

Stock Code : 1702

Namchow Holdings Co., Ltd.  
(formerly named :Namchow Chemical Industrial Co., Ltd.)  
2018 1<sup>st</sup> Interim Shareholders Meeting

# Handbook

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**Namchow Holdings Co., Ltd.**  
**(Formerly Named: Namchow Chemical Industrial Co., Ltd.)**  
**Agenda of the 2018 1st Interim Shareholders Meeting**

Time: 9:00 am, Friday, March 9, 2018

Place: Vision Hall, Taipei Foundation of Finance, 6F-6, No. 51, Hengyang Road, Taipei City.

I. Meeting Called to Order

II. Chairperson's Address

III. Discussions

1. The initial public offering of CNY-denominated Common Stocks (Class A shares) by Namchow Food Group (Shanghai) Co., Ltd., a subsidiary of the Company. Namchow Food Group (Shanghai) Co., Ltd. will in the meantime apply for listing in the Shanghai Stock Exchange.
2. The establishment of a "Horizontal Agreement" between the Company and Namchow Food Group (Shanghai) Co., Ltd., a subsidiary of the Company.
3. Amendment to the "Articles of Incorporation" of the Company.

IV. Ex temporary Motions

V. Meeting adjourned..

# Discussions

## Motion No. 1 Proposed by the Board of Directors

Cause of motion: Namchow Food Group (Shanghai) Co., Ltd., a subsidiary of the Company, will have its initial public offering of CNY-denominated Common stocks (Class A shares); in the meantime apply for listing in the Shanghai Stock Exchange. Please resolve.

### Description:

#### (1) The purpose of having a major subsidiary listed in an overseas stock exchange.

Namchow Food Group (Shanghai) Co., Ltd. (hereinafter referred to as “Namchow Food Shanghai”), which is one of the major subsidiaries of the Company, intends to apply for listing in the Shanghai Stock Exchange. This application is aimed to speedily expanding the Company’s business in China, attracting professional talents, increasing market influence and achieving better effects from the resource integration of the Company. Currently, the Company holds, directly or indirectly, 96.15% of the shares of Namchow Food Shanghai. The successful listing of this subsidiary is expected to bring positive effects to the image and business development of the Company and create added value to its reinvestments. This would be a win-win strategy for the Company and all its shareholders.

#### (2) Potential influence to the Company’s financial and business management

##### 1. Influence to financial management

- (1) The listing of the Class A shares issued by Namchow Food Shanghai is expected to increase the shareholders’ equity of Namchow Holdings Co., Ltd., the parent company.

Namchow Food Shanghai plays a leading role in China’s baking industry for the edible oil/fat and frozen dough business it operates. The expanded production line will bring very significant economic benefit to the Company. The listing of new shares will also help increasing the net profit attributable to Namchow Holdings, the parent company.

(2) Improve the financial structure and reduce relevant expenses

The listing of the Class A shares issued by Namchow Food Shanghai, if successful, will help the company build up and diversify its funding sources in China through the local subsidiary. This will effectively lower down the borrowing level of the Group, improve the financial structure of the Group's consolidated financial statements and reduce relevant expenses.

(3) The public offering and listing will not involve any share transfer among the existing shareholders.

After this public offering, Namchow Holdings, the parent company, shall retain its control over Namchow Food Shanghai. The stocks to be listed this time, furthermore, are issued through public offering of new shares. It does not involve any transfer of the existing shares of the Company.

2. Influence to business development

(1) If the Class A shares are successfully listed this time, Namchow Food Shanghai, the subsidiary, will be able to reinvest the funds raised and copy the successful model to develop its China market, further increase its productivity and build up its R&D dynamics. This will help raise the competitive threshold for the industry, increase the existing value advantage of the Company and bring in higher profits, thereby solidifying the leading status of the Group in the China area in edible oil/fat.

(2) The listing of the Class A shares issued by Namchow Food Shanghai will further elevate the image of the Company in the local society, attract talents and enhance the stability of key employees through retention incentives such as employee stock option programs. These would be helpful for the Company to develop the Group business.

(3) Dispersion of Shareholding

Namchow Food Shanghai intends to have its initial public offering of CNY-denominated Common Stocks (Class A shares) in China; in the meantime apply for listing in the Shanghai Stock Exchange. The par value

will be CNY 1. In accordance with relevant regulations of the place of listing, the shares shall be dispersed through the following methods:

#### 1. Methods of Dispersion

Public offering will be conducted. More specifically, new shares will be issued and no transfer of existing shares of the Company will be involved. Online and offline administration will be integrated, including offline enquiry and allotment of shares to the enquiry objects, as well as online subscription and issuance. The issuance may be administered in other methods approved by the China Securities Regulatory Commission.

#### 2. Number of shares to be issued for this public offering

According to relevant regulations at the place of listing, the total number of shares issued shall not exceed 25% of the total capital after the issuance. The actual number of shares to be issued shall be subject to the approval of the China Securities Regulatory Commission. If the listing of the Class A shares has been approved as expected, the Company will, when administering ownership dispersion prior to the listing, solicit the written opinion of an independent expert in advance regarding the reasonableness of the issuing price and volume, and the influence to the shareholders' equity. The expert opinions shall be submitted to the Supervisors Meeting of the Company for review and further reported to the Board of Directors for discussion.

#### (4) Funding sources and purposes of this public offering

According to relevant regulations at the place of listing, the funds raised through this public offering shall be mainly invested to the expansion of plant facilities in places including, but not limited to, Shanghai, Tientsin and Guangzhou; establishing additional production lines and environmental-friendly equipment for the oil/fat and frozen dough products; optimizing the manufacturing process for existing production lines; upgrading food safety facilities and providing additional working capital for the Company.

