functional committees, the qualifications, exercise of their power, and related matters for the committee members shall be handled in accordance with the relevant laws and regulations and set out by the Board of Directors. Pursuant to Article 14-4 of the Securities and Exchange Act, the Company establishes Audit Committee. The Audit Committee powers conferred by the Securities and Exchange Act, the Company Act, any other law <u>and the procedure of corporation</u> . The Audit Committee shall be composed of the entire number of independent directors, one of whom shall be committee convener, and at least one of whom shall have accounting or financial expertise.	The Board of Directors of the Company may set up functional committees, the qualifications, exercise of their power, and related matters for the committee members shall be handled in accordance with the relevant laws and regulations and set out by the Board of Directors. Pursuant to Article 14-4 of the Securities and Exchange Act, the Company establishes Audit Committee beginning from 2021's shareholder's meeting . The Audit Committee powers conferred by the Securities and Exchange Act, the Company Act, and any other law to be exercised by supervisors . The Audit Committee shall be composed of the entire number of independent directors, one of whom shall be committee convener, and at least one of whom shall have accounting or financial expertise. The relevant regulations for supervisors of the	In accordance with the Audit Committee established to delete the "Supervisor" relevant text and make appropriate modification.

		Articles will be invalid since Audit Committee established.	
Article 22-1	Directors' meeting shall be convened once a quarter with the written purpose to inform every Director seven days prior to the meeting date. In the event of emergency, Directors may convene at any time. The convening of the previous paragraph may be made at any time by written mail, facsimile, and E-mail etc.	Directors' meeting shall be convened once a quarter with the written purpose to inform every Director and supervisor seven days prior to the meeting date. In the event of emergency, Directors may convene at any time. The convening of the previous paragraph may be made at any time by written mail, facsimile, and E-mail etc.	In accordance with the Audit Committee established to delete the "Supervisor" relevant text.
Article 25	<u>Deleted.</u>	The Supervisor shall take charge of auditing all businesses of the Company according to the regulations of the Company Act.	In accordance with the Audit Committee established to delete the "Supervisor" relevant text.
Article 25-1	Board of Directors is authorized to determine the transportation allowance and remuneration <u>for Directors</u> based on reference of the industrial compensation level but not over the standard of highest level salary according to Guideline for Remuneration Criteria.	Board of Directors is authorized to determine the transportation allowance and remuneration based on reference of the industrial compensation level but not over the standard of highest level salary according to Guideline for Remuneration Criteria.	In accordance with the Audit Committee established to delete the "Supervisor" relevant text.
Article 25-3	The Company shall purchase liability insurance for Directors to guarantee Director to take potential legal responsibility occurring from the implementation of duties thereof.	The Company shall purchase liability insurance for Directors and Supervisors to guarantee Director or Supervisor to take potential legal responsibility occurring from the implementation of duties thereof.	In accordance with the Audit Committee established to delete the "Supervisor" relevant text.
Article	Board of Directors shall prepare	Board of Directors shall prepare	In accordance

28	<p>the following financial reports according to the regulations of the Company Act at the end of fiscal year of the Company and propose in shareholders' meetings for admission.</p> <ol style="list-style-type: none"> 1. Annual Business Report 2. Financial Report 3. Proposal for Appointment of Profit or Loss 	<p>the following financial reports according to the regulations of the Company Act at the end of fiscal year of the Company and hand-over to the Supervisor for auditing or delegating certified public accountant to certify and issue relevant reports by the Supervisor, and propose in shareholders' meetings for admission.</p> <ol style="list-style-type: none"> 1. Annual Business Report 2. Financial Report 3. Proposal for Appointment of Profit or Loss 	<p>with the Audit Committee established to delete the "Supervisor" relevant text and make appropriate modification.</p>
Article 29	<p>The Company shall make appropriate provisions for Employee bonus and remuneration to Director according to the proportion as below on the occasion of a profit making year. However, it shall preserve amount to cover the deficit and then make appropriate provisions to employee bonuses and remunerations to Directors by following proportion in case that there is accumulated deficits in the Company.</p> <p>(1) Employee Bonus: The Company shall make appropriate provisions based on Income Before Tax (Employee Bonus and Remuneration to Director excluded) for 6-8% as employee bonus and distribute and issue stock or cash depends on the resolution of Board of Directors. The distributed targets include the</p>	<p>The Company shall make appropriate provisions for Employee bonus and remuneration to Director and Supervisor according to the proportion as below on the occasion of a profit making year. However, it shall preserve amount to cover the deficit and then make appropriate provisions to employee bonuses and remunerations to Directors and Supervisors by following proportion in case that there is accumulated deficits in the Company.</p> <p>(1) Employee Bonus: The Company shall make appropriate provisions based on Income Before Tax (Employee Bonus and Remuneration to Director and Supervisor excluded) for 6-8% as employee bonus and distribute and issue stock or cash depends</p>	<p>In accordance with the Audit Committee established to delete the "Supervisor" relevant text.</p>

	<p>employees of parents or subsidiary of the Company meeting certain specific requirements and specific requirements shall authorize the Board of Directors to establish.</p> <p>(2) Remuneration to Director: The Company shall make appropriate provisions but not more than 2% based on Income before Tax (Employee Bonus and Remuneration to Director excluded) for Remuneration to Director). The distribution proposal of employee bonus and remuneration to Director shall be proposed in Directors’ meeting.</p>	<p>on the resolution of Board of Directors. The distributed targets include the employees of parents or subsidiary of the Company meeting certain specific requirements and specific requirements shall authorize the Board of Directors to establish.</p> <p>(2) Remuneration to Director and Supervisor: The Company shall make appropriate provisions but not more than 2% based on Income before Tax (Employee Bonus and Remuneration to Director and Supervisor excluded) for Remuneration to Director and Supervisor). The distribution proposal of employee bonus and remuneration to Director and Supervisor shall be proposed in Directors’ meeting.</p>	
Article 32	<p>The Article is stipulated on March 6, 1971. The 1st amendment was on July 31, 1973.... The 42th revision was made on May 28, 2020. <u>The 43th revision was made on May 28, 2021.</u></p>	<p>The Article is stipulated on March 6, 1971. The 1st amendment was on July 31, 1973.... The 42th revision was made on May 28, 2020.</p>	Add revision date.

Resolution:

Item 2

Proposed by the Board of Directors

Item: To amend the Company's Procedures for Election of Directors and Supervisors.

Description:

(1) The amendments of the Procedures for Election of Directors and Supervisors were proposed to tailor the Audit Committee established and the needs of the Company. The Procedures for Election of Directors and Supervisors renames to the Procedures for Election of Directors .

(2) Comparison Table on the Amendments to Procedures for Election of Directors and Supervisors:

Clause	After Amendment	Before Amendment	Explanation
The name of procedure	The procedures for Election of Directors	The procedures for Election of Directors and Supervisors	In accordance with the Audit Committee established to delete the "Supervisor" relevant text.
Article 1	<u>Except as otherwise provided by law and regulation or by the Company's Article of Incorporation,</u> elections of directors shall be conducted in accordance with these <u>procedures.</u>	Elections of directors and supervisors shall be conducted in accordance with these Procedures.	In accordance with the Audit Committee established to delete the "Supervisor" relevant text and merge Article 10 into article 1.
Article 2	The cumulative voting system shall be used for election of the directors at the Company. Except as otherwise provided by law and regulation, each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple	The single named cumulative voting system shall be used for election of the directors and supervisors at the Company. Except as otherwise provided by law and regulation, each share will have voting rights in number equal to the directors or supervisors to be elected, and	In accordance with the Audit Committee established to delete the "Supervisor" relevant text and make appropriate modification.

	<p>candidates. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.</p> <p>The shareholders may be exercising their voting rights via electronic or physically present for the election of directors at the Company. Upon above exercise voting rights via electronic, shall be via electronic voting platform appointed by the Company.</p>	<p>may be cast for a single candidate or split among multiple candidates. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.</p> <p>The shareholders may be exercising their voting rights via electronic or physically present for the election of directors at the Company. Upon above exercise voting rights via electronic, shall be via electronic voting platform appointed by the Company.</p>	
Article 3	<p>Elections of directors shall be elected <u>at</u> the shareholder's meeting from a list of candidates, in accordance with the candidate nomination system. The number of directors will be as specified in the Company's articles of incorporation <u>with voting rights separately calculated for independent and non-independent director positions.</u> Those receiving ballots representing the highest numbers of voting rights will be elected <u>separately</u> and sequentially according to their respective numbers of votes. When more <u>than</u> two persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the Chair</p>	<p>Elections of directors and supervisors shall be elected by the shareholders' meetings from a list of candidates, in accordance with the candidate nomination system. The number of directors and supervisors will be as specified in the Company's articles of incorporation, those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more two persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the Chair drawing lots on behalf of any person not in attendance. If single candidate is elected as director and supervisor at the</p>	<p>In accordance with the Audit Committee established to delete the "Supervisor" relevant text and make appropriate modification.</p>

	drawing lots on behalf of any person not in attendance.	same time, then that certain individual shall decide which seat to fill. Where, upon above decision, the candidate receiving second most votes to such director or supervisor shall be elected to fill the vacancy.	
Article 4	<u>Before</u> the election begins, the Chair shall appoint a number of persons <u>with shareholder's status</u> to perform the respective duties of vote monitoring and counting personnel	The election begins, the Chair shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel.	In accordance with the needs of business requirements to amend.
Article 5	<u>The</u> voter must enter the candidate's account name in the "candidate" column of the ballot. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered. The shareholders' meetings convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided.	If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered. The shareholders' meetings	In accordance with the needs of business requirements to amend.

		<p>convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided.</p>	
Article 6	<p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot <u>is not prepared by a person with the right to convene.</u> 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot <u>does not conform to the director candidate list.</u> 5. Contains two or more candidates. 6. Other words or marks are entered in addition to the candidate's account name allotted. 	<p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot will be as specified in the Procedures. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or other words or marks are entered in addition to the candidate whose name is entered in the ballot is a non shareholder, and a cross check shows that the candidate's name and identity card number do not match. 5. Contains two or more candidates. 6. Other words or marks are entered in addition to the candidate's account name and shareholder account number or identity card number and the number of voting rights allotted. 7. The name of the candidate entered in the ballot is identical to that of another shareholder, 	<p>In accordance with the needs of business requirements to amend.</p>

		but no shareholder account number or identity card number is provided in the ballot to identify such individual.	
Article 8	The Board of Directors of the Company shall issue notifications to the persons elected as directors.	The Board of Directors of the Company shall issue notifications to the persons elected as directors or supervisors.	In accordance with the Audit Committee established to delete the “Supervisor” relevant text and make appropriate modification.
Article 9	These <u>pro</u> cedures and any amendments hereto, shall be implemented after approval by a shareholders’ meeting.	These Pro cedures shall be implemented after approval by a shareholders’ meeting.	In accordance with the needs of business requirements to amend.
Article10	<u>Deleted.</u>	For the events not stipulated in the Article, it complies with the regulations of the Company Act and related laws. The relevant regulations for supervisors of the Procedures will be invalid since Audit Committee established.	In accordance with the Audit Committee established to delete the “Supervisor” relevant text and merge Article 10 into article 1.

Resolution:

Item 3

Proposed by the Board of Directors

Item: To amend the Company's Procedure for the Acquisition and Disposal of Assets:

(1) The amendments of the Procedure for the Acquisition and Disposal of Assets were proposed to tailor the Audit Committee established and the actual needs of the Company.

(2) Comparison Table on the Amendments to Procedure for the Acquisition and Disposal of Assets:

Clause	After Amendment	Before Amendment	Explanation
Article 6	1~5 omitting (unrevised) 6. Engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the above provisions of the Article. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with the Article, subparagraph 4 herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. <u>Intentions</u> to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or	1~5 omitting (unrevised) 6. Engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the above provisions of the Article. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with the Article, subparagraph 4 herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. Intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or	In accordance with the Audit Committee established and with the needs of business requirements to amend.

	<p>right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of 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, the Company may not proceed to enter into a transaction contract or make a payment until the following matters <u>shall first be approved by the Audit Committee and then submitted to the Board of Directors for a resolution:</u></p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as a transaction counterparty.</p> <p>(3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the competent authority.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(5) Monthly cash flow forecasts for</p>	<p>right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of 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, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the supervisors:</p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as a transaction counterparty.</p> <p>(3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the competent authority.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(5) Monthly cash flow forecasts for</p>	
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	<p>the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 19, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. The procedure shall first be approved by the Audit Committee members and then submitted to the Board of Directors need not be counted toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between the Company and subsidiaries, or between its subsidiaries in which it directly or 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/included NT\$300 million and have the decisions subsequently submitted to and</p>	<p>the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 19, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and recognized by the supervisors need not be counted toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between the Company and subsidiaries, or between its subsidiaries in which it directly or 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/included NT\$300 million and have the decisions subsequently submitted to and ratified by the next Board of Directors</p>	
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	<p>ratified by the next Board of Directors meeting:</p> <p>(1)Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(2)Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>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. When a matter is submitted for discussion by the Board of Directors pursuant to the subparagraph, paragraph 3, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. The matters for which the subparagraph, paragraph 3, shall first be approved by more than half of all audit committee members and then submitted to the Board of Directors for a resolution. If approval of more than half of all audit committee members as required is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of</p>	<p>meeting:</p> <p>(1)Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(2)Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>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. Where the position of independent director has been created, when a matter is submitted for discussion by the Board of Directors pursuant to the subparagraph, paragraph 3, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. Where an audit committee has been established, the matters for which the subparagraph, paragraph 3, requires recognition by the supervisors shall first be approved by more than half of all audit committee members and then submitted to the Board of Directors for a resolution. If approval of more than half of all audit committee members as required is</p>	
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	<p>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" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p> <p>7. Omitting (unrevised)</p>	<p>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. The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p> <p>7. Omitting (unrevised)</p>	
Article 9	<p>The <u>supervision and management</u> of Engaging in derivatives trading:</p> <p>1. Omitting (unrevised)</p> <p>2. Senior management personnel authorized by the Board of Directors shall manage derivatives trading in accordance with the following principles:</p> <p>(1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with the procedures for engaging in derivatives trading formulated by the Company.</p> <p>(2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; an independent director shall be present at the meeting and express an opinion.</p> <p>3. Omitting (unrevised)</p>	<p>The supervise and manage of Engaging in derivatives trading:</p> <p>1. Omitting (unrevised)</p> <p>2. Senior management personnel authorized by the Board of Directors shall manage derivatives trading in accordance with the following principles:</p> <p>(1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the Company.</p> <p>(2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where the Company has independent directors, an independent director shall be present at the meeting and express an opinion.</p>	<p>In accordance with the needs of business requirements to amend.</p>

		3. Omitting (unrevised)	
Article 10	<p>The internal audit of Engaging in derivatives trading</p> <p>1. Omitting (unrevised)</p> <p>2. The internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, <u>the Audit committee</u> shall be notified in writing.</p>	<p>The internal audit of Engaging in derivatives trading</p> <p>1. Omitting (unrevised)</p> <p>2. The internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing.</p> <p>3. Where independent directors have been appointed in accordance with the provisions of the Act, for matters for which notice shall be given to the supervisors under the preceding paragraph, written notice shall also be given to the independent directors.</p> <p>4. Where an audit committee has been established in accordance with the provisions of the Act, the provisions of subparagraph 2 relating to supervisors shall apply mutatis mutandis to the audit committee.</p>	<p>In accordance with the Audit Committee established and with the needs of business requirements to amend.</p>
Article 22	<p>Subsidiaries to establish relevant procedures for acquisition or disposal of assets could be referred to the Company's procedures and should follow the procedures. Information relating to any acquisition or disposal of assets by the Subsidiaries shall be provided regularly to this Company</p>	<p>Subsidiaries to establish relevant procedures for acquisition or disposal of assets could be referred to the Company's procedures and should follow the procedures. Information relating to any acquisition or disposal of assets by the Subsidiaries shall be provided regularly to this Company</p>	<p>In accordance with the needs of business requirements to amend.</p>

	for inspection. If subsidiaries do not to establish relevant procedures for acquisition or disposal of assets, should follow the procedures of the Company.	for inspection. If subsidiaries do not to establish relevant procedures for acquisition or disposal of assets, should follow the procedures of the Company.	
Article 24	<p>Approval and amendment</p> <p>1. <u>When the procedures are adopted or amended they shall be approved by the audit committee and submitted to the Board of Directors for resolution. After the procedures have been approved by the Board of Directors, they shall be submitted to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the Director's dissenting opinion to audit committee.</u></p> <p>2. When the procedures are submitted 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. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p>3. When the procedures are adopted or amended they shall be approved by more than half of all audit committee members and submitted to the Board of Directors for a resolution. If approval of more than</p>	<p>Approval and amendment</p> <p>1. After the procedures for the acquisition or disposal of assets have been approved by the Board of Directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the Director's dissenting opinion to each supervisor.</p> <p>2. Where the position of Independent Director has been created, when the procedures for the acquisition and disposal of assets are submitted 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. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p>3. Where an audit committee has been established, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by more than half of all audit committee</p>	In accordance with the Audit Committee established and with the needs of business requirements to amend.

	<p>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. The terms "all audit committee members" in this paragraph and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p>	<p>members and submitted to the Board of Directors for a 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. The terms "all audit committee members" in this paragraph and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p>	
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Resolution:

Item 4

Proposed by the Board of Directors

Item: To amend the Company's Procedures for Loaning Funds to Others.

Description:

(1) The amendments of the Company's Procedures for Loaning Funds to Others were proposed to tailor the actual needs of the Company and the Audit Committee established.

(2) Comparison Table on the Amendments to Procedures for Loaning Funds to Others:

Clause	After Amendment	Before Amendment	Explanation
Article 8	<p>Management for Loaning Funds to Others:</p> <p>1. Omitting (unrevised)</p> <p>2. The Company's internal auditors shall audit the Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>the Audit Committee</u> in writing of any material violation found.</p> <p>3. If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to <u>the Audit Committee</u>, and shall complete the rectification according to the timeframe set out in the plan.</p> <p>4. Omitting (unrevised)</p>	<p>Management for Loaning Funds to Others:</p> <p>1. Omitting (unrevised)</p> <p>2. The Company's internal auditors shall audit the Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors and independent directors in writing of any material violation found.</p> <p>3. If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to all the supervisors and independent directors, and shall complete the rectification according to the timeframe set out in the plan.</p> <p>4. Omitting (unrevised)</p> <p>5. If the Company has established an</p>	In accordance with the Audit Committee established and with the needs of business requirements to amend.

		Audit Committee, the Articles 8 regarding supervisors shall apply mutatis mutandis to the Audit Committee.	
Article 12	<p>Amendment for effect and resolve:</p> <p>1. <u>When the Procedures are adopted or amended, they shall require the approval of the Audit Committee and furthermore shall be submitted for a resolution by the Board of Directors.</u></p> <p><u>After being passed by the Board of Directors, the Company shall submit the procedures for approval at the shareholder's meeting. Where there are any director who expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to the Audit Committee and for discussion at the shareholder's meeting. The same shall apply to any amendments to the procedures.</u></p> <p>2. <u>When it adopts or amends the procedures, the procedures shall require the approval of one-half or more of all the Audit Committee members, and furthermore shall be submitted for a resolution by the Board of Directors.</u></p> <p>3. <u>If the approval of one-half or more of all the Audit Committee members as required in the preceding subparagraph 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.</u></p>	<p>Amendment for effect and resolve:</p> <p>1. The Procedures, after being passed by the Board of Directors, submit the same to each supervisor and for approval by the shareholders' meetings. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to each supervisor and for discussion by the shareholders' meetings. The same shall apply to any amendments to the Procedures.</p> <p>2. The matters that shall be submitted to the Company's Board of Directors for a resolution, the Board of Directors shall take into full consideration each independent director's opinions, if an independent director expresses any dissent or reservation, it shall be noted in the minutes of the Board of Directors.</p> <p>3. If the Company has established an Audit Committee, when it adopts or amends its Procedures for Lending Funds to Others, the procedures or amended procedures shall require the approval of one-half or more of all Audit Committee members, and furthermore shall be submitted for a resolution by the Board of Directors, and the provisions of subparagraph 2 shall not apply.</p>	<p>In accordance with the Audit Committee established and with the needs of business requirements to amend as well as adjust the items.</p>

	<p><u>4.</u> The terms "all <u>the</u> Audit Committee members" in subparagraph <u>2</u> and "all directors" in subparagraph <u>3</u> shall be counted as the actual number of persons currently holding those positions.</p>	<p>4. If the approval of one-half or more of all Audit Committee members as required in the preceding subparagraph 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.</p> <p>5. The terms "all Audit Committee members" in subparagraph 3 and "all directors" in subparagraph 4 shall be counted as the actual number of persons currently holding those positions.</p>	
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Resolution:

Item 5

Proposed by the Board of Directors

Item: To amend the Company's Procedures for Endorsements and Guarantees.

Description:

- (1) The amendments of the Company's Procedures for Endorsements and Guarantees were proposed to tailor the actual needs of the Company and the Audit Committee established.
- (2) Comparison Table on the Amendments to Procedures for Endorsements and Guarantees:

Clause	After Amendment	Before Amendment	Explanation
Article 5-2	The Limits and conditions on endorsements and guarantees: 1. ~4. Omitting (unrevised) 5. If, as a result of a change in circumstances, an entity for which an endorsements/guarantees is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans, submit the rectification plans to <u>the Audit Committee</u> , and shall complete the rectification according to the timeframe set out in the plan. 6. ~8. Omitting (unrevised)	The Limits and conditions on endorsements and guarantees: 1. ~4. Omitting (unrevised) 5. If, as a result of a change in circumstances, an entity for which an endorsements/guarantees is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans, submit the rectification plans to all the supervisors and independent directors , and shall complete the rectification according to the timeframe set out in the plan. 6. ~8. Omitting (unrevised)	In accordance with the Audit Committee established and with the needs of business requirements to amend.
Article 5-8	The management of endorsements and guarantees: 1. Omitting (unrevised) 2. The Company's internal auditors shall audit the <u>procedures</u> for Endorsements and Guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>the Audit</u>	The management of endorsements and guarantees: 1. Omitting (unrevised) 2. The Company's internal auditors shall audit the Procedures for Endorsements and Guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the	In accordance with the Audit Committee established and with the needs of business requirement

	<p><u>Committee</u> in writing of any material violation found.</p> <p>3. ~4. Omitting (unrevised)</p>	<p>supervisors and independent directors in writing of any material violation found.</p> <p>3. ~4. Omitting (unrevised)</p>	<p>s to amend.</p>
<p>Article 5-9</p>	<p>Amendment for effect and resolve:</p> <p>1. <u>When the procedures are adopted or amended, they shall require the approval of the Audit Committee and furthermore shall be submitted for a resolution by the Board of Directors.</u> After being passed by the Board of Directors, <u>the Company shall submit the procedures</u> for approval by the shareholders’ meeting. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to <u>the Audit Committee</u> and for discussion by the shareholders’ meetings. The same shall apply to any amendments to the procedures.</p> <p>2. When it adopts or amends its Procedures, the procedures shall require the approval of one-half or more of all <u>the</u> Audit Committee members, and furthermore shall be submitted for a resolution by the Board of Directors.</p> <p>3. If the approval of one-half or more of all <u>the</u> Audit Committee members as required in Article 5-9(2) 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.</p>	<p>Amendment for effect and resolve:</p> <p>1. The Procedures, after being passed by the Board of Directors, submit the same to each supervisor and for approval by the shareholders’ meetings. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to each supervisor and for discussion by the shareholders’ meetings. The same shall apply to any amendments to the Procedures.</p> <p>2. The matters that shall be submitted to the Company’s Board of Directors for a resolution, the Board of Directors shall take into full consideration each independent director’s opinions, if an independent director expresses any dissent or reservation, it shall be noted in the minutes of the Board of Directors.</p> <p>3. If the Company has established an Audit Committee, when it adopts or amends its Procedures for Endorsements and Guarantees, the procedures or amended procedures shall require the approval of one-half or more of all Audit Committee members, and furthermore shall be submitted for a resolution by the Board of Directors, and the provisions of Article 5-9(2) shall not apply.</p>	<p>In accordance with the Audit Committee established and with the needs of business requirements to amend as well as adjust the items.</p>

	<p>4. The terms "all <u>the</u> Audit Committee members" in Article 5-9(2) and "all directors" in Article 5-9(3) shall be counted as the actual number of persons currently holding those positions.</p>	<p>4. If the approval of one-half or more of all Audit Committee members as required in Article 5-9(3) 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.</p> <p>5. The terms "all Audit Committee members" in Article 5-9(3) and "all directors" in Article 5-9(4) shall be counted as the actual number of persons currently holding those positions.</p> <p>6. If the Company has established an Audit Committee, the Articles 5-8(2) and 5-2(5) regarding supervisors shall apply mutatis mutandis to the Audit Committee.</p>	
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Resolution:

V. Matters for Election

Item 1

Proposed by the Board of Directors

Item: To elect the Board of Directors.

Description:

- (1) The 19th session of the Company's directors and supervisors expired on May 28, 2021. The Company intends to conduct a general re-election of directors at the general shareholders' meeting in 2021.
- (2) According to the provisions of Article 20 of the Articles of Association of the Company, twelve directors (including four independent directors) are proposed to be elected at the current session, and the candidate nomination system is to be adopted. The term of office for new directors will be three years, starting from

May 28, 2021 to May 27, 2024. After voting, the Audit Committee will be established by all independent directors to replace the duties of all supervisors.

- (3) The list of candidates for directors and independent directors has been approved by the Board of Directors on February 25, 2021. Please refer to page 96 to 102 of this handbook.

Election results:

VI. Other Matters

Item 1 Proposed by the Board of Directors

Item: To release the Directors elected from non-competition restrictions.

Description:

(1) According to the provisions of Article 209 of the Company Law, a director acting for himself or another person within the Company's business scope shall explain the important contents of his acts in the shareholder's meeting and obtain their approval.

(b) For the new director of the Company who invests or operates other companies with the same or similar business scope and acts as the company's director or manager, the shareholders' meeting agreed to lift the restrictions on the new director's non-competition restriction to meet the needs of the actual business.

(3) The position details of directors (including independent directors) who hold positions with other companies are as follows:

Job Title	Name	Current part-time position in other companies
Director	Tseng, Sheng-Lin (Andrew)	Pro-Partner Ltd., Director
Director	Tseng, Mei-Ching (Grace)	Pro-Partner Ltd., Director and General Manager

Director	Chang, Jue-Jia (Barry)	Pro-Partner Ltd., Director Supervisor, Kuowang Food Co. Ltd
Director	Huang, Yen-Shiang (James)	Chingbiao Biotech Co., Ltd Chairman
Director	Chang, Chih-Sheng	General Manager, Kuowang Food Co. Ltd.
Director	Uni-President Enterprises Corp., Representative : Kao, Shioh-Ling	1.Chairman of: Kao Chyuan Inv. Corp.,President Being Corp., President Fair Development Corp., Uni-President Department Store Corp., President Pharmaceutical Corp., President Drugstore Business Corp., Eternity Holdings Ltd., Infinity Holdings Ltd. 2.Director of: Uni-President Enterprises Corp., President Chain Store Corp., Ton Yi Industrial Corp., ScinoPharm Taiwan, Ltd., President International Development Corp., Uni-President Development Corp., Prince Housing &Development Corp., Time Square International Co. Ltd., President (Sanghai) Health Product Trading Company Ltd., Uni-Wonder Corporation, President Century Corp. Ltd., Beauty Wonder (Zhejiang) Trading Co. Ltd., Times Square International Holding Co.. 3. General manager of: Kao Chyuan Inv. Corp., President Fair Development Corp..