#### (5) Statutory basis for pricing

According to relevant regulations at the place of listing, the price shall be

determined by sending enquiries to the enquiry objects. The issuing price shall be determined based on the results of enquiries and the market status. Alternatively, the issuing price shall be the price eventually approved by the China Securities Regulatory Commission.

(6) Targets of the new issuance

According to relevant regulations at the place of listing, the targets of the new issuance shall be the enquiry objects that fulfill the qualifications specified in relevant laws and regulations of China or required by the supervisory authorities, the domestic natural persons or legal persons that have established a securities account with the Shanghai Stock Exchange, or other investors meeting the requirements of the China Securities Regulatory Commission. The Company shall not participate in the subscription.

(7) The influence, if any, on the continued listing of the Company in Taiwan's stock market.

The successful listing of the Class A shares of Namchow Food Shanghai will not affect the continued listing of the Company in Taiwan's stock market.

(8) Other matters

1. Considering the long-term development of its business, Namchow Food Shanghai intends to apply to the competent authority in China for the initial public offering and listing of its Class A shares. Namchow Food Shanghai, however, has not yet submitted the application so far. With regard to the timing and the lead time required for the application, there is still some uncertainty and unpredictability.
2. Considering that Namchow Food Shanghai will have its initial public offering of CNY-denominated Class A shares in China and submit the application for public listing in Shanghai Stock Exchange, we propose that the shareholders' meeting should grant to the board of directors or its delegated personnel the full authority to make necessary adjustments based on the actual requirements in the listing process, the opinions of relevant competent authority, the regulations at the place of listing, the market conditions, as well as the actual business status. The board of directors or its delegated personnel shall, in the meantime, have the full

authority to manage all the matters relating to this issuance/listing, determine the base date for the capital increase, as well as all other matters as required.

Decision:



## Motion No. 2: Proposed by the Board of Directors

Cause of motion: The Company intends to enter into a “Horizontal Agreement” with Namchow Food Group (Shanghai) Co., Ltd., a subsidiary of the Company. Please resolve.

### Description:

(1) Considering the fact that Namchow Food Group (Shanghai) Co., Ltd. (Hereinafter referred to as “Namchow Food Shanghai”) will have its initial public offering of CNY-denominated common stocks (Class A shares) in China and apply for public listing in Shanghai Stock Exchange, the Company should avoid any horizontal competition with Namchow Food Shanghai to ensure compliance with the relevant regulations in China and the requirements of the China Securities Regulatory Commission.

(2) As part of the Group’s management strategy, Namchow Food Shanghai and its subsidiaries have been virtually responsible for the Company’s oil/fat and frozen dough business in China. The listing of Namchow Food Shanghai is expected to bring significant positive effects to the Company, including increased corporate value and brand awareness as a whole, and opportunities for further expansion in China and the international markets, using the funds raised from China’s capital market through Namchow Food Shanghai. Considering the important role of Namchow Food Shanghai in developing the Company’s business in China, we are prepared to enter into a “Horizontal Agreement” with Namchow Food Shanghai to ensure compliance with relevant regulations in China and the requirements of the China Securities Regulatory Commission. In view of the superior-subordinate relation between the Company and Namchow Food Shanghai, we believe the establishment of the horizontal agreement is unlikely to constitute any violation of the Fair Trade Act of the Republic of China.

(3) Considering that Namchow Food Shanghai will have its initial public offering and issuance of CNY-denominated Class A shares in China and apply for public listing in Shanghai Stock Exchange, we should ensure that the “Horizontal Agreement” is established based on the opinions of

the relevant government authority as well as the regulations at the place of listing.

(4) This proposal has been submitted to the 2018 First Special Shareholders Meeting for discussion and has been resolved. The Chairperson shall be granted the full authority to manage the follow-up tasks of the “Horizontal Agreement”.

Decision:

### Motion No. 3 Proposed by the Board of Directors

Cause of Motion: We propose to amend Article 31 of the “Articles of Incorporation” of the Company. Please resolve.

Description:

I. We propose to amend Article 31 of the “Articles of Incorporation” of the Company.

II. The provisions before and after the amendment are shown below:

After	Before	Description
Article 31 If there is any earning for the year, the Company shall appropriate no less than 1% of its earnings as remuneration to employees and no more than 5% as remuneration to Directors and Supervisors. The Company shall appropriate for write-off the loss carried forward, if applicable. The remuneration to employees mentioned in the preceding paragraph may be paid in stock or cash, and the employees of subsidiaries meeting specific condition are also entitled to the payment.	Article 31 If there is any earning for the year, the Company shall appropriate no less than 1% of its earnings as remuneration to employees and no more than 5% as remuneration to Directors and Supervisors. The Company shall appropriate for write-off the loss carried forward, if applicable.	Considering the organizational change of the Company and the establishment of the holding company as a result of demerger, we propose to add the statement that “the employees of subsidiaries meeting specific condition are also entitled to the payment” in accordance with Article 235-1 of the Company Act.
Article 34 .....the omitted parts remain unchanged, and the following statement is added to the clause: "The 51st amendment took place on March 9, 2018" is added.	Article 34 .....	The date for this amendment is added to this Clause.

Decision:

Ex Temporary Motions

Adjournment

## Attachment 1

# Draft amendment to the Articles of Incorporation of Namchow Holding Co., Ltd.

(Formerly Named: Namchow Chemical Industrial Co., Ltd.)