Resolution:

VII. Extempore motion

VIII. Adjournment

Appendix 1**Grape King Bio Ltd
Supervisors' Review Report**

Approved

The Board of Directors submit the 2020 Business Report, Financial Statements and Profit Distribution Table which were inspected and affirmed by the Supervisors to ensure that there was no violation of the law and the Company is in compliance with all regulations.

For review

Sincerely,

Grape King Bio Ltd
2021 Annual Shareholders' Meetings

Chih-Sheng Chang

Supervisors:

Hsing-Chun Chen

February 25, 2021

INDEPENDNT AUDITORS' REPORT

The Board of Directors and Shareholders
 Grape King Bio Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Grape King Bio Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2020 and 2019, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years ended then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 parent company only financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Company's parent company only financial statements for the year ended December 31, 2020 is stated as follows:

Valuation of Inventory

The products of the Company mainly include health foods and beverages. Such products have shelf-lives and are sold in a highly competitive consumer market, resulting in greater exposure to risk of loss on inventory due to damage or expiration. The estimation for loss on inventory is based on market conditions, historical sales experience of similar products, and the net realizable value of

inventory. Refer to Notes 4, 5, and 10 to the parent company only financial statements for the details on the valuation of inventory. The net carrying value of inventory as of December 31, 2020 for the Company amounted to NT\$545,301 thousand, which was significant to the parent company only financial statements, and the criteria to determine loss on inventory vary according to different categories of inventories which require critical accounting estimates. Consequently, the valuation of inventory was identified as a key audit matter.

Our key audit procedures performed in respect of the above area included the following:

1. We understood and tested the design and operating effectiveness of key controls over the valuation of inventory;
2. We understood and assessed the reasonableness of inventory valuation policy and estimates used by the management;
3. We performed an observation on the Company's annual physical count of inventory to assess for any indications of damaged or expired inventories not listed in the allowance for inventory loss;
4. We sampled and recalculated the accuracy of net realizable value of inventory as well as performed calculation of validity period from the year-end subsidiary ledgers and aging report of inventories, to verify that the allowance for inventory loss was appropriately recognized based on the about policy.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including supervisors, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only 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 Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company 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 parent company only financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yu Feng Huang and Ming Yuan Chung.



Deloitte & Touche
Taipei, Taiwan
Republic of China

February 25, 2021

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

GRAPE KING BIO LTD.

BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020		2019	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 341,406	4	\$ 276,731	3
Financial assets at amortized cost (Note 8)	8,940	-	8,940	-
Notes and accounts receivable, net (Notes 9 and 21)	46,816	-	41,889	1
Accounts receivable from related parties (Notes 21 and 29)	239,622	3	261,891	3
Other receivables	1,073	-	672	-
Other receivables from related parties (Note 29)	72,185	1	75,697	1
Inventories (Note 10)	545,301	6	404,182	5
Other current assets (Note 16)	50,455	-	59,564	-
Total current assets	1,305,798	14	1,129,566	14
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Note 7)	9,338	-	11,782	-
Financial assets at amortized cost (Notes 8 and 30)	9,600	-	9,600	-
Investments accounted for using the equity method (Note 11)	3,062,199	33	2,889,928	36
Property, plant and equipment (Notes 12, 30 and 31)	4,481,146	48	3,622,360	45
Right-of-use assets (Note 13)	73,571	1	96,656	1
Investment properties (Note 14)	234,556	3	234,822	3
Intangible assets (Note 15)	19,019	-	10,902	-
Deferred tax assets (Note 23)	1,027	-	1,129	-
Other non-current assets (Notes 16 and 19)	50,731	1	49,061	1
Total non-current assets	7,941,187	86	6,926,240	86
TOTAL	\$ 9,246,985	100	\$ 8,055,806	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 17 and 30)	\$ 500,000	5	\$ 350,000	4
Contract liabilities (Note 21)	-	-	323	-
Accounts payable	175,949	2	159,278	2
Other payables (Note 18)	362,380	4	412,253	5
Other payables to related parties (Note 29)	1,322	-	1,387	-
Current tax liabilities (Note 23)	110,639	1	56,599	1
Lease liabilities (Note 13)	13,695	-	15,319	-
Other current liabilities (Note 18)	16,751	-	24,294	-
Current portion of long-term borrowings (Notes 17 and 30)	41,533	1	-	-
Total current liabilities	1,222,269	13	1,019,453	12
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 17 and 30)	1,260,700	13	700,000	9
Deferred tax liabilities (Note 23)	68,804	1	68,675	1
Lease liabilities (Note 13)	61,521	1	82,855	1
Other non-current liabilities (Notes 18 and 29)	9,217	-	11,402	-
Total non-current liabilities	1,400,242	15	862,932	11
Total liabilities	2,622,511	28	1,882,385	23
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)				
Share capital	1,362,864	15	1,362,864	17
Capital surplus	971,717	11	968,724	12
Retained earnings	1,070,880	11	939,947	12
Legal reserve	100,752	1	74,671	1
Special reserve	3,204,720	35	2,973,497	37
Unappropriated earnings	4,376,358	47	3,988,115	50
Total retained earnings	(86,462)	(1)	(100,732)	(1)
Other equity	-	-	(45,330)	(1)
Treasury stock	-	-	-	-
Total equity	6,624,474	72	6,173,421	77
TOTAL	\$ 9,246,985	100	\$ 8,055,806	100

The accompanying notes are an integral part of the parent company only financial statements.



GRAPE KING BIO LTD.

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2020		2019	
	Amount	%	Amount	%
NET REVENUE (Notes 21 and 29)	\$ 2,175,969	100	\$ 2,015,823	100
COST OF GOODS SOLD (Notes 10 and 22)	<u>(1,051,819)</u>	<u>(49)</u>	<u>(968,370)</u>	<u>(48)</u>
GROSS PROFIT	1,124,150	51	1,047,453	52
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	<u>(7,162)</u>	<u>-</u>	<u>(3,552)</u>	<u>-</u>
ADJUSTED GROSS PROFIT	<u>1,116,988</u>	<u>51</u>	<u>1,043,901</u>	<u>52</u>
OPERATING EXPENSES (Notes 19, 22, 25 and 29)				
Selling and marketing	(374,549)	(17)	(361,420)	(18)
General and administrative	(290,508)	(13)	(268,835)	(13)
Research and development	<u>(217,615)</u>	<u>(10)</u>	<u>(165,240)</u>	<u>(8)</u>
Total operating expenses	<u>(882,672)</u>	<u>(40)</u>	<u>(795,495)</u>	<u>(39)</u>
INCOME FROM OPERATIONS	<u>234,316</u>	<u>11</u>	<u>248,406</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES (Notes 11, 22 and 29)				
Interest income	279	-	424	-
Other income	79,857	4	84,967	4
Other gains and losses	(947)	-	(78)	-
Finance costs	(10,931)	(1)	(11,637)	(1)
Share of profit or loss of subsidiaries and associates	<u>1,030,915</u>	<u>47</u>	<u>1,061,268</u>	<u>53</u>
Total non-operating income	<u>1,099,173</u>	<u>50</u>	<u>1,134,944</u>	<u>56</u>
PROFIT BEFORE INCOME TAX	1,333,489	61	1,383,350	69
INCOME TAX EXPENSE (Note 23)	<u>(61,464)</u>	<u>(3)</u>	<u>(74,330)</u>	<u>(4)</u>
NET PROFIT FOR THE YEAR	<u>1,272,025</u>	<u>58</u>	<u>1,309,020</u>	<u>65</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 20)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	646	-	236	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(2,444)	-	890	-
Remeasurement of defined benefit plans for subsidiaries recognized using the equity method	(111)	-	153	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(107)	-	(78)	-

(Continued)

GRAPE KING BIO LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ 16,941	1	\$ (33,078)	(2)
Exchange differences on translating the financial statements of foreign operations of associate	<u>(210)</u>	<u>-</u>	<u>(470)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>14,715</u>	<u>1</u>	<u>(32,347)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,286,740</u>	<u>59</u>	<u>\$ 1,276,673</u>	<u>63</u>
EARNINGS PER SHARE (Note 24)				
Basic earnings per share	<u>\$ 9.34</u>		<u>\$ 9.63</u>	
Diluted earnings per share	<u>\$ 9.29</u>		<u>\$ 9.58</u>	

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)

GRAPE KING BIO LTD.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

	Share Capital - Ordinary Shares		Retained Earnings			Unappropriated Earnings			Others			Treasury Stock	Total Equity
	Share (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income					
BALANCE AT JANUARY 1, 2019	136,286	\$ 1,362,864	\$ 965,244	\$ 810,407	\$ 74,671	\$ 2,676,265	\$ (50,958)	\$ (17,136)	\$ (91,062)	\$ 5,730,295			
Appropriation of 2018 earnings	-	-	-	-	-	(129,540)	-	-	-	-			
Legal reserve	-	-	-	129,540	-	(882,559)	-	-	-	(882,559)			
Cash dividends	-	-	-	-	-	-	-	-	-	-			
Share-based payment arrangements	-	-	3,480	-	-	-	-	-	45,532	49,012			
Net profit for the year ended December 31, 2019	-	-	-	-	-	1,309,020	-	-	-	1,309,020			
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	-	311	(33,548)	890	-	(32,347)			
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	1,309,331	(33,548)	890	-	1,276,673			
BALANCE AT DECEMBER 31, 2019	136,286	1,362,864	968,724	939,947	74,671	2,973,497	(84,506)	(16,246)	(45,530)	6,173,421			
Appropriation of 2019 earnings	-	-	-	-	-	(130,933)	-	-	-	-			
Legal reserve	-	-	-	130,933	-	(26,081)	-	-	-	-			
Special reserve	-	-	-	-	26,081	(884,210)	-	-	-	(884,210)			
Cash dividends	-	-	-	-	-	-	-	-	-	-			
Share-based payment arrangements	-	-	1,578	-	-	-	-	-	45,530	47,108			
Change in other capital surplus	-	-	1,415	-	-	-	-	-	-	1,415			
Net profit for the year ended December 31, 2020	-	-	-	-	-	1,272,025	-	-	-	1,272,025			
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	428	16,731	(2,444)	-	14,715			
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	1,272,453	16,731	(2,444)	-	1,286,740			
BALANCE AT DECEMBER 31, 2020	136,286	\$ 1,362,864	\$ 971,717	\$ 1,070,880	\$ 100,752	\$ 3,204,726	\$ (67,772)	\$ (18,690)	\$ -	\$ 6,624,474			

The accompanying notes are an integral part of the parent company only financial statements.

GRAPE KING BIO LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,333,489	\$ 1,383,350
Adjustments for:		
Depreciation expenses	257,572	176,267
Amortization expenses	5,422	6,855
Expected credit loss recognized	4,841	-
Finance costs	10,931	11,637
Interest income	(279)	(424)
Dividend income	(2)	(2)
Compensation costs of share-based payment agreements	1,597	3,806
Share of profit of subsidiaries and associates	(1,030,915)	(1,061,268)
Loss on disposal of property, plant and equipment, net	29	5,723
Unrealized gain on transactions with subsidiaries and associates	7,162	3,552
Changes in operating assets and liabilities		
Notes and accounts receivable, net	(4,918)	(12,649)
Accounts receivable from related parties	22,269	(28,557)
Other receivables	(401)	530
Other receivables from related parties	3,512	(5,851)
Inventories	(141,119)	(83,620)
Other current assets	9,109	(23,987)
Contract liabilities	(323)	(2,650)
Accounts payable	16,671	32,086
Other payables	(26,613)	32,382
Other payables to related parties	(65)	1,315
Other current liabilities	(4,393)	12,288
Net defined benefit liabilities	(5,010)	(2,538)
Cash generated from operations	458,566	448,245
Interest received	279	424
Interest paid	(9,828)	(10,587)
Income tax paid	(7,322)	(75,123)
Net cash generated from operating activities	<u>441,695</u>	<u>362,959</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	-	(8,940)
Repayment of financial assets at amortized cost	-	8,970
Acquisition of investments accounted for using the equity method	-	(6,810)
Acquisition of property, plant and equipment	(1,125,349)	(561,436)
Proceeds from disposal of property, plant and equipment	18	92
Increase in refundable deposits	(407)	(3,748)
Decrease in refundable deposits	1,001	6,907
Acquisition of intangible assets	(11,249)	(1,395)
Increase in other non-current assets	(7,272)	-
Interest received	869,018	810,174
Net cash (used in) generated from investing activities	<u>(274,240)</u>	<u>243,814</u>

(Continued)

GRAPE KING BIO LTD.**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ 2,350,000	\$ 3,450,000
Repayments of short-term borrowings	(2,200,000)	(3,900,000)
Proceeds from long-term borrowings	873,000	1,150,000
Repayments of long-term borrowings	(270,767)	(450,000)
Refund of guarantee deposits received	(2,185)	-
Repayment of the principal portion of lease liabilities	(14,652)	(12,725)
Dividends paid	(884,210)	(882,559)
Proceeds from reissuance of treasury stock	44,619	44,618
Other financing activities	<u>1,415</u>	<u>-</u>
Net cash used in financing activities	<u>(102,780)</u>	<u>(600,666)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	64,675	6,107
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>276,731</u>	<u>270,624</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 341,406</u>	<u>\$ 276,731</u>

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Grape King Bio Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Grape King Bio Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Group's consolidated financial statements for the year ended December 31, 2020 is stated as follows:

Valuation of Inventory

The products of the Group mainly include health foods and beverages. Such products have shelf-lives and are sold in a highly competitive consumer market, resulting in greater exposure to risk of loss on inventory due to damage or expiration. The estimation for loss on inventory is based on market conditions, historical sales experience of similar products, and the net realizable value of inventory. Refer to Notes 4, 5, and 10 to the

consolidated financial statements for the details on the valuation of inventory. The net carrying value of inventory as of December 31, 2020 for the Group amounted to NT\$689,464 thousand, which was significant to the consolidated financial statements, and the criteria to determine loss on inventory vary according to different categories of inventories which require critical accounting estimates. Consequently, the valuation of inventory was identified as a key audit matter.

Our key audit procedures performed in respect of the above area included the following:

1. We understood and tested the design and operating effectiveness of key controls over the valuation of inventory;
2. We understood and assessed the reasonableness of inventory valuation policy and estimates used by the management;
3. We performed an observation on the Group's annual physical count of inventory to assess for any indications of damaged or expired inventories not listed in the allowance for inventory loss;
4. We sampled and recalculated the accuracy of net realizable value of inventory as well as performed calculation of validity period from the year-end subsidiary ledgers and aging report of inventories, to verify that the allowance for inventory loss was appropriately recognized based on the about policy.

Other Matter

We have also audited the parent company only financial statements of Grape King Bio Ltd. as of and for the years ended December 31, 2020 and 2019 on which we have issued an unmodified opinion.

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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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 for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yu Feng Huang and Ming Yuan Chung.



Deloitte & Touche
Taipei, Taiwan
Republic of China

February 25, 2021

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

GRAPE KING BIO LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020		2019	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 2,927,029	22	\$ 2,146,207	19
Financial assets at amortized cost (Note 8)	77,662	1	85,818	1
Notes and accounts receivable, net (Notes 9 and 23)	199,448	1	199,453	2
Accounts receivable from related parties (Notes 23 and 31)	2,248	-	2,603	-
Other receivables	3,533	-	2,141	-
Other receivables from related parties (Note 31)	12	-	-	-
Inventories (Note 10)	689,464	5	546,444	5
Other current assets (Note 17)	72,028	1	83,667	-
Total current assets	3,971,424	30	3,066,333	27
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Note 7)	9,338	-	11,782	-
Financial assets at amortized cost (Notes 8 and 32)	13,320	-	11,460	-
Investments accounted for using the equity method (Note 12)	7,115	-	5,591	-
Property, plant and equipment (Notes 13, 32 and 33)	7,307,695	56	6,453,533	57
Right-of-use assets (Note 14)	202,113	2	207,298	2
Investment properties (Note 15)	1,467,018	11	1,475,868	13
Intangible assets (Note 16)	38,341	-	34,786	-
Deferred tax assets (Note 25)	10,872	-	9,337	-
Other non-current assets (Notes 17, 21 and 31)	76,885	1	83,083	1
Total non-current assets	9,132,697	70	8,292,738	73
TOTAL	\$ 13,104,121	100	\$ 11,359,071	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 32)	\$ 500,000	4	\$ 350,000	3
Contract liabilities (Note 23)	96,240	1	65,014	1
Notes and accounts payable	255,318	2	222,626	2
Other payables (Note 19)	1,753,884	14	1,745,424	15
Other payables to related parties (Note 31)	37,641	-	38,130	-
Current tax liabilities (Note 25)	723,261	6	277,737	3
Lease liabilities (Notes 14 and 31)	41,796	-	43,636	-
Other current liabilities (Notes 19 and 31)	43,323	-	60,446	1
Current portion of long-term borrowings (Notes 18 and 32)	49,111	-	7,304	-
Total current liabilities	3,500,574	27	2,810,317	25
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 18 and 32)	1,372,150	10	819,241	7
Provisions (Note 20)	7,322	-	5,317	-
Deferred tax liabilities (Note 25)	68,804	1	68,675	1
Lease liabilities (Notes 14 and 31)	120,933	1	122,034	1
Other non-current liabilities (Notes 19, 21 and 31)	55,884	-	62,635	-
Total non-current liabilities	1,625,093	12	1,077,902	9
Total liabilities	5,125,667	39	3,888,219	34
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)				
Share capital	1,362,864	11	1,362,864	12
Capital surplus	971,717	8	968,724	8
Retained earnings	1,070,880	8	939,947	8
Legal reserve	100,752	1	74,671	1
Special reserve	3,204,726	24	2,973,497	26
Unappropriated earnings	4,376,338	33	3,988,115	35
Total retained earnings	(86,465)	(1)	(100,752)	(1)
Other equity	-	-	(45,530)	-
Treasury stock	-	-	-	-
Total equity attributable to owners of the Company	6,624,474	51	6,173,421	54
NON-CONTROLLING INTERESTS (Notes 11 and 22)				
Total equity	1,353,980	10	1,297,431	12
Total equity	7,978,454	61	7,470,852	66
TOTAL	\$ 13,104,121	100	\$ 11,359,071	100

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



GRAPE KING BIO LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
NET REVENUE (Notes 23 and 31)	\$ 9,168,195	100	\$ 9,239,070	100
COST OF GOODS SOLD (Notes 10 and 24)	<u>(1,631,457)</u>	<u>(18)</u>	<u>(1,673,182)</u>	<u>(18)</u>
GROSS PROFIT	7,536,738	82	7,565,888	82
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATE	<u>53</u>	<u>-</u>	<u>-</u>	<u>-</u>
ADJUSTED GROSS PROFIT	<u>7,536,791</u>	<u>82</u>	<u>7,565,888</u>	<u>82</u>
OPERATING EXPENSES (Notes 21, 24, 27 and 31)				
Selling and marketing	(4,424,840)	(48)	(4,505,253)	(49)
General and administrative	(554,312)	(6)	(535,543)	(6)
Research and development	<u>(252,857)</u>	<u>(3)</u>	<u>(190,091)</u>	<u>(2)</u>
Total operating expenses	<u>(5,232,009)</u>	<u>(57)</u>	<u>(5,230,887)</u>	<u>(57)</u>
INCOME FROM OPERATIONS	<u>2,304,782</u>	<u>25</u>	<u>2,335,001</u>	<u>25</u>
NON-OPERATING INCOME AND EXPENSES (Notes 12, 24 and 31)				
Interest income	4,633	-	5,039	-
Other income	88,365	1	124,378	1
Other gains and losses	(6,930)	-	(5,873)	-
Finance costs	(14,341)	-	(17,690)	-
Share of profit or loss of associate	<u>1,681</u>	<u>-</u>	<u>(749)</u>	<u>-</u>
Total non-operating income	<u>73,408</u>	<u>1</u>	<u>105,105</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	2,378,190	26	2,440,106	26
INCOME TAX EXPENSE (Note 25)	<u>(483,095)</u>	<u>(5)</u>	<u>(501,540)</u>	<u>(5)</u>
NET PROFIT FOR THE YEAR	<u>1,895,095</u>	<u>21</u>	<u>1,938,566</u>	<u>21</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 21 and 22)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	462	-	491	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(2,444)	-	890	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(93)	-	(98)	-

(Continued)

GRAPE KING BIO LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ 16,941	-	\$ (33,078)	-
Exchange differences on translating the financial statements of foreign operations of associate	(210)	-	(470)	-
Other comprehensive income (loss) for the year, net of income tax	14,656	-	(32,265)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 1,909,751	21	\$ 1,906,301	21
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,272,025	14	\$ 1,309,020	14
Non-controlling interests	623,070	7	629,546	7
	<u>\$ 1,895,095</u>	<u>21</u>	<u>\$ 1,938,566</u>	<u>21</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,286,740	14	\$ 1,276,673	14
Non-controlling interests	623,011	7	629,628	7
	<u>\$ 1,909,751</u>	<u>21</u>	<u>\$ 1,906,301</u>	<u>21</u>
EARNINGS PER SHARE (Note 26)				
Basic earnings per share	\$ 9.34		\$ 9.63	
Diluted earnings per share	\$ 9.29		\$ 9.58	

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

(Concluded)

GRAPE KING BIO LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company										Total Equity
	Share Capital - Ordinary Shares			Retained Earnings			Others				
	Share (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Non-controlling Interests	
BALANCE AT JANUARY 1, 2019	136,286	\$ 1,362,864	\$ 965,244	\$ 810,407	\$ 74,671	\$ 2,676,265	\$ (50,958)	\$ (17,136)	\$ (91,062)	\$ 1,202,975	\$ 6,933,270
Appropriation of 2018 earnings	-	-	-	-	-	(129,540)	-	-	-	-	-
Legal reserve	-	-	-	129,540	-	(882,559)	-	-	-	-	(882,559)
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-
Share-based payment arrangements	-	-	3,480	-	-	-	-	-	45,532	-	49,012
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	(535,172)	(535,172)
Net profit for the year ended December 31, 2019	-	-	-	-	-	1,309,020	-	-	-	629,546	1,938,566
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	-	311	(33,548)	890	-	82	(32,265)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	1,309,331	(33,548)	890	-	629,628	1,906,301
BALANCE AT DECEMBER 31, 2019	136,286	\$ 1,362,864	\$ 968,724	\$ 939,947	\$ 74,671	\$ 2,973,497	\$ (84,506)	\$ (16,246)	\$ (45,530)	\$ 1,297,431	\$ 7,470,852
Appropriation of 2019 earnings	-	-	-	-	-	(130,933)	-	-	-	-	-
Legal reserve	-	-	-	130,933	-	(26,081)	-	-	-	-	-
Special reserve	-	-	-	-	26,081	(884,210)	-	-	-	-	(884,210)
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-
Share-based payment arrangements	-	-	1,578	-	-	-	-	-	45,530	-	47,108
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	(566,462)	(566,462)
Change in other capital surplus	-	-	1,415	-	-	-	-	-	-	-	1,415
Net profit for the year ended December 31, 2020	-	-	-	-	-	1,272,025	-	-	-	623,070	1,895,095
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	428	16,731	(2,444)	-	(59)	(14,656)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	1,272,453	16,731	(2,444)	-	623,011	1,909,751
BALANCE AT DECEMBER 31, 2020	136,286	\$ 1,362,864	\$ 971,717	\$ 1,070,880	\$ 100,752	\$ 3,204,726	\$ (67,775)	\$ (18,690)	\$ -	\$ 1,353,980	\$ 7,978,454

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

GRAPE KING BIO LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,378,190	\$ 2,440,106
Adjustments for:		
Depreciation expenses	403,854	308,790
Amortization expenses	11,151	10,299
Expected credit loss recognized	4,841	2,845
Finance costs	14,341	17,690
Interest income	(4,633)	(5,039)
Dividend income	(2)	(2)
Compensation costs of share-based payment agreements	2,489	4,394
Share of profit (loss) of associate	(1,681)	749
Loss on disposal of property, plant and equipment, net	484	6,597
Realized gain on transactions with associate	(53)	-
Reversal of provisions	(267)	-
Loss arising from lease modifications	-	444
Changes in operating assets and liabilities		
Notes and accounts receivable, net	14	(28,208)
Accounts receivable from related parties	355	(2,603)
Other receivables	(1,254)	(1,320)
Other receivable from related parties	(12)	-
Inventories	(143,020)	16,387
Other current assets	11,639	(17,616)
Contract liabilities	31,226	(41,303)
Notes and accounts payable	32,692	(39,609)
Other payables	38,124	35,253
Other payables to related parties	(489)	2,508
Provisions	(490)	-
Other current liabilities	(6,753)	2,878
Net defined benefit liabilities	(5,209)	(2,732)
Cash generated from operations	<u>2,765,537</u>	<u>2,710,508</u>
Interest received	4,495	5,191
Interest paid	(11,736)	(15,308)
Income tax paid	<u>(39,106)</u>	<u>(528,952)</u>
Net cash generated from operating activities	<u>2,719,190</u>	<u>2,171,439</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(3,720)	(56,908)
Proceeds from sale of financial assets at amortized cost	5,900	-
Repayment of financial assets at amortized cost	1,860	8,970
Acquisition of investments accounted for using the equity method	-	(6,810)
Acquisition of property, plant and equipment	(1,213,735)	(630,310)
Proceeds from disposal of property, plant and equipment	964	594
Increase in refundable deposits	(9,476)	(10,998)
Decrease in refundable deposits	10,287	11,554

(Continued)

GRAPE KING BIO LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
Acquisition of intangible assets	\$ (12,382)	\$ (25,006)
(Increase) decrease in other non-current assets	(7,067)	19,397
Dividends received	<u>2</u>	<u>2</u>
Net cash used in investing activities	<u>(1,227,367)</u>	<u>(689,515)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	2,350,000	3,450,000
Repayments of short-term borrowings	(2,200,000)	(3,900,000)
Proceeds from long-term borrowings	873,000	1,150,000
Repayments of long-term borrowings	(278,284)	(642,262)
Proceeds from guarantee deposits received	5,890	2,645
Refund of guarantee deposits received	(19,810)	(14,905)
Repayment of the principal portion of lease liabilities	(48,957)	(40,972)
Dividends paid to owners of the Company	(884,210)	(882,559)
Proceeds from reissuance of treasury stock	44,619	44,618
Dividends paid to non-controlling interests	(566,462)	(535,172)
Other financing activities	<u>1,415</u>	<u>-</u>
Net cash used in financing activities	<u>(722,799)</u>	<u>(1,368,607)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>11,798</u>	<u>(17,334)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	780,822	95,983
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,146,207</u>	<u>2,050,224</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,927,029</u>	<u>\$ 2,146,207</u>

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

(Concluded)

Appendix 3

Grape King Bio Ltd
Profit Distribution Table
Year 2020

(Unit: NTD \$)

Items	Amount	Note
Beginning retained earnings	1,932,272,657	
Add (Minus):		
Other Comprehensive Income (Re-measurements of defined benefit plans,2020)	516,954	
Other Comprehensive Income (Investment adjustments for Using Equity Method)	(88,333)	
2020 Net Profit after Tax	1,272,024,781	
Subtotal	3,204,726,059	
Designated item:		
10% Legal Reserve	(127,245,340)	
Reversed Special Reserve	14,287,308	
Distributable net profit	3,091,768,027	
Distributable items:		
Cash dividend to shareholders-NT\$6.4 per share	(948,079,187)	
Unappropriated retained earnings	2,143,688,840	

Note: 1. Profit distribution was first allocated in the 2020 unallocated earnings.