### Chapter 1 General Provisions

- Article I: The Company is duly incorporated in accordance with the Corporate Merger and Acquisition Act, the Company Act in the section of limited liability Company, and other applicable laws and bears the title of Namchow Investment Holding Co., Ltd.
- Article II: The Company is engaged in the business of: H201010- Investments.
- Article 2-1: The Company may offer external assurance in order to fulfill business needs.
- Article 2-2: If the company is a shareholder with limited liabilities of another company, its overall investment value is not subject Article 13 of the Company Act where it says that the overall investment value may not exceed 40% of the paid-up capital stock.
- Article 3: The Company's main office is located in Taipei City and the company may set up branches at other appropriate locations when it is considered necessary. The establishment, abolishment, or change is to be decided by the Board of Directors.
- Article 4: The Company's public notices shall be pursuant to Article 28 of the Company Act.

### Chapter 2 Shares

- Article 5: The capital size of the company is set at NTD4 billion consisting of 400 million shares. Each share has a par value of NTD10. The shares are to be issued in separate efforts by the Board of Directors according to the Company Act and other applicable laws and regulations.
- Article 6: Stocks of the company shall be registered, signed or sealed by at least three directors. The stocks should be issued after proper certification by the competent authority or its approved registration institutes by law.
- Stocks issued by the company are not required to be printed. The company, however, should contact the securities depository and custodian institution for registration of the share certificates.

- Article 7: Shareholders shall complete the seal certificate to be kept by the company. The seal certificate is the basis for claiming the dividend and bonus or written correspondence with the company.
- Article 8: In the event that the stocks are assigned to someone else, the stock transfer request should be completed and submitted to the company for change of name and transfer of the account. Once it is registered in the shareholders roster, it can be set up as a valid defense against the company. To request change of name as a result of inheritance, the heir shall provide legal supporting documents.
- Article 9: In the event that the stocks are lost or stolen, the holder shall file the case with the police and loss of the stocks with the company and petition the court with jurisdiction within 5 days to release a public notice. A copy of the said writ petition along with a photocopy of the receipt from the court shall be submitted to the company; otherwise, the application for loss of the stocks will be canceled. Once the public notice is released and a judgment is made, a copy of the newspaper bearing the public notice and judgment shall be submitted to the company and a request for re-issuance of new stocks shall be made to the company with the ex-right verdict.
- Article 10: Adequate cost will be charged for each stock to be replaced or re-issued because of contamination or damage or in accordance with the requirements indicated in the foregoing 2 articles.
- Article 10-1: After issuance of new stocks, the physical stocks may all be printed at once for that particular issue. The company may also issue stock in non-physical form.
- With respect to shares issued in accordance with the requirements set forth in the preceding paragraph, they may be held in custody or placed for registration with a centralized securities depository corporation or they may also be consolidated and re-issued in securities with larger denominations as requested from the centralized securities depository corporation.

### Chapter 3 Shareholder's Meeting

- Article 11: There are regular and provisional shareholders meetings. The regular meeting is held once a year within 6 months after an operation year ends and is called for by the Board of Directors while the provisional one is to be convened by the Board of Directors or the supervisor whenever it is considered necessary. Shareholders who have been holding more than 3% of the total outstanding shares for more than a year

may also ask the Board of Directors to call for a shareholders meeting by clearly written proposals and reasons.

Article 12: A shareholders meeting shall be called for by the 30th day of each month while provisional meeting shall be called for by the 15th day of each month, with written indication of the date, venue, and reason for the meeting that is made known to individual shareholders. For shareholders with less than 1,000 inscribed stocks, a public notice may be provided to notify them as required by Article 26-2 of the Securities Exchange Act.

Article 13: If a shareholder cannot attend a meeting for some reason, he/she may have a proxy to attend it on his/her behalf with a show of the proxy form printed out and distributed by the company that specifies the scope of authorization and bears his/her signature/seal in accordance with applicable laws and regulations governing the use of the proxy form. When two or more shareholders authorize the same person, the authorized voting rights may not exceed 3% of the voting rights of the total outstanding shares combined. The excess will not be counted.

Article 14: The Chairman shall chair shareholders meetings; in the event that the Chairman is absent for a reason, the Vice Chairman shall act on his/her behalf.

Article 15: Unless otherwise stipulated in the Company Act, any resolutions reached in a shareholders' meeting should be approved by a majority vote among shareholders that are present and represent at least one half of the total outstanding shares.

When shareholders that are present do not meet the requirements indicated in the preceding paragraph, yet account for more than one-third of the total outstanding shares, approval by a majority of the shareholders that are present shall constitute a tentative resolution. The tentative resolution shall be made known to all shareholders and another shareholders meeting shall be called for within a month. For the tentative resolution, if it is approved by a majority vote among shareholders that are present and represent one-third of the total outstanding shares, it shall be considered as the resolution indicated in the preceding paragraph.

Article 16: For the shares held by the shareholders, unless specified otherwise by law, each share is assigned with one vote.

Article 17: Minutes of shareholders meetings shall show the year, month, date, venue, name of the chairperson, decisions made in the meetings, highlights of the agenda and results and must be signed off or sealed by the chairperson. Minutes of shareholders

meetings shall be kept for as long as the company continues to exist. Shareholders' attendance sheets and proxy forms shall be retained for at least one year.

#### Chapter 4 Board of Directors

Article 18: The Company has 5 to 8 board directors, who are to be elected among capable people in shareholders meetings to serve a tenure of 3 years and may be repeatedly elected to serve multiple terms. The directors are entitled to transportation reimbursements that have to be paid regardless of gains or losses. Among the said directors, there may not be fewer than 2 independent ones and the independent directors may not account for less than one-fifth of all openings. Election of independent directors follows the nomination system. Shareholders shall elect independent directors according to the list of candidates they receive. Independent and non-independent directors shall be elected together and votes will be counted separately. The nomination and election of independent directors and other details to be followed shall be based on the requirements indicated in the Securities Exchange Act and applicable laws and regulations.