2. The above dividend is based on the number of common shares issued by the Company as of February 17, 2021; 148,137,373 shares were the bases for the calculation.

Chairman: **Shenglin Andrew Tseng** General Manager: **Shenglin Andrew Tseng** Chief Accountant: **Nick Hung**

Appendix 4**Grape King Bio Ltd.
Articles of Incorporation****Chapter 1 General Principles**

Article 1: The Company is named by GRAPE KING BIO LTD, which is organized in accordance with the regulation of company limited by share in the Company Act.

Article 2: Business items of the Company are shown as follows:

1. C103050 Canned, Frozen, Dehydrated Food Manufacturing
2. C106010 Flour Milling
3. F203010 Retail sale of Food and Grocery
4. F102170 Wholesale of Food and Grocery
5. C201010 Prepared Animal Feeds Manufacturing
6. F202010 Retail sale of Animal Feeds
7. F102040 Wholesale of Nonalcoholic Beverages
8. C114010 Food Additives Manufacturing
9. F121010 Wholesale of food additives
10. F221010 Retail of food additives
11. C109010 Seasoning Manufacturing
12. F501030 Coffee/Tea Shops and Bars
13. C802041 Drugs and Medicines Manufacturing
14. F108021 Wholesale of Drugs and Medicines
15. F208021 Retail Sale of Drugs and Medicines
16. F208050 Retail Sale of the Second Type Patent Medicine
17. F108031 Wholesale of Drugs, Medical Goods
18. F208031 Retail sale of Medical Equipment's
19. C802100 Cosmetics Manufacturing
20. F108040 Wholesale of Cosmetics
21. F208040 Retail Sale of Cosmetics
22. C802090 Cleaning Products Manufacturing
23. F207030 Retail Sale of Cleaning Preparations
24. F107030 Wholesale of Cleaning Preparation
25. C105010 Edible Oil Manufacturing
26. C102010 Dairy Products Manufacturing
27. F206020 Retail Sale of Articles for Daily Use
28. F106020 Wholesale of Articles for Daily Use

29. F104110 Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
30. F204110 Retail sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
31. F401010 International Trade
32. H201010 Investment
33. H701010 Residence and Buildings Lease Construction and Development
34. C110010 Beverage Manufacturing
35. C199990 Other Food Manufacturing Not Elsewhere Classified
36. F102030 Wholesale of Tobacco Products and Alcoholic Beverages
37. F203020 Retail Sale of Tobacco and Alcoholic Beverages
38. I401010 General Advertising Services
39. JE01010 Rental and Leasing Business
40. IZ12010 Manpower Services
41. A101040 Edible Fungus and Algae
42. A101030 Special Crops
43. A101050 Flower Gardening
44. IG01010 Biotechnology Services
45. F401171 Alcohol Drink Import
46. F107080 Wholesale of Environment Medicines
47. F207080 Retail Sale of Environment Medicine
48. C802080 Pesticides Manufacturing
49. H703100 Real Estate Rental and Leasing
50. F601010 Intellectual Property
51. I101090 Food Consultancy
52. C201020 Pet food processing
53. F106060 Wholesale of pet food and appliances
54. F206050 Retail of pet food and appliances
55. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3

The Company is situated in Taoyuan City and may set up a subsidiary company at home and abroad through the resolution of Board of Directors and depends on the demand of business.

Article 3-1

In the case of investment abroad for the Company, the total investment amount may be over 40% of paid-in capital, and it shall authorize Board of Directors to handle with investment related affairs.

Article 3-2

The Company shall make endorsement and guarantee externally and the procedure shall be handled according to the regulation of endorsement and guarantee for the Company.

Article 4: Deleted

Chapter 2 Shares

Article 5

The total capital of the Company is 1.8 billion NTD, divided into 180 million shares with per vale of 10 NTD. It authorizes Board of Directors to issue the share separately if necessary.

Article 5-1

When the Company issues new shares, there shall be reserved for employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements. The treasury shares bought back by the Company under the laws, there shall be transferred to employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Company issues a share subscription warrant to employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Company issues restricted stock for employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements. The above specific requirements shall authorize the Board of Directors to establish.

Article 6

The Company adopts registered stock system and issue shares without printing out of share but it shall contact and register at the Institute of Chartered Secretaries & Administrators.

Article 7: Deleted

Article 8

The Shareholder shall take his/her seal to make registration to the Company. The Shareholders exercises every right depends on the seal kept in the Company.

Article 9

Unless otherwise specified in ordinance or regulation of securities, for the Shareholder of the Company handles Shareholder affairs such as stock transfer, setting the pledge, inheritance, favor, report the loss of seal, change of seal or change of address, it shall be handled according to "The Company Act" and "Criteria Governing Handling of Stock Affairs by Public Stock Companies".

Article 10

In the event of missing or destroying shares, the Company will handle according to “The Company Act” and “Criteria Governing Handling of Stock Affairs by Public Stock Companies” issued by the competent authority.

Article 11: Deleted

Article 12

In the case of performing negotiable endorsement of shares, shareholder cannot go against the change of the shareholders’ list unless recording the name or tile of transferee on the share, recording the name or tile and address of transferee on the shareholders’ list 60 days prior to shareholder’s regular meeting/ 30 days prior to provisional shareholder’ meeting or 5 days prior to base date of determining distribution of stock dividend or other interests.

Article 13: Deleted

Chapter 3 Shareholders’ Meetings

Article 14

Shareholders’ meetings consist of two types, one is regular shareholders’ meetings, the other is provisional shareholders’ meetings. The regular shareholders’ meetings will be conducted by the Chairman of the board and may be held within six months after the end of fiscal year every year. The provisional shareholders’ meetings may be held if necessary.

Article 15

The convening of regular shareholders’ meetings shall be conducted according to the regulations of the Company Act.

Article 16

Unless other regulations in law, the shareholder of the Company has the voting right, and one stock for one voting right.

Article 17

On the occasion of being unable to attend shareholders’ meetings, a shareholder can issue a power of attorney listing range of authorization with his/her signature or seal to delegate a deputy for attendance. Authority for the regulations of delegating attendance of a shareholder, in addition to conducting according to the regulations of Article 177, the Company Act, it shall handle according to

“Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” proclaimed by competent authority.

Article 18

There solutions during the shareholders’ meetings except those stipulated in the Company Act, shall be decided by the majority of shareholders who represent the total number of issued shares, and whose voting rights shall prevail. Attendance is less than the previous one and the number of shareholders representing more than one third of the total number of issued shares is present in accordance with the provisions of the Company Act. 175. Shareholders of the Company are also allowed to exercise their voting rights electronically. Shareholders who exercise their voting rights electronically shall be deemed physically present. All relevant matters are governed by existing laws and regulations.

Article 19

The resolution events of shareholders’ meetings shall be made as meeting minutes, and then signed or sealed by the chairperson and dispatched the meeting minutes to each shareholder within 20 days after the meeting. The dispatch of the previous meeting minutes shall be performed through announcement to those whom signed the sign-in book for attending shareholders’ meetings. The power of attorney acting on behalf of other Director’s attendance shall be kept in the Company according to Article 183, the Company Act.

Chapter 4 Director, Supervisor and Audit Committee

Article 20

The Company shall have nine (9) to thirteen (13) directors. The number of directors is authorized by the Board of Directors. The term of office shall be three (3) years. Directors shall be elected from a list of candidates and appointed by the shareholders during the shareholders’ meetings. Directors may also be re-elected for succeeding terms. The number of independent directors shall not be less than three, and shall not be less than one fifth of the directors’ seats. The election of directors and supervisors entails a nomination system. The nomination, notice and other matters relating to the candidates for directors and supervisors shall be in accordance with the Company Act, securities trading law, related laws and regulations. Independent directors and non-independent directors should be elected together to determine their designation. The total shares of nominal stocks held by either directors or supervisors shall not be less than the specified percentage regulated by the relevant competent authority.

Article 20-1: Deleted

Article 20-2

The Board of Directors of the Company may set up functional committees, the qualifications, exercise of their power, and related matters for the committee members shall be handled in accordance with the relevant laws and regulations and set out by the Board of Directors. Pursuant to Article 14-4 of the Securities and Exchange Act, the Company establishes Audit Committee beginning from 2021's shareholder's meeting. The Audit Committee powers conferred by the Securities and Exchange Act, the Company Act, and any other law to be exercised by supervisors. The Audit Committee shall be composed of the entire number of independent directors, one of whom shall be committee convener, and at least one of whom shall have accounting or financial expertise. The relevant regulations for supervisors of the Articles will be invalid since Audit Committee established.

Article 21

Upon Directors organize Board of Directors it shall elect one of them within Board of Directors as the Chairman of the board. The Chairman of the Board holds shareholders' meetings internally and acts on behalf of the Company externally. In the event of absence, the Chairman of the board shall designate a Director to be deputed. Directors may elect one of them in case of no designation hereof.

Article 22

The Directors may issue a power of attorney when unable attend the Directors' meeting to delegate other Director for acting on behalf of the Director to attend the meeting. However, the deputy is subjected to be delegated by one person. When holding video conference, the Director may be regarded as attending in person for the case that Director attending the video conference.

Article 22-1

Directors' meeting shall be convened once a quarter with the written purpose to inform every Director and supervisor seven days prior to the meeting date. In the event of emergency, Directors may convene at any time. The convening of the previous paragraph may be made at any time by written mail, facsimile, and E-mail etc.

Article 23

Unless other regulations in the Company Act or Article of Association, it shall be made a resolution by Directors' meeting for all its business policies and important events, on occasion of resolution, it shall be made by over a half of the Directors' attendances and over a half of the agreement of attending Directors.

Article 24

The proceedings of Directors' meeting shall be made as meeting minutes and then issued to every Director within 20 days after the meeting.

Article 25

The Supervisor shall take charge of auditing all businesses of the Company according to the regulations of the Company Act.

Article 25-1

Board of Directors is authorized to determine the transportation allowance and remuneration based on reference of the industrial compensation level but not over the standard of highest level salary according to Guideline for Remuneration Criteria.

Article 25-2: Deleted

Article 25-3

The Company shall purchase liability insurance for Directors and Supervisors to guarantee Director or Supervisor to take potential legal responsibility occurring from the implementation of duties thereof.

Chapter 5 Manager

Article 26

The Company shall set up managers, and the appointment, discharge and remuneration shall be handled in accordance with the regulations of Article 29, the Company Act.

Chapter 6 Accounting

Article 27

The fiscal year of the Company begins on January 1 and ends on December 31 every year.

Article 28

Board of Directors shall prepare the following financial reports according to the regulations of the Company Act at the end of fiscal year of the Company and hand over to the Supervisor for auditing or delegating certified public accountant to certify and issue relevant reports by the Supervisor, and propose in shareholders' meetings for admission.

1. Annual Business Report
2. Financial Report

3. Proposal for Appointment of Profit or Loss

Article 29

The Company shall make appropriate provisions for Employee bonus and remuneration to Director and Supervisor according to the proportion as below on the occasion of a profit making year.

However, it shall preserve amount to cover the deficit and then make appropriate provisions to employee bonuses and remunerations to Directors and Supervisors by following proportion in case that there is accumulated deficits in the Company.

(1) Employee Bonus:

The Company shall make appropriate provisions based on Income Before Tax (Employee Bonus and Remuneration to Director and Supervisor excluded) for 6-8% as employee bonus and distribute and issue stock or cash depends on the resolution of Board of Directors. The distributed targets include the employees of parents or subsidiary of the Company meeting certain specific requirements and specific requirements shall authorize the Board of Directors to establish.

(2) Remuneration to Director and Supervisor:

The Company shall make appropriate provisions but not more than 2% based on Income before Tax (Employee Bonus and Remuneration to Director and Supervisor excluded) for Remuneration to Director and Supervisor).

The distribution proposal of employee bonus and remuneration to Director and Supervisor shall be proposed in Directors' meeting.

Article 30

The Company shall pay taxes and cover accumulated deficits and then make appropriate provisions of about 10% for legal reserve. In the case of making profit earnings at the close of business year after settlement, while the legal reserve reaches the paid-in capital of the Company, it may not make an provision anymore. The Company may make appropriate provision or reverse to special reserve for the surplus. In the event of an undistributed earnings of current year, it shall combine with accumulated undistributed earnings to apply for formulating earning distribution proposal to Board of Directors and propose it in the shareholders' meetings for distribution of dividends to shareholders. The dividend policy of the Company shall conform to the current and future development plans and consider the investment environment. Capital demand and domestic and international competitive conditions in addition to taking into account of shareholder's interest. It shall make an appropriate provision but not lower than 60% of the undistributed earnings of current year for distributing dividends to shareholders. The Company may not distribute when the accumulated undistributed earnings is lower than paid-in capital. It may adopt cash or stock for distribution of dividends to shareholders. The cash dividend is subjected to not lower than 10% of stock dividends.

Chapter 7 Supplementary Articles

Article 31

For the events not stipulated in the Article, it comply with the regulations of the Company Act.

Article 32

The Article is established on March 6, 1971. The 1st amendment was on July 31, 1973. The 2nd amendment was on January 20, 1974. The 3rd amendment was on April 11, 1977. The 4th amendment was on February 5, 1979. The 5th amendment was on May 6, 1979. The 6th amendment was on March 29, 1980. The 7th amendment was on March 29, 1981. The 8th amendment was on February 21, 1982. The 9th amendment was on May 3, 1985. The 10th amendment was on June 17, 1986. The 11th amendment was on November 20, 1986. The twelve amendment was on May 23, 1987. The 13th amendment was May 25, 1988. The 14th amendment was on May 24, 1989. The 15th amendment was on November 3, 1989. The 16th amendment was on April 19, 1990. The 17th amendment was on September 9, 1991. The 18th amendment was on May 25, 1992. The 19th amendment was on April 23, 1993. The 20th amendment was on May 30, 1994. The 21st amendment was on May 31, 1995. The 22nd amendment was on May 29, 1996. The 23rd amendment was on June 16, 1997. The 24th amendment was on June 26, 1998. The 25th amendment was on June 26, 1998. The 26th amendment was on June 25, 1999. The 27th amendment was on June 12, 2000. The 28th amendment was on June 14, 2001. The 29th amendment was on June 12, 2002. The 30th amendment was on June 18, 2003. The 31st amendment was on June 21, 2004. The 32nd amendment was on June 17, 2005. The 33rd amendment was on June 14, 2006. The 34th amendment was on June 18, 2008. The 35th amendment was on June 19, 2009. The 36th amendment was June 13, 2012. The 37th amendment was on June 23 2014. The 38th amendment was on June 26, 2015. The 39th amendment was on June 16, 2016. The 40th amendment was on June 13, 2017. The 41th revision was made on May 29, 2019. The 42th revision was made on May 28, 2020.

Appendix 5**GRAPE KING BIO LTD
Procedures for Election of Directors and Supervisors**

Approved by the Shareholder's Meeting held on May 28, 2020

Article 1

Elections of directors and supervisors shall be conducted in accordance with these Procedures.

Article 2

The single-named cumulative voting system shall be used for election of the directors and supervisors at the Company. Except as otherwise provided by law and regulation, each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

The shareholders may be exercising their voting rights via electronic or physically present for the election of directors at the Company. Upon above exercise voting rights via electronic, shall be via electronic voting platform appointed by the Company.

Article 3

Elections of directors and supervisors shall be elected by the shareholders' meetings from a list of candidates, in accordance with the candidate nomination system. The number of directors and supervisors will be as specified in the Company's articles of incorporation, those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more two persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the Chair drawing lots on behalf of any person not in attendance. If single candidate is elected as director and supervisor at the same time, then that certain individual shall decide which seat to fill. Where, upon above decision, the candidate receiving second most votes to such director or supervisor shall be elected to fill the vacancy.

Article 4

The election begins, the Chair shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel.

Article 5

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered. The shareholders' meetings convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided.

Article 6

A ballot is invalid under any of the following circumstances:

1. The ballot will be as specified in the Procedures.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or other words or marks are entered in addition to the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Contains two or more candidates.
6. Other words or marks are entered in addition to the candidate's account name and shareholder account number or identity card number and the number of voting rights allotted.
7. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 7

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation shall be announced by the Chair on the site.

Article 8

The Board of Directors of the Company shall issue notifications to the persons elected as directors or supervisors.

Article 9

These Procedures shall be implemented after approval by a shareholders' meeting.

Article 10

For the events not stipulated in the Article, it complies with the regulations of the Company Act. and related laws.

The relevant regulations for supervisors of the Procedures will be invalid since Audit Committee established.

Appendix 6**Grape King Bio Ltd.
Procedures for Acquisition and Disposal of Assets**

Approved by the shareholders' meeting held on May 29, 2019

Chapter I General Principles**Article 1**

These Regulations are adopted for the procedural rules and standards of the acquisition or disposal of the Company's assets.

Article 2

The Procedures shall be subject to the "Guidelines for Handling Acquisition or Disposal of Assets by Public Companies" announced by the regulatory authority.

Article 3

The term "assets" as used in these Procedures 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 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 4

Terms 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 rates, indexes 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 "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. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.

8. 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.

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.

Article 5

Acquisition or disposal of assets, and handle the acquisition or disposal matters in compliance with the procedures as the following:

1. Acquisition or disposal of assets shall be no more than the range of Article 3 of the procedures.
2. With respect to the acquisition or disposal of assets, the each transaction amount reaches 10 percent of the Company's paid-in capital, after conducted by the financial department and requesting department, have the decisions submitted to the Board of Directors in accordance with trade terms. The Company's Board of Directors may delegate the Board Chairman to decide such matters and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting. If not exceed the above rules, the Company shall handle in accordance with the Company's authorization routine. Deal with the same person by separate continuously the same year, the cumulative transaction amount also in accordance with above rules.
3. The total investment of securities of the Company shall be no more than 80% net value of the Company. The amount that is invested in an individual security shall be no more than 20% net value of the Company.
4. The total investment of securities of the subsidiaries shall be no more than 80% net value of the Company. The amount that is invested in an individual security shall be no more than 20% net value of the Company.
5. The Company and Subsidiaries could invest in non-business real estate and right-of-use assets that shall not exceed the limit of more than 40% net value of the Company. "Net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 6

Appraisal procedures

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 changes to the terms and conditions of the transaction.
 - (2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.

(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No.20 published by the ROC Accounting Research and Development Foundation and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

(a) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.

(b) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

2. Acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.

3. 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 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.

4. The calculation of the transaction amounts referred to in the preceding three subparagraphs shall be done in accordance with Article 19, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

5. Acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

6. Engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the above provisions of the Article. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with the Article, subparagraph 4 herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. Intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of 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, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the supervisors:

- (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (2) The reason for choosing the related party as a transaction counterparty.
- (3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the competent authority.
- (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.
- (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- (7) Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 19, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and recognized by the supervisors need not be counted toward the transaction amount.

With respect to the type of transactions listed below, when to be conducted between the Company and subsidiaries, or between its subsidiaries in which it directly or 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/included NT\$300 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.

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.

Where the position of independent director has been created, when a matter is submitted for discussion by the Board of Directors pursuant to the subparagraph, paragraph 3, the Board of Directors shall take into full consideration each independent director's opinions.

If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. Where an audit committee has been established, the matters for which the subparagraph, paragraph 3, requires recognition by the supervisors shall first be approved by more than half of all audit committee members and then submitted to the Board of Directors for a resolution. If approval of more than half of all audit committee members as required 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. The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

7. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the company with appraisal reports, certified public accountant's opinions, attorney's opinions, or under writer'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 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.

Section III Engaging in Derivatives Trading

Article 7

Trading principles and strategies of Engaging in Derivatives Trading

1. The types of traded:

The types of derivatives transactions that the Company is engaged in accordance with the range of subparagraph 1 of Article 4 of the procedures.

2. Operating or hedging strategies:

(1) Financial derivatives are mainly used for hedging and to raise fund management purpose.

(2) For the credit and market risks of derivatives, if it's difficult to evaluate by reasonably and objectively due to the uncertainty of finance, economy, politics environment, shall be stopped the related trading.

3. Segregation of duties and authorization:

The above derivatives transactions that the Company is engaged in, the types of traded, issued amount, conditions and evaluated items shall be handled after approved by the Board Chairman that submitted by the Financial Supervisor. It shall be submitted by the next Board of Directors meeting.

4. Essentials of performance evaluation:

Periodically evaluate and review the performance of engagement and evaluation reports shall be submitted to the Board Chairman for review.

5. Total amount of contracts:

With respect of the total contract amount of derivatives transactions the Company is engaged in, shall not exceed 30% of the net value of the Company.

6. The loss limit on trading:

With respect of the loss limit for all contracts of derivatives transactions the Company is engaged in, shall not exceed NT\$30 million, and the loss limit for individual shall not exceed NT\$10 million.

Article 8

The Company engaging in derivatives trading shall adopt the following risk management measures:

1. Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks.
2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
3. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the Board of Directors or Senior Management personnel with no responsibility for trading or position decision-making.
4. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.
5. Other important risk management measures.

Article 9

The supervise and manage of Engaging in derivatives trading

1. The Board of Directors shall faithfully supervise and manage such trading in accordance with the following principles:
 - (1) Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
 - (2) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.
2. Senior management personnel authorized by the Board of Directors shall manage derivatives trading in accordance with the following principles:
 - (1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the Company.
 - (2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where the Company has independent directors, an independent director shall be present at the meeting and express an opinion.
3. The Company shall report to the soonest meeting of the Board of Directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading.

Article 10

The internal audit of Engaging in derivatives trading

1. Shall establish a log book in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under subparagraph 4 of Article 8 and subparagraph 1-(1) of Article 9, and s subparagraph 1-(2) shall be recorded in detail in the log book.
2. The internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing.
3. Where independent directors have been appointed in accordance with the provisions of the Act, for matters for which notice shall be given to the supervisors under the preceding paragraph, written notice shall also be given to the independent directors.
4. Where an audit committee has been established in accordance with the provisions of the Act, the provisions of subparagraph 2 relating to supervisors shall apply mutatis mutandis to the audit committee.

Section IV Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares

Article 11

Conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the Board of Directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

Article 12

The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

Article 13

The Company participating in a merger, demerger, or acquisition shall convene a Board of Directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

The Company participating in a transfer of shares shall call a Board of Directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for 5 years for reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days commencing immediately from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs..

Article 14

Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

Article 15

The Companies participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets that affects the company's financial operations.
3. An event, such as a major disaster or major change in technology that affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 16

The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 17

After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

Article 18

Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 13, Article 14, and Article 17.

Chapter V Public Disclosure of Information

Article 19

Under any of the following circumstances, acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

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 is not less than NT\$500 million.
5. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million.

6. 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.

7. Where an asset transaction other than any of those referred to in the preceding six 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:

(a) Trading of domestic government bonds.

(b) Where done by professional investors — securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or of general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.

(c) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

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 trading 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.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.

Article 20

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days commencing immediately from the date of occurrence of the event:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

Article 21

Information required to be publicly announced and reported in accordance with the provisions of acquisitions and disposals of assets by a subsidiary of the Company that is not itself a public company in Taiwan shall be reported by the Company.

The paid-in capital or total assets of the Company shall be the standard for determining whether or not a subsidiary referred to in the preceding article requiring a public announcement and regulatory filing in the event the type of transaction specified therein reaches 20 percent of paid-in capital or 10 percent of the total assets.

Chapter IV Additional

Article 22

Subsidiaries to establish relevant procedures for acquisition or disposal of assets could be referred to the Company's procedures and should follow the procedures. Information relating to any acquisition or disposal of assets by the Subsidiaries shall be provided regularly to this Company for inspection.

Article 23

This Company's managers and persons-in-charge shall follow the Procedures in order to prevent this Company from incurring any losses. Should there be any violation of related regulations or the Procedures, subsequent castigation is subject to the related Personnel Articles of this Company. If subsidiaries do not to establish relevant procedures for acquisition or disposal of assets, should follow the procedures of the Company.

Article 24

The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.

Article 20

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days commencing immediately from the date of occurrence of the event:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

Article 21

Information required to be publicly announced and reported in accordance with the provisions of acquisitions and disposals of assets by a subsidiary of the Company that is not itself a public company in Taiwan shall be reported by the Company.

The paid-in capital or total assets of the Company shall be the standard for determining whether or not a subsidiary referred to in the preceding article requiring a public announcement and regulatory filing in the event the type of transaction specified therein reaches 20 percent of paid-in capital or 10 percent of the total assets.

Chapter IV Additional

Article 22

Subsidiaries to establish relevant procedures for acquisition or disposal of assets could be referred to the Company's procedures and should follow the procedures. Information relating to any acquisition or disposal of assets by the Subsidiaries shall be provided regularly to this Company for inspection.

Article 23

This Company's managers and persons-in-charge shall follow the Procedures in order to prevent this Company from incurring any losses. Should there be any violation of related regulations or the Procedures, subsequent castigation is subject to the related Personnel Articles of this Company. If subsidiaries do not to establish relevant procedures for acquisition or disposal of assets, should follow the procedures of the Company.

Article 24

Approval and amendment

1. After the procedures for the acquisition or disposal of assets have been approved by the Board of Directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the Director's dissenting opinion to each supervisor.

2. Where the position of Independent Director has been created, when the procedures for the acquisition and disposal of assets are submitted 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.

If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting

3. Where an audit committee has been established, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by more than half of all audit committee members and submitted to the Board of Directors for a 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. The terms "all audit committee members" in this paragraph and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Appendix 7**GRAPE KING BIO LTD
Procedures for Loaning Funds to Others**

Approved by the Shareholder's Meeting held on May 28, 2020

Article 1 Purpose:

These Regulations are adopted for the procedural rules and standards to strengthen its internal management of the financing provided to others.

Article 2 Entities to which the Company shall not loan funds to any of its shareholders or any other person except under the following circumstances:

1. Where an inter-company or inter-firm business transaction calls for a loan arrangement; or
2. Where an inter-company or inter-firm short-term financing facility is necessary. The term "short-term" means one year, or one operating cycle (whichever is longer).

Article 3 Evaluation standards for Loaning Funds to Others:

The Company shall not loans of funds to other companies or enterprises except under the following circumstances:

1. Where more than 20% of the equity is in need of short-term financing in connection with its financial and operational demands.
2. Where an inter-company or inter-firm business transaction is in need of short-term financing in connection with its material-purchasing or operational needs.

Article 4 The aggregate amount of loans and the maximum amount permitted to a single borrower:

1. The total amount of the loans for funds to others provided by the Company to others shall not exceed 40% of the Company's net value of the latest financial statements.
2. In the case of lending funds to companies or firms who have a business relationship with the Company, the total lending amount of an individual borrower shall not exceed the total amount of the business transactions between the Company and the borrower. The "total amount of the business transactions" refers the amount of purchases or sales during the prior year.
3. In the case of lending funds to the companies or firms in need of short-term financing, the total lending amount to an individual borrower shall not exceed 80% of lending funds.