The total quantity of shares held by all Directors shall be governed by the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies insituted by the competent authority.

In order to protect the company's right of reinvestment, the directors may be elected and hired as director and manager in the invested company and can take part in the operation of the reinvestment business.

Article 19: The directors shall form the Board of Directors and shall elect among themselves one Chairman and one Vice Chairman with paid salaries that are positive expenses regardless of gains or losses.

Article 19-1: The Company may purchase liability insurance for its directors and supervisors during their term of office, based on the compensation liabilities associated with their respective business accountabilities. The Board of Directors is fully authorized to take care of the insurance matter.

Article 20: The duties of the Board of Directors are as follows:

- (1) To review respective rules and procedures
- (2) To decide on business policies
- (3) To review budget and accounts



- (4) To prepare individual forms and rosters as per Article 228 of the Company Act
- (5) To direct and supervise operations
- (6) To decide on the establishment, removal, or change of branches
- (7) To approve the purchase and disposal of important properties and real estate
- (8) To offer external assurance
- (9) To make a decision on reinvestment
- (10) The Board of Directors is to decide on involvement in public interest activities that are required while fulfilling its tasks and in order to facilitate expansion of the operation or to boost the company image while returning to society or donations that are required in order to fulfill the company's social responsibilities.
- (11) Other duties that are bestowed under applicable laws and regulations or through the shareholders meeting.

Article 20-1: The Board of Directors is fully authorized to handle fractional shares from new stocks issued by the company by contacting specific people for subscription.

Article 21: The Board of Directors shall meet at least once a quarter. When a provisional meeting is required, except for the very first meeting for each intake of the Board of Directors where a meeting is to be called for by the director with the most votes, all the other meetings are to be called for by the Chairman, who will also preside over the meeting. When the Chairman is absent for some reason, the Vice Chairman shall act on his/her behalf.

When a meeting of the Board of Directors is called for via visual communication network, the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person. In the event that a director is unable to attend the meeting in person, he/she may authorize another director to act on his/her behalf with a show of the proxy form. The proxy, however, may only be authorized by one director.

A meeting of the company's Board of Directors may be called for in writing, through email, or by fax.

Article 22: Decisions made by the Board of Directors shall be approved by a majority vote among the directors who are present and account for more than half of all directors and the meeting minutes shall be signed off and sealed by the chairperson.

Article 23: When the Board of Directors meets, the General Manager and managers may be invited to attend the meeting; nevertheless, the latter do not have a voting right.

#### Chapter 5 Supervisors

Article 24: The Company has 2 supervisors, who are to be elected among capable people in shareholders meetings to serve a tenure of 3 years and may be repeatedly elected to serve multiple terms. The supervisors are entitled to transportation reimbursements that have to be paid regardless of gains or losses.

The total number of the company's shares to be held by all supervisors shall be set according to the "Rules Governing the Ratio and Audit Procedures on the Stock Ownership by Directors and Supervisors of Public Companies" established by the competent authority.

Article 25: The duties of supervisors are as follows:

- (1) To investigate the company's financial conditions
- (2) To inspect books and documents
- (3) To inquire about operations of the company
- (4) To monitor operations carried out by staff and to report illegal and negligent situations
- (5) Other duties bestowed under applicable laws and regulations

Article 26: Supervisors may be seated in Board of Directors meetings but do not have a voting right.

#### Chapter 6 Organization

Article 26: The Company has one General Manager, who is nominated by the Chairman and hired with approval by a majority vote among the directors. The same applies upon dismissal. There are several deputy general managers, associate managers and managers, who are to be chosen jointly by the Chairman and the General Manager and are hired with approval by a majority vote among the directors. The same applies upon dismissal. Other important employees are to be hired following submission by the General Manager to and approval by the Director and their information shall be submitted to the Board of Directors for reference. The same applies upon dismissal.

Article 28: The General Manager manages all affairs relating the company based on decisions made by the Board of Directors.

#### Chapter 7 Accounting

Article 29: A business year begins with January 1 and ends on December 31 at the company. The annual audit takes place after a year is completed.

Article 30: After the annual audit, the following forms shall be prepared, submitted to the Board of Directors for review and to the supervisors to be inspected, and brought forth in the shareholders meeting for recognition.

(1) Business Report

(2) Financial Statement

(3) Earnings Distribution or Losses Subsidization Proposal

Article XXXI: The Company shall appropriate no less than 1% of its earnings as remuneration to employees and no more than 5% as remuneration to Directors and Supervisors, if applicable. The Company shall appropriate for write-off the loss carried forward, if applicable.

The remuneration to employees mentioned in the preceding paragraph may be paid in stock or cash, and the employees of subsidiaries meeting specific condition are also entitled to the payment.

Article XXXI-I: The Company shall appropriate its earnings for the payment of applicable taxes, followed by the write-off of loss carried forward, and 10% as legal reserve, if applicable. If however the legal reserve so appropriated is equivalent to the paid-in capital of the Company, no further appropriation is necessary. The remainder shall be recognized for special reserve or reversal of special reserve. If there is still a balance, it will be pooled up with undistributed earnings for distribution to the shareholders as dividend or bonus at the proposal of the Board and the final approval of the Shareholders' Meeting.

The dividend policy of the Company shall meet the needs of the development plan at present and in the future, in consideration of the investment environment, capital requirement and competition at home and abroad, and also the interests of the shareholders. At least 30% of annual earnings attributable to shareholders for distribution shall be paid out as dividend, which may be paid as stock dividend and/or cash dividend. Cash dividend shall not fall below 10% of the total dividend paid to the shareholders.