The above restriction shall not apply to inter-company loans of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares, nor to loans of funds to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares. Lending funds of short-term financing, the total amount shall not exceeding 50% of the Company's net value of the latest financial statements, the

individual amount shall not exceeding 50% of the Company's net value of the latest financial statements.

When a responsible person of the Company violates Article 2 or the paragraph 1, subparagraph 1 of the Procedures, the responsible person shall bear joint and several liability with the borrower for repayment; if the Company suffers damage, the responsible person also shall be liable for damages.

Article 5 Duration of loans and calculation of interest:

The term "short-term" as used in the preceding paragraph means one year, or where the Company's operating cycle exceeds one year, one operating cycle.

The interest rate of the load shall not be lower than the highest interest of the Company from its short-term loan with the financial institution. The interest of loans of funds shall be adjusted variably according to the funding cost of the Company. Any adjustment of the interest rates shall be submitted by the financial department to the chairman for approval and then be executed.

The above restriction shall not apply to the terms of the load and the way of calculate interest when the offshore companies which are 100% owned directly and indirectly by the Company. The funding offered by the Company shall not exceed six years and the interest of loans of funds shall be adjusted variably according to the funding cost of the Company.

Article 6 Procedures for handling loans of funds:

1. Credit status

The borrower applying for the loan shall present a written application specifying the credit line of the loan to the Company with the necessary documents. The Finance Department shall conduct an investigation and evaluation on the application with respect to the borrower's business, financial status, ability to repay the debt, credit, profitability and purpose for lending.

- (1) The necessity of and reasonableness of extending loans to others.
- (2) Borrower credit status and risk assessment.
- (3) Impact on the Company's business operations, financial condition, and shareholders' equity.
- (4) Whether collateral must be obtained and appraisal of the value thereof.

2. Pledge

When lending funds to others, the Company shall require the borrower to provide guarantee notes or receipt for a loan and if necessary, shall require the borrower to provide personal property or real property as collaterals and to perfect the liens on the collaterals.

With regards to the aforementioned collateral, the borrower could provide guarantee from individual or corporation with considerable financial capability and credit worthiness as a substitute for the collaterals; in the case of corporate guarantee, it is required to review if the guarantor's articles of incorporation provide that the provision of corporate guarantee is allowed.

3. Scope of authority

Before making a loan of funds to others, the Company shall carefully evaluate whether the loan is in compliance with these Regulations and the Company's Procedures for Loaning Funds to Others. The Company may loan funds to others only after the evaluation results under this Article 6, have been submitted to and resolved upon by the Board of Directors. The Company shall not empower any other person to make such decision.

Loans of funds between the Company and parent company or subsidiaries, or between subsidiaries, shall be submitted for a resolution by the Board of Directors pursuant to the preceding paragraph, and the chairperson may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the Board of Directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.

The "certain monetary limit" mentioned in the preceding paragraph shall be in compliance with Article 4, paragraph 2. In addition, the authorized limit on loans extended by the Company or any of subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending company.

4. "Subsidiary" and "parent company" as referred to in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Where the Company's financial reports are prepared according to the International Financial Reporting Standards, "net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 7 Announcement and reporting procedures:

1. The Company announce and report the previous month's loan balances of its head office and subsidiaries by the 10th day of each month.
2. The Company whose loans of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:
 - (1) The aggregate balance of loaning funds to others by the Company and subsidiaries reaches 20 percent or more of the Company's net worth as stated in latest financial statement.
 - (2) The balance of loans by the Company and subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in latest financial statement.
 - (3) The amount of new loans of funds by the Company or subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the Company's net worth as stated in latest financial statement.

The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.

“Date of occurrence” means the date of contract signing, date of payment, dates of Board of Directors resolutions, or other date that can confirm the counterparty and monetary amount of the loan of funds, whichever date is earlier.

The term "announce and report" means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).

Article 8 Management for Loaning Funds to Others:

1. The Company shall prepare a memorandum book for fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the Board of Directors, lending/borrowing date, and matters to be carefully evaluated.
2. The Company's internal auditors shall audit the Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors and independent directors in writing of any material violation found.
3. If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to all the supervisors and independent directors, and shall complete the rectification according to the timeframe set out in the plan.
4. The Company shall evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.
5. If the Company has established an Audit Committee, the Articles 8 regarding supervisors shall apply mutatis mutandis to the Audit Committee.

Article 9

Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights:

Upon the release of the funds, the Company shall pay attention to the borrower's and guarantor's financial, business and credit status, etc. In cases involving collateral, the Company shall pay attention to its guarantee value and any change thereto. In case of material change in the value of the collateral, the chairman of the Board of Directors shall immediately be notified and proper measures be taken as instructed by the chairman. When the loan is due or the borrower pays the load before the due date, the borrower shall calculate the payable interests and pay the interests with the principal before the notes or other collaterals may be rescinded and returned to the lender or the mortgage registration may be cancelled. The lender shall demand repayment of principals and interests when the loan

becomes due. If the borrower fails to pay back the load within the time limit as scheduled, the Company will dispose the collateral or lodge a claim with the guarantor in accordance with the law.

Article 10

This Company's managers and persons-in-charge shall follow the Procedures in order to prevent this Company from incurring any losses. Should there be any violation of related regulations or the Procedures, subsequent castigation is subject to the related Personnel Articles of this Company.

Article 11

The subsidiary could own its Procedures for Loaning Funds to Others in accordance with the Company's procedures, and report the implement status to the Company by monthly.

Article 12 Amendment for effect and resolve:

1. The Procedures, after being passed by the Board of Directors, submit the same to each supervisor and for approval by the shareholders' meetings. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to each supervisor and for discussion by the shareholders' meetings. The same shall apply to any amendments to the Procedures.
2. The matters that shall be submitted to the Company's Board of Directors for a resolution, the Board of Directors shall take into full consideration each independent director's opinions, if an independent director expresses any dissent or reservation, it shall be noted in the minutes of the Board of Directors.
3. If the Company has established an Audit Committee, when it adopts or amends its Procedures for Loaning Funds to Others, the procedures or amended procedures shall require the approval of one-half or more of all Audit Committee members, and furthermore shall be submitted for a resolution by the Board of Directors, and the provisions of subparagraph 2 shall not apply.
4. If the approval of one-half or more of all Audit Committee members as required in the preceding subparagraph 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.
5. The terms "all Audit Committee members" in subparagraph 3 and "all directors" in subparagraph 4 shall be counted as the actual number of persons currently holding those positions.

Appendix 8**GRAPE KING BIO LTD
Procedures for Endorsements and Guarantees**

Approved by the Shareholders' Meeting held on May 28, 2020

Article 1 Purpose:

These Regulations are adopted for the procedural rules and standards of the endorsements / guarantees.

Article 2 Scope:

The items of endorsements / guarantees:

The "endorsements / guarantees" refers to the following:

1. Financing endorsements/guarantees, including, bill discount financing. Endorsement or guarantee made to meet the financing needs of another company. Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the Company itself.
2. Customs duty endorsement / guarantee, meaning an endorsement or guarantee for the Company itself or another company with respect to customs duty matters.
3. Other endorsements / guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.
4. Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with these Regulations.

Article 3 Responsibility:

1. Financial department: Responsible for the evaluation of endorsements / guarantees.

Article 4 Definition:

1. The latest financial statement: is subject to the latest financial statements most recently reviewed by the CPA.
2. Subsidiary and parent company: as referred to in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
3. Net worth: in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Announce and report: as used in these Regulations means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).

Article 5 Contents:

1. Entities to which the Company may make endorsements / guarantees for the following companies:
 - (1) A company with which it does business.
 - (2) A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.
 - (3) A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.
 - (4) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements / guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Company, provided that this restriction shall not apply to endorsements / guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.
 - (5) Where the Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements / guarantees for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsements / guarantees may be made free of the restriction of the 1.(1)-(4).
2. The Limits and conditions on endorsements and guarantees:
 - (1) The total amount of the endorsements / guarantees provided by the Company to others shall not exceed 48% of the Company's net value of the latest financial statements. The total amount of the endorsement / guarantee provided by the Company and its subsidiaries shall not exceed 48% of the Company's net value of the latest financial statements.
 - (2) The amount of the endorsement/guarantee provided by the Company to any individual entity shall not exceed 45% of the Company's net value of the latest financial statements. The amount of endorsement / guarantee provided by the Company and its subsidiaries to any single entity shall not exceed 45% of the Company's net value of the latest financial statements.
 - (3) The amount of the endorsement / guarantee by business relationship with the Company shall be not exceed the total amount of translation by recent year. The amount of the endorsement/guarantee by business relationship with the Company is that the higher between purchases or sales amounts prior year.

- (4) Where the Company needs to exceed the limits set out in the Procedures for Endorsements and Guarantees to satisfy its business requirements, and where the conditions set out in the Procedures for Endorsements and Guarantees are complied with, it shall obtain approval from the Board of Directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement / guarantee. It shall also amend the Procedures for Endorsements and Guarantees accordingly and submit the same to the shareholders' meetings for ratification after the fact. If the shareholders' meetings do not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit.
 - (5) If, as a result of a change in circumstances, an entity for which an endorsement / guarantee is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans, submit the rectification plans to all the supervisors and independent directors, and shall complete the rectification according to the timeframe set out in the plan.
 - (6) For circumstances in which an entity for which the Company makes any endorsement / guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, shall review periodically if offer the financial support continually and improve the finance and business, and an explanation of the necessity and reasonableness thereof shall be given at the Board of Directors.
 - (7) If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net worth of the Company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders' meetings.
 - (8) In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under 2-(6), the sum of the share capital plus paid-in capital in excess of par shall be substituted.
3. Procedures for making endorsements / guarantees:
- (1) Submit for review
The management of endorsement/guarantee or cancellation, shall fill the guarantee apply or cancellation apply to explain the guarantee company, types, reason and amount by requesting department, sent to the financial department for pre-review and submit to the board chairman.
 - (2) Before making an endorsement/guarantee for others, the Company shall carefully evaluate by Finance Department refers to the following:
 - (a) The necessity of and reasonableness of endorsements / guarantees.
 - (b) Credit status and risk assessment of the entity for which the endorsement / guarantee is made.

- (c) The impact on the Company's business operations, financial condition, and shareholders' equity.
 - (d) Whether collateral must be obtained and appraisal of the value thereof.
- 4. Subsidiaries for endorsement / guarantee:
Subsidiaries to establish relevant procedures for endorsement / guarantee could be referred to the Company's procedures and should follow the procedures, but shall be not making an endorsement / guarantee for others without the Board of Directors approval.
- 5. Procedures for custody of corporate chops:
 - (1) The Company shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements / guarantees.
 - (2) The corporate chop for endorsements / guarantee shall be kept by the management supervisor; the person may be used to seal only in got the approved guarantee apply.
 - (3) When making a guarantee for a foreign company, the Company shall have the Guarantee Agreement signed by the chairman of the board on behalf of the Company.
- 6. Decision-making authority and delegation:
 - (1) Before making an endorsement/guarantee for others, the Company shall carefully evaluate whether the endorsement/guarantee is in compliance with the Company's Procedures for Endorsements and Guarantees. The Company may make an endorsement/guarantee only after the evaluation results have been submitted to and resolved upon by the Board of Directors.
 - (2) To satisfy its business requirements, within a specific limit not to exceed the limits on endorsements and guarantees of the Article 5-2, and within a period not to exceed one year approved by the Chairman of the board, for subsequent submission to and ratification by the next Board of Directors.
 - (3) Before making any endorsement/guarantee pursuant to Article 1, paragraph 4, a subsidiary in which the Company holds, directly or indirectly, 90% or more of the voting shares shall submit the proposed endorsement/guarantee to the Company's Board of Directors for a resolution, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.
- 7. The process of announce and report:
 - (1) The Company shall announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10th day of each month.
 - (2) The Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:

- (a) The aggregate balance of endorsements / guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.
 - (b) The balance of endorsements / guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.
 - (c) The balance of endorsements / guarantees by the Company and its 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 the Company's net worth as stated in its latest financial statement.
 - (d) The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.
 - (3) The Company shall announce and report on behalf of any subsidiary thereof that is not the Company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to 5-7-2-4 of the preceding paragraph.
 - (4) (4)“Date of occurrence” in these Regulations means the date of contract signing, date of payment, dates of Board of Directors resolutions, or other date that can confirm the counterparty and monetary amount of the endorsement/guarantee, whichever date is earlier.
8. The management of endorsement / guarantee:
- (1) The Company shall prepare a [memorandum book] for its endorsement / guarantee activities and record in detail the following information for the record: the entity for which the endorsement / guarantee is made, the amount, the date of passage by the Board of Directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the results of the matters to be evaluated.
 - (2) The Company's internal auditors shall audit the Procedures for Endorsements and Guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors and independent directors in writing of any material violation found.
 - (3) The Company shall evaluate or record the contingent loss for endorsements / guarantees, and shall adequately disclose information on endorsements / guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures.
 - (4) This Company's managers and persons-in-charge shall follow the Procedures in order to prevent this Company from incurring any losses. Should there be any violation of related

regulations or the Procedures, subsequent castigation is subject to the related Personnel Articles of this Company.

9. Amendment for effect and resolve:
 - (1) The Procedures, after being passed by the Board of Directors, submit the same to each supervisor and for approval by the shareholders' meetings. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to each supervisor and for discussion by the shareholders' meetings. The same shall apply to any amendments to the Procedures.
 - (2) The matters that shall be submitted to the Company's Board of Directors for a resolution, the Board of Directors shall take into full consideration each independent director's opinions, if an independent director expresses any dissent or reservation, it shall be noted in the minutes of the Board of Directors.
 - (3) If the Company has established an Audit Committee, when it adopts or amends its Procedures for Endorsements and Guarantees, the procedures or amended procedures shall require the approval of one-half or more of all Audit Committee members, and furthermore shall be submitted for a resolution by the Board of Directors, and the provisions of Article 5-9(2) shall not apply.
 - (4) If the approval of one-half or more of all Audit Committee members as required in Article 5-9(3) 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.
 - (5) The terms "all Audit Committee members" in Article 5-9(3) and "all directors" in Article 5-9(4) shall be counted as the actual number of persons currently holding those positions.
 - (6) If the Company has established an Audit Committee, the Articles 5-8(2) and 5-2(5) regarding supervisors shall apply mutatis mutandis to the Audit Committee.

Appendix 9

List of Candidates for Directors and Independent Directors

Candidates		Name	Education	Experience	Current position	The reason of independent directors already served for three consecutive terms or more
Position						
Director	Tseng, Sheng-Lin (Andrew)	Ph.D./University of Strathclyde	<ul style="list-style-type: none"> ■ Marketing Manager, Elitegroup Computer System Co., Ltd (U.K.) ■ Marketing Director, Pan-European market at Elitegroup Computer Systems Co., Ltd. (U.K.) ■ Senior Marketing Manager, Proxima Procurement Ltd. 	<ul style="list-style-type: none"> ■ Chairman/General Manager, Grape King Bio Ltd. ■ Director, Pro-Partner Ltd. ■ Chairman, Grape King International Investment Inc. (B.V.I.) ■ Director, Shanghai Grape King Enterprises Corp. ■ Chairman, Rivershine Ltd. ■ Executive Director, Dongpu Biotech Corporation ■ Director, Yi Xin Investment Corporation 	Not Apply	
Director	Tseng, Mei-Ching (Grace)	Master/Andrew Jackson University	<ul style="list-style-type: none"> ■ Deputy Supervisor, Editorial Team in Independent Morning Post ■ Deputy General Manager, Pro-Partner Ltd. 	<ul style="list-style-type: none"> ■ Director, Grape King Bio Ltd. ■ General Manager, Pro-Partner Ltd. ■ Director, Grape King International Investment Inc. (B.V.I.) ■ Director, Rivershine Ltd. ■ Supervisor, Shanghai Grape King Enterprises Corp. ■ Director, Yunxin Investment Corporation 	Not Apply	
Director	Chang, Jue-Jia (Barry)	MBA-Marketing, The George Washington University	<ul style="list-style-type: none"> ■ General Manager, MEC Taiwan ■ Global Activation Manager, Heineken International ■ Marketing Director, Heineken Taiwan ■ Marketing Director, CIBA Vision/Novartis Taiwan ■ Senior Brand Manager, GSK Taiwan 	<ul style="list-style-type: none"> ■ Director, Grape King Bio Ltd. ■ Director, Pro-Partner Ltd. ■ Director, Grape King International Investment Inc. (B.V.I.) ■ Director, Rivershine LTD ■ Supervisor, Dongpu Biotech Corporation ■ Senior Consultant, BTS Taiwan ■ Supervisor, Kuowang Food Co. Ltd 	Not Apply	

Candidates						The reason of independent directors already served for three consecutive terms or more
	Position	Name	Education	Experience	Current position	
Director	Huang, Yen-Shiang (James)	University of Wisconsin-Madison on B.S.	<ul style="list-style-type: none"> ■ Transamerica Audit ■ Executive Director/Vice Chairman, Kingwhale Industries Corp. ■ Chairman, CING-BIAO BIO Corp. 	<ul style="list-style-type: none"> ■ Director, Grape King Bio Ltd. ■ Supervisor, Shanghai Grape King Enterprises Corp. ■ Chairman, CING-BIAO BIO Corp. ■ Chairman, CING-BIAO Investment Corporation ■ President/General Manager, Kingwhale Industries Corp. 	Not Apply	
Director	Lai, Chih-Wei	M.S. in Department of Industrial Design, National Taipei University of Technology	<ul style="list-style-type: none"> ■ Eyewear Designer, All-Logic Int. Co., Ltd ■ Design Director, Paper aria corporation ■ Department Leader, Products Strategy Department, Technology Research & Development Center, Carmax Company Ltd. 	<ul style="list-style-type: none"> ■ Director, Grape King Bio Ltd. ■ Vice-President, Commodity Strategy, CarMax Corporate of Hotai Motor Group. 	Not Apply	
Director	Chang, Chih-Sheng	Bachelor's degree in Department of Pharmacy, Chia Nan University of Pharmacy & Science	<ul style="list-style-type: none"> ■ Person in charge of Yuanlin Huihengtang Pharmacy ■ Manager, SUPER STAR PHARMACEUTICAL Co., LTD ■ Director, Changhua Pharmaceutical Business Association ■ Director, YUSONG INTERNATIONAL INC 	<ul style="list-style-type: none"> ■ Supervisor, Grape King Bio Ltd. ■ Director, Kuowang Food Co. Ltd. ■ Director, Yusong International Inc. 	Not Apply	

Candidates	Name	Education	Experience	Current position	The reason of independent directors already served for three consecutive terms or more
Director	Chen, Hsing-Chun	<ul style="list-style-type: none"> ■ EMBA in Executive Management, College of Management, National Chung Cheng University ■ Master in Department of Financial and Economic Law, National CHUNG CHENG University 	<ul style="list-style-type: none"> ■ Distributing Department, Taiwan Tobacco and Wine Monopoly Bureau (Taichung) ■ Department of Securities/ Department of Loan Management, Land Bank of Taiwan, Taichung Branch ■ Safe Deposit Box Department, Land Bank of Taiwan, Tainan Branch ■ Managing Director, Chiayi City Childhood Education Association ■ Person in charge/Principal of Chiayi City Jianan Kindergarten 	<ul style="list-style-type: none"> ■ Supervisor, Grape King Bio Ltd. ■ Standing Director, Chiayi Physical Disabilities Association 	Not Apply

Candidates	Position	Name	Education	Experience	Current position	The reason of independent directors already served for three consecutive terms or more
Director	Uni-President Enterprises Corp., Representative: Kao Shioh-Ling	Marymount College USA	Chairman, Kao Chyuan Inv. Corp.	<ul style="list-style-type: none"> ■ Chairman of: Kao Chyuan Inv. Corp., President Being Corp., President, Fair Development Corp., Uni-President Department Store Corp., Uni-President, Pharmaceutical Corp., President, Drugstore Business Corp., Eternity Holdings Ltd., Infinity Holdings Ltd. ■ Director of: Uni-President Enterprises Corp., President Chain Store Corp., Ton Yi Industrial Corp., ScinoPharm Taiwan, Ltd., President International Development Corp., Uni-President Development Corp., Prince Housing & Development Corp., Time Square International Co. Ltd., President (Sanghai) Health Product Trading Company Ltd., Uni-Wonder Corporation, President Century Corp. Ltd., Beauty Wonder (Zhejiang) Trading Co. Ltd., Times Square International Holding Co.. ■ General manager of: Kao Chyuan Inv. Corp., President Fair Development Corp.. 	<p style="text-align: center;">Not Apply</p>	

Candidates	Name	Education	Experience	Current position	The reason of independent directors already served for three consecutive terms or more
Independent	Lin, Feng- I	<ul style="list-style-type: none"> ■ M.S. in School of Economics, Nankai University ■ B.S. in Accounting, Soochow University 	<ul style="list-style-type: none"> ■ Vice President, Want Want China Holdings Limited 	<ul style="list-style-type: none"> ■ Independent Director, Grape King Bio Ltd. ■ Independent Director, Wafer Works Corporation ■ Independent Director, Joudier Precision Industry (Kunshan)Co., Ltd ■ Independent Director, Digwin Software Co., Ltd.. ■ Director, Shanghai Karon Eco-Valve Manufacturing CO.,LTD. 	None
Independent	Chen, Ching-Pu	<ul style="list-style-type: none"> ■ Ph.D. in Decision Sciences, Harvard University ■ M.S. in Engineering Sciences, Harvard University ■ B.S. in Electrical Engineering and Mathematics, Virginia Military Institute 	<ul style="list-style-type: none"> ■ Independent Director, ADDA Corporation 	<ul style="list-style-type: none"> ■ Independent Director, Grape King Bio Ltd. ■ International Director, Global Affairs Office and Professor, Department of Social and Policy Sciences, Yuan Ze University 	None

Candidates	Name	Education	Experience	Current position	The reason of independent directors already served for three consecutive terms or more
Independent	Miao, I-Fan	M.S. in Peking University Law School or M.S in Law, Peking University	<ul style="list-style-type: none"> ■ Committee member, Department of Transportation, Taipei City Government ■ Voluntary lawyer, Awakening Foundation ■ Deputy Secretary General, Consumers' Foundation, Chinese Taipei ■ Committee member, Jing Chuan Child Safety Foundation ■ Examining Commissioner/Legal Aid Lawyer, Legal Aid Foundation ■ Sewerage System Examiner, Construction and Planning Agency, Ministry of The Interior ■ Deputy Secretary General/Vice Director, "Consumer Reports" Magazine in Consumers' Foundation, Chinese Taipei ■ Committee member, Taipei Traffic Accident Arbitrated Commission ■ Independent Director, Jabon International Co. Ltd. 	<ul style="list-style-type: none"> ■ Independent Director, Grape King Bio Ltd. ■ Committee member, Department of Transportation, Taipei City Government ■ New Taipei City Traffic Accident Investigation Committee ■ Taipei City Government Traffic Accident Investigation Committee ■ YI-SIN Law Office Attorney ■ Supervisor, THI Consultants INC. ■ Supervisor, LANX Technologies Corporation 	None

Candidates	Name	Education	Experience	Current position	The reason of independent directors already served for three consecutive terms or more
Independent	Chen, Jing Ning (Jenny)	Master, Department of Sociology, National Chengchi University	<ul style="list-style-type: none"> ■ Assistant for Members of the Legislative Yuan ■ Assistant manager, Jet-Go Consulting Group ■ Manager, Soundline Consulting ■ Part-time lecturer, Department of Fashion Marketing, Shih Chien University ■ Part-time lecturer of Feminism, Shih Hsin University ■ Consultantm Jing Chuan Child Safety Foundation 	<ul style="list-style-type: none"> ■ Secretary-General, Taiwan Association of Family Caregivers 	None

Appendix 10**Grape King Bio Ltd.
Rules of Procedure for Shareholders' Meetings**

Approved by the Shareholders' Meeting held on May 28, 2020

Article 1

The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, shall be as provided in these Rules.

Article 2

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed in plus the number of shares whose voting rights are exercised by electronically.

Article 3

A shareholder except as otherwise provided by law, shall be entitled to one vote for each share held.

Article 4

The venue for shareholders' meetings shall be the premises of the Company, or a place easily accessible to shareholders and suitable for shareholders' meetings. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. The place and time of the meeting shall be in full consideration of the opinions of the independent directors.

Article 5

If shareholders' meetings are convened by the Board of Directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the Managing Directors to act as chair, or, if there are no Managing Directors, one of the Directors shall be appointed to act as chair. Where the Chairperson does not make such a designation, the Managing Directors or the directors shall select from among themselves one person to serve as chair.

If shareholders' meetings are convened by a party with power to convene but other than the Board of Directors the convening party shall Chair the meeting.

Article 6

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend shareholders' meetings in a non-voting capacity.

Staff handling administrative affairs of shareholders' meetings shall wear identification cards or arm bands.

Article 7

The Company shall make an audio or video recording of the shareholders' meetings and retained for at least 1 year.

Article 8

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 represent less than one third of the total number of issued shares, the Chair shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders still represent less than one third of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act.

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' meetings pursuant to Article 174 of the Company Act.

Article 9

If shareholders' meetings are convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors, and related proposal (including extempore motions and revised proposal) shall be followed by a poll for each proposal. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meetings.

The provisions of the preceding paragraph apply mutatis mutandis to shareholders' meetings convened by a party with the power to convene that is not the Board of Directors.

The Chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meetings.

If the Chair declares the meeting adjourned in violation of the rules of procedure, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

After the meeting is adjourned, shareholders may not separately elect a Chair and resume the meeting at the original or another venue.

Article 10

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the Chair and the shareholder that has the floor; the Chair shall stop any violation.

Article 11

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the Chair may terminate the speech.

Article 12

When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

When a juristic person shareholder appoints two or more representatives to attend shareholders' meetings, only one of the representatives so appointed may speak on the same proposal.

Article 13

After an attending shareholder has spoken, the Chair may respond in person or direct relevant personnel to respond.

Article 14

When the Chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chair may announce the discussion closed and call for a vote and properly arrange the vote time.

Article 15

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for proposals or elections shall be conducted in public at the place of the shareholders' meetings. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 16

When a meeting is in progress, the Chair may announce a break based on time considerations.

Article 17

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the Chair or a person designated by the Chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.

Article 18

When there is an amendment or an alternative to a proposal, the Chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 19

The Chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

Article 20

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

Appendix 11**Shareholdings of All Directors and Supervisors**

1. Minimum shares held by the Directors & Supervisors and recorded shares held

Title	Minimum legally-held shares	Recorded shares held
Directors	8,888,242 shares	15,031,747 shares
Supervisors	888,824 shares	3,397,553 shares

2. Directors and Supervisors Shareholding Structure in detail

Title	Name	Recorded shares held
Chairman	Shenglin Andrew Tseng	6,351,244
Director	Mei-Ching Tseng	4,993,117
Director	Yen-Shiang Huang	203,000
Director	Jue-Jia Chang	1,538,386
Director	Chih-Wei Lai	653,000
Director	Ding Fu Investment Co., Ltd.	1,293,000
Independent Director	Feng-I Lin	0
Independent Director	Ching-Pu Chen	0
Independent Director	I-Fan Miao	0
Supervisor	Chih-Sheng Chang	2,093,957
Supervisor	Hsing-Chun Chen	1,303,596

Note: as of March 30, 2021



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