## Chapter 8 Supplementary Provisions

- Article 32: The Company's organizational rules and enforcement rules are to be established separately.
- Article 33: Details not covered herein are to be handled in accordance with the requirements of the Company Act and other applicable laws and regulations.
- Article 34: These Articles of Incorporation were stipulated on March 25, 1950. The first amendment took place on February 21, 1952. The second amendment took place on September 3, 1953. The third amendment took place on April 9, 1955. The fourth amendment took place on April 4, 1959. The fifth amendment took place on April 6, 1960. The sixth amendment took place on April 29, 1961. The seventh amendment took place on May 22, 1962. The eighth amendment took place on June 5, 1964. The ninth amendment took place on November 9, 1966. The tenth amendment took place on March 24, 1967. The 11th amendment took place on April 26, 1968. The 12th amendment took place on November 11, 1968. The 13th amendment took place on December 3, 1970. The 14th amendment took place on May 15, 1971. The 15th amendment took place on May 12, 1972. The 16th amendment took place on June 30, 1973. The 17th amendment took place on February 7, 1973. The 18th amendment took place on May 8, 1974. The 19th amendment took place on May 16, 1975. The 20th amendment took place on May 7, 1976. The 21st amendment took place on April 14, 1977. The 22nd amendment took place on March 17, 1978. The 23rd amendment took place on March 9, 1979. The 24th amendment took place on March 26, 1980. The 25th amendment took place on March 27, 1981. The 26th amendment took place on May 12, 1982. The 27th amendment took place on May 11, 1983. The 28th amendment took place on March 23, 1984. The 29th amendment took place on June 15, 1985. The 30th amendment took place on May 23, 1986. The 31st amendment took place on May 27, 1987. The 32nd amendment took place on June 10, 1988. The 33rd amendment took place on May 15, 1989. The 34th amendment took place on March 31, 1990. The 35th amendment took place on June 20, 1991. The 36th amendment took place on May 23, 1992. The 37th amendment took place on May 22, 1993. The 38th amendment took place on May 23, 1995. The 39th amendment took place on June 22, 1996. The 40th amendment took place on May 10, 1997. The 41st amendment took place on June 25, 1999. The 42nd amendment took place on June 17, 2000. The 43rd amendment took place on June 7, 2002. The 44th amendment took place on June 9, 2006. The 45th amendment took place on June 8, 2007. The 46th amendment took place on June 19, 2009. The 47th amendment took place on May 28, 2010. The 48th amendment took place on June 6,

2014. The 49th amendment took place on June 8 2016. The 50th amendment took place on May 31 2017. The 51th amendment took place on Mar 9, 2018.

## Appendix 1

### **Namchow Holdings Co., Ltd.**

(formerly named :Namchow Chemical Industrial Co., Ltd.)

#### Articles of Incorporation

##### Chapter 1 General Provisions

- Article I: The Company is duly incorporated in accordance with the Corporate Merger and Acquisition Act, the Company Act in the section of limited liability Company, and other applicable laws and bears the title of Namchow Investment Holding Co., Ltd.
- Article II: The Company is engaged in the business of: H201010- Investments.
- Article 2-1: The Company may offer external assurance in order to fulfill business needs.
- Article 2-2: If the company is a shareholder with limited liabilities of another company, its overall investment value is not subject Article 13 of the Company Act where it says that the overall investment value may not exceed 40% of the paid-up capital stock.
- Article 3: The Company's main office is located in Taipei City and the company may set up branches at other appropriate locations when it is considered necessary. The establishment, abolishment, or change is to be decided by the Board of Directors.
- Article 4: The Company's public notices shall be pursuant to Article 28 of the Company Act.

##### Chapter 2 Shares

- Article 5: The capital size of the company is set at NTD4 billion consisting of 400 million shares. Each share has a par value of NTD10. The shares are to be issued in separate efforts by the Board of Directors according to the Company Act and other applicable laws and regulations.
- Article 6: Stocks of the company shall be registered, signed or sealed by at least three directors. The stocks should be issued after proper certification by the competent authority or its approved registration institutes by law.

Stocks issued by the company are not required to be printed. The company, however, should contact the securities depository and custodian institution for registration of the share certificates.

Article 7: Shareholders shall complete the seal certificate to be kept by the company. The seal certificate is the basis for claiming the dividend and bonus or written correspondence with the company.

Article 8: In the event that the stocks are assigned to someone else, the stock transfer request should be completed and submitted to the company for change of name and transfer of the account. Once it is registered in the shareholders roster, it can be set up as a valid defense against the company. To request change of name as a result of inheritance, the heir shall provide legal supporting documents.

Article 9: In the event that the stocks are lost or stolen, the holder shall file the case with the police and loss of the stocks with the company and petition the court with jurisdiction within 5 days to release a public notice. A copy of the said writ petition along with a photocopy of the receipt from the court shall be submitted to the company; otherwise, the application for loss of the stocks will be canceled. Once the public notice is released and a judgment is made, a copy of the newspaper bearing the public notice and judgment shall be submitted to the company and a request for re-issuance of new stocks shall be made to the company with the ex-right verdict.

Article 10: Adequate cost will be charged for each stock to be replaced or re-issued because of contamination or damage or in accordance with the requirements indicated in the foregoing 2 articles.

Article 10-1: After issuance of new stocks, the physical stocks may all be printed at once for that particular issue. The company may also issue stock in non-physical form.

With respect to shares issued in accordance with the requirements set forth in the preceding paragraph, they may be held in custody or placed for registration with a centralized securities depository corporation or they may also be consolidated and re-issued in securities with larger denominations as requested from the centralized securities depository corporation.

### Chapter 3 Shareholder's Meeting

Article 11: There are regular and provisional shareholders meetings. The regular meeting is held once a year within 6 months after an operation year ends and is called for by the

Board of Directors while the provisional one is to be convened by the Board of Directors or the supervisor whenever it is considered necessary. Shareholders who have been holding more than 3% of the total outstanding shares for more than a year may also ask the Board of Directors to call for a shareholders meeting by clearly written proposals and reasons.

Article 12: A shareholders meeting shall be called for by the 30th day of each month while provisional meeting shall be called for by the 15th day of each month, with written indication of the date, venue, and reason for the meeting that is made known to individual shareholders. For shareholders with less than 1,000 inscribed stocks, a public notice may be provided to notify them as required by Article 26-2 of the Securities Exchange Act.

Article 13: If a shareholder cannot attend a meeting for some reason, he/she may have a proxy to attend it on his/her behalf with a show of the proxy form printed out and distributed by the company that specifies the scope of authorization and bears his/her signature/seal in accordance with applicable laws and regulations governing the use of the proxy form. When two or more shareholders authorize the same person, the authorized voting rights may not exceed 3% of the voting rights of the total outstanding shares combined. The excess will not be counted.

Article 14: The Chairman shall chair shareholders meetings; in the event that the Chairman is absent for a reason, the Vice Chairman shall act on his/her behalf.

Article 15: Unless otherwise stipulated in the Company Act, any resolutions reached in a shareholders' meeting should be approved by a majority vote among shareholders that are present and represent at least one half of the total outstanding shares.

When shareholders that are present do not meet the requirements indicated in the preceding paragraph, yet account for more than one-third of the total outstanding shares, approval by a majority of the shareholders that are present shall constitute a tentative resolution. The tentative resolution shall be made known to all shareholders and another shareholders meeting shall be called for within a month. For the tentative resolution, if it is approved by a majority vote among shareholders that are present and represent one-third of the total outstanding shares, it shall be considered as the resolution indicated in the preceding paragraph.

Article 16: For the shares held by the shareholders, unless specified otherwise by law, each share is assigned with one vote.



Article 17: Minutes of shareholders meetings shall show the year, month, date, venue, name of the chairperson, decisions made in the meetings, highlights of the agenda and results and must be signed off or sealed by the chairperson. Minutes of shareholders meetings shall be kept for as long as the company continues to exist. Shareholders' attendance sheets and proxy forms shall be retained for at least one year.

#### Chapter 4 Board of Directors

Article 18: The Company has 5 to 8 board directors, who are to be elected among capable people in shareholders meetings to serve a tenure of 3 years and may be repeatedly elected to serve multiple terms. The directors are entitled to transportation reimbursements that have to be paid regardless of gains or losses. Among the said directors, there may not be fewer than 2 independent ones and the independent directors may not account for less than one-fifth of all openings. Election of independent directors follows the nomination system. Shareholders shall elect independent directors according to the list of candidates they receive. Independent and non-independent directors shall be elected together and votes will be counted separately. The nomination and election of independent directors and other details to be followed shall be based on the requirements indicated in the Securities Exchange Act and applicable laws and regulations.

The total quantity of shares held by all Directors shall be governed by the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies insituted by the competent authority.

In order to protect the company's right of reinvestment, the directors may be elected and hired as director and manager in the invested company and can take part in the operation of the reinvestment business.

Article 19: The directors shall form the Board of Directors and shall elect among themselves one Chairman and one Vice Chairman with paid salaries that are positive expenses regardless of gains or losses.

Article 19-1: The Company may purchase liability insurance for its directors and supervisors during their term of office, based on the compensation liabilities associated with their respective business accountabilities. The Board of Directors is fully authorized to take care of the insurance matter.

Article 20: The duties of the Board of Directors are as follows:

(1) To review respective rules and procedures

- (2) To decide on business policies
- (3) To review budget and accounts
- (4) To prepare individual forms and rosters as per Article 228 of the Company Act
- (5) To direct and supervise operations
- (6) To decide on the establishment, removal, or change of branches
- (7) To approve the purchase and disposal of important properties and real estate
- (8) To offer external assurance
- (9) To make a decision on reinvestment
- (10) The Board of Directors is to decide on involvement in public interest activities that are required while fulfilling its tasks and in order to facilitate expansion of the operation or to boost the company image while returning to society or donations that are required in order to fulfill the company's social responsibilities.
- (11) Other duties that are bestowed under applicable laws and regulations or through the shareholders meeting.

Article 20-1: The Board of Directors is fully authorized to handle fractional shares from new stocks issued by the company by contacting specific people for subscription.

Article 21: The Board of Directors shall meet at least once a quarter. When a provisional meeting is required, except for the very first meeting for each intake of the Board of Directors where a meeting is to be called for by the director with the most votes, all the other meetings are to be called for by the Chairman, who will also preside over the meeting. When the Chairman is absent for some reason, the Vice Chairman shall act on his/her behalf.

When a meeting of the Board of Directors is called for via visual communication network, the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person. In the event that a director is unable to attend the meeting in person, he/she may authorize another director to act on his/her behalf with a show of the proxy form. The proxy, however, may only be authorized by one director.

A meeting of the company's Board of Directors may be called for in writing, through email, or by fax.

Article 22: Decisions made by the Board of Directors shall be approved by a majority vote among the directors who are present and account for more than half of all directors and the meeting minutes shall be signed off and sealed by the chairperson.

Article 23: When the Board of Directors meets, the General Manager and managers may be invited to attend the meeting; nevertheless, the latter do not have a voting right.

#### Chapter 5 Supervisors

Article 24: The Company has 2 supervisors, who are to be elected among capable people in shareholders meetings to serve a tenure of 3 years and may be repeatedly elected to serve multiple terms. The supervisors are entitled to transportation reimbursements that have to be paid regardless of gains or losses.

The total number of the company's shares to be held by all supervisors shall be set according to the "Rules Governing the Ratio and Audit Procedures on the Stock Ownership by Directors and Supervisors of Public Companies" established by the competent authority.

Article 25: The duties of supervisors are as follows:

- (1) To investigate the company's financial conditions
- (2) To inspect books and documents
- (3) To inquire about operations of the company
- (4) To monitor operations carried out by staff and to report illegal and negligent situations
- (5) Other duties bestowed under applicable laws and regulations

Article 26: Supervisors may be seated in Board of Directors meetings but do not have a voting right.

#### Chapter 6 Organization

Article 26: The Company has one General Manager, who is nominated by the Chairman and hired with approval by a majority vote among the directors. The same applies upon dismissal. There are several deputy general managers, associate managers and managers, who are to be chosen jointly by the Chairman and the General Manager and are hired with approval by a majority vote among the directors. The same applies upon dismissal. Other important employees are to be hired following

submission by the General Manager to and approval by the Director and their information shall be submitted to the Board of Directors for reference. The same applies upon dismissal.

Article 28: The General Manager manages all affairs relating the company based on decisions made by the Board of Directors.

#### Chapter 7 Accounting

Article 29: A business year begins with January 1 and ends on December 31 at the company. The annual audit takes place after a year is completed.

Article 30: After the annual audit, the following forms shall be prepared, submitted to the Board of Directors for review and to the supervisors to be inspected, and brought forth in the shareholders meeting for recognition.

(1) Business Report

(2) Financial Statement

(3) Earnings Distribution or Losses Subsidization Proposal

Article XXXI: The Company shall appropriate no less than 1% of its earnings as remuneration to employees and no more than 5% as remuneration to Directors and Supervisors, if applicable. The Company shall appropriate for write-off the loss carried forward, if applicable.

Article XXXI-I: The Company shall appropriate its earnings for the payment of applicable taxes, followed by the write-off of loss carried forward, and 10% as legal reserve, if applicable. If however the legal reserve so appropriated is equivalent to the paid-in capital of the Company, no further appropriation is necessary. The remainder shall be recognized for special reserve or reversal of special reserve. If there is still a balance, it will be pooled up with undistributed earnings for distribution to the shareholders as dividend or bonus at the proposal of the Board and the final approval of the Shareholders' Meeting.

The dividend policy of the Company shall meet the needs of the development plan at present and in the future, in consideration of the investment environment, capital requirement and competition at home and abroad, and also the interests of the shareholders. At least 30% of annual earnings attributable to shareholders for distribution shall be paid out as dividend, which may be paid as stock dividend and/or cash dividend. Cash dividend shall not fall below 10% of the total dividend paid to the shareholders.

## Chapter 8 Supplementary Provisions

- Article 32: The Company's organizational rules and enforcement rules are to be established separately.
- Article 33: Details not covered herein are to be handled in accordance with the requirements of the Company Act and other applicable laws and regulations.
- Article 34: These Articles of Incorporation were stipulated on March 25, 1950. The first amendment took place on February 21, 1952. The second amendment took place on September 3, 1953. The third amendment took place on April 9, 1955. The fourth amendment took place on April 4, 1959. The fifth amendment took place on April 6, 1960. The sixth amendment took place on April 29, 1961. The seventh amendment took place on May 22, 1962. The eighth amendment took place on June 5, 1964. The ninth amendment took place on November 9, 1966. The tenth amendment took place on March 24, 1967. The 11th amendment took place on April 26, 1968. The 12th amendment took place on November 11, 1968. The 13th amendment took place on December 3, 1970. The 14th amendment took place on May 15, 1971. The 15th amendment took place on May 12, 1972. The 16th amendment took place on June 30, 1973. The 17th amendment took place on February 7, 1973. The 18th amendment took place on May 8, 1974. The 19th amendment took place on May 16, 1975. The 20th amendment took place on May 7, 1976. The 21st amendment took place on April 14, 1977. The 22nd amendment took place on March 17, 1978. The 23rd amendment took place on March 9, 1979. The 24th amendment took place on March 26, 1980. The 25th amendment took place on March 27, 1981. The 26th amendment took place on May 12, 1982. The 27th amendment took place on May 11, 1983. The 28th amendment took place on March 23, 1984. The 29th amendment took place on June 15, 1985. The 30th amendment took place on May 23, 1986. The 31st amendment took place on May 27, 1987. The 32nd amendment took place on June 10, 1988. The 33rd amendment took place on May 15, 1989. The 34th amendment took place on March 31, 1990. The 35th amendment took place on June 20, 1991. The 36th amendment took place on May 23, 1992. The 37th amendment took place on May 22, 1993. The 38th amendment took place on May 23, 1995. The 39th amendment took place on June 22, 1996. The 40th amendment took place on May 10, 1997. The 41st amendment took place on June 25, 1999. The 42nd amendment took place on June 17, 2000. The 43rd amendment took place on June 7, 2002. The 44th amendment took place on June 9, 2006. The 45th amendment took place on June 8, 2007. The 46th amendment took place on June 19, 2009. The 47th amendment took place on May 28, 2010. The 48th amendment took place on June 6,

2014. The 49th amendment took place on June 8 2016. The 50th amendment took place on May 31 2017.

## Appendix 2

### Namchow Holding Co., Ltd.

(formerly named :Namchow Chemical Industrial Co., Ltd.)

#### Rules and Procedures for Shareholders Meetings

1. Shareholders meetings of the company shall be based on these Rules and Procedures.
2. For shareholders (or their proxies) who attend the meeting, please submit the sign-in card to indicate attendance and bring the identification supporting document to get ready for inspection and verification whenever necessary.

Without the attendance certificate and sign-in card as required by law, no one is allowed to attend a shareholders meeting; the same shall apply to whoever cannot provide complete identification supporting documents.
- 2-1. Starting from 2016, shareholders may exercise their voting rights electronically. How to exercise the voting right is to follow the requirements of the Company Act and the competent authority.

Shareholders exercising their voting rights electronically are considered to have attended the shareholders meeting in person. For motions and amendment to the original proposal in the shareholders meeting, however, it is considered an abstention.
3. Upon attendance by shareholders representing more than half of the total outstanding shares, the chairperson will call the meeting to order. If it is already past the start time for the meeting but the attendance continues to fall short of the legal requirement, the chairperson may announce an extension of the start time. When the start time has been extended for two times and the attendance is still short of meeting the requirement but shareholders that are present represent more than one-third of the total outstanding shares, the requirement in Article 175 of the Company Act "approval by a majority of the shareholders that are present shall constitute a tentative resolution" shall be followed.

To reach the tentative resolution indicated in the preceding paragraph, if the number of shares represented by shareholders that are present has met the legal requirement, the chairperson may call the meeting to order at any time and bring forth the tentative resolution reached in the general meeting for endorsement.
4. The agenda for the shareholders meeting is to be set by the Board of Directors and the meeting shall take place in accordance with the procedures arranged in the agenda.
5. To speak a few words, shareholders shall provide the purpose of the speech, shareholder account number and name in the speech note first and the chairperson will decide the sequential order.
6. Shareholders may not speak for more than three minutes in each attempt; with the

chairperson's permission, however, the speech may be extended by two minutes.

7. For the same proposal, the same shareholder (or proxy) may not speak more than twice.
- 7-1. When authorized to attend a shareholders meeting, each legal entity may only send one representative to attend it.
8. The chairperson may stop a shareholder's speech if it is overtime or exceeds the two-time limit or exceeds the scope of the proposal.
9. During the discussion of a proposal, the chairperson may declare that discussions are over whenever it is considered appropriate. When it is necessary, discussions may be declared to be halted, too.
10. The chairperson may submit a proposal whose discussions are declared to be halted or discontinued for a vote.
11. Approval of a proposal requires a majority vote among shareholders who are present. During a vote, shareholders who vote electronically do not express an objection or abstention to a proposal may be considered as approved when no one expresses disagreement upon the inquiry by the chairperson; the binding power is identical to an actual ballot. Each shareholder has one voting right per share.

To authorize a proxy to attend the shareholders meeting, the shareholder should follow applicable laws and regulations governing the use of proxy forms. When two or more shareholders authorize one person at the same time, the voting rights combined may not exceed 3% of the total outstanding shares. The excess will not be counted.
12. While a meeting is in session, the chairperson may announce a break taking into consideration the available time.
- 12-1. The chairperson may have a picketer (or security) to help maintain order on the floor.
13. For details not covered herein, requirements in the Company Act and the Articles of Incorporation are to be followed.
14. These Rules and Procedures are to be enforced once approved in the shareholders meeting.



## Appendix 3

### Namchow Holding Co., Ltd.

(formerly named :Namchow Chemical Industrial Co., Ltd.)

Spinoff day: Feb 08 2018

Roster of Directors and Supervisors

Title	Name	Date elected	Number of shares held at the time of election			Number of shares currently held			Remarks
			Type	Number of shares	% in contemporary issuance	Type	Number of shares	% in contemporary issuance	
Chairman	Chen Fei-Lung	June 10, 2015	Common stock	33,874,934	11.52%	Common stock	33,814,934	11.50%	
Vice Chairman	Chen Fei-Peng	June 10, 2015	Common stock	35,792,995	12.17%	Common stock	36,942,995	12.56%	
Director	Lucky Royal Co., Ltd. Representative: Lee Kan-Wen	2015.06.10	Common stock	46,041,259	15.65%	Common stock	46,041,259	15.65%	
Director	Hwa Zhin Co., Ltd. Representative: Chen Cheng-Wen	2016.06.10	Common stock	646,884	0.22%	Common stock	675,884	0.23%	
Independent Director	Chen Ting-Kuo	June 10, 2015	Common stock	0	0.00%	Common stock	0	0.00%	
Independent Director	Lin Chin-Shi	June 10, 2015	Common stock	0	0.00%	Common stock	0	0.00%	
Supervisor	Namchow Chemical Industrial CO., LTD. Employee Welfare Committee	105.06.08	Common stock	4,908,960	1.67%	Common stock	4,908,960	1.67%	
Supervisor	Wu Ting-Chen	105.06.08	Common stock	10,713	0.00%	Common stock	10,713	0.00%	
Total			Common stock	121,275,745		Common stock	122,394,745		

Total shares issued on June 10, 2015: 294,132,962

Total shares issued on June 08, 2016: 294,132,962

Total shares issued on Feb 08, 2018: 294,132,962

Note: Legal shares that all directors of the company combined should hold: 12,000,000 shares until Feb 08, 2018. 117,475,072

Note: Legal shares that all supervisors of the company combined should hold: 1,200,000 shares until Feb 08, 2018. 4,919,673

Shares held by Independent Directors are not counted as a portion of the shares held by Directors.