

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail



Stock Code: 4152

Taiwan Liposome Company, LTD.

Handbook for the 2018 Annual General Meeting (Translation)

Date: June 26, 2018

Location: 2F., No.19-10, Sanchong Rd., Nangang Dist., Taipei City

**Taiwan Liposome Company, Ltd. (the “Company”)
Handbook for the 2018 Annual General Meeting of Shareholders (the
“Handbook”)
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I. Meeting Procedures

Taiwan Liposome Company, LTD.

Meeting Procedures for 2018 Annual General Meeting

I Call the Meeting to Order

II Chairperson Remarks

III Reports

IV Ratifications

V Discussions

VI Ad Hoc Motions

VII Adjournment

II. Meeting Agenda

Taiwan Liposome Company, Ltd. Meeting Agenda for 2018 Annual General Meeting of Shareholders

- I. Date and Time: June 26, 2018 (Tuesday) at 9:00 a.m.
- II. Location: 2F., No.19-10, Sanchong Rd., Nangang Dist., Taipei City (Meeting Center, 2F., Building A, Nankang Software Park)
- III. The meeting is called to order (announcement of the number of shares represented by shareholders who are present at the meeting)
- IV. Chairperson remarks
- V. Reports
 - Item No. 1: The 2017 operational report and the implementation report for the sound operating plan.
 - Item No. 2: The supervisors' auditing report for the 2017 final account statements.
 - Item No. 3: The amendments to certain provisions of the Company's "Rules of Procedures for Board Meetings," and the "Codes of Ethics for Directors, Supervisors, and Officers," and abrogation and re-adoption of the "Code of Operation Integrity."
- VI. Items for Ratification
 - Item No. 1: Adoption of the 2017 financial statements and the operational report. (Proposed by the Board of Directors)
 - Item No. 2: Adoption of the 2017 deficit offset proposal. (Proposed by the Board of Directors)
- VII. Items for Discussion
 - Item No. 1: Discuss the proposed amendments to the Company's Articles of Incorporation. (Proposed by the Board of Directors)
 - Item No. 2: Discuss the proposed amendments to the Company's "Procedures

for the Acquisition or Disposal of Assets.” (Proposed by the Board of Directors)

Item No. 3: Discuss the proposed amendments to the Company’s “Operating Procedures for Endorsements and Guarantees.” (Proposed by the Board of Directors)

Item No. 4: Discuss the proposed amendments to the Company’s “Operating Procedures Governing Lending of Funds.” (Proposed by the Board of Directors)

Item No. 5: Discuss the proposed amendments to the Company’s “Rules of Procedures for Shareholders Meetings.” (Proposed by the Board of Directors)

Item No. 6: Discuss the proposed amendments to the Company’s “Rules and Procedures for Election of Directors and Supervisors.” (Proposed by the Board of Directors)

Item No. 7: Discuss the proposed abrogation of the Company’s “Rules Governing the Scope of Powers of Supervisors.” (Proposed by the Board of Directors)

Item No. 8: Discuss the issuance of ordinary shares for cash to sponsor the issuance of overseas depositary receipts and/or issuance of ordinary shares for cash domestically. (Proposed by the Board of Directors)

VIII. Ad Hoc Motions

IX. Adjournment

III. Reports

Item No. 1: The 2017 operational report and the implementation report for the sound operating plan.

Explanation:

1. The accumulated deficit of the Company to be offset in the year that ended on December 31, 2017 is NT\$874,086,441, an amount that is no less than half of the Company's paid-in capital. The 2017 operational report can be found on pages 9 to 12 of this Handbook under Schedule 1.
2. The implementation report for the sound operating plan can be found on page 13 of this Handbook under Schedule 2.

Item No. 2: The supervisors' auditing report for the 2017 final account statements.

Explanation:

The 2017 supervisors' auditing report can be found on pages 14 to 16 of this Handbook under Schedule 3.

Item No. 3: The amendments to certain provisions of the Company's "Rules of Procedures for Board Meetings," and the "Codes of Ethics for Directors, Supervisors, and Officers," and abrogation and re-adoption of the "Code of Operation Integrity."

Explanation:

1. In order to strengthen the Company's corporate governance functions, the Company intends to establish an audit committee to replace the Company's supervisors pursuant to Article 14-4 of the Securities and Exchange Act. This involves amendments to certain provisions of the Company's "Rules of Procedures for Board Meetings," and the "Codes of Ethics for Directors, Supervisors, and Officers," and abrogation and re-adoption of the "Code of Operation Integrity."
2. Comparison Table for the amendments to the "Rules of Procedures for Board Meetings," and the "Codes of Ethics for Directors, Supervisors, and Officers" can be found on pages 17 to 24 of this Handbook under Schedule 4. The re-adopted "Code of Operation Integrity" can be found on pages 25 to 29 of this Handbook under Schedule 5.

IV. Items for Ratification

Item No. 1: Adoption of the 2017 financial statements and the operational report.
(Proposed by the Board of Directors)

Explanation:

1. The 2017 Individual and Consolidated Financial Statements have been audited by independent certified public accountants, Teng, Sheng-Wei and Hsieh, Chih-Cheng, of PricewaterhouseCoopers Taiwan, and an audit report has been issued without reservations.
2. The aforementioned Financial Statements and Business Report have been approved by the Company's Board of Directors and reviewed by the Company's supervisors, and no inaccuracies were found. Thus the Board of Directors hereby submits the aforementioned Financial Statements and Business Reports to the shareholders' meeting for ratification.
3. Independent Certified Public Accountant reports and other financial statements can be found on pages 30 to 50 of this Handbook under Schedule 6. The operational report can be found on pages 9 to 12 of this Handbook under Schedule 1, and the supervisors' auditing report can be found on pages 14 to 16 of this Handbook under Schedule 3.

Resolution:

Item No. 2: Adoption of the 2017 deficit offset proposal. (Proposed by the Board of Directors)

Explanation:

1. The Company's 2017 financial statements, after being audited by independent certified public accountants, showed a net deficit of NT\$873,962,377 in 2017, and an accumulated deficit of NT\$874,086,441 with adjustments. The Company intends to offset such deficit against NT\$874,086,441 from its capital reserve, pursuant to which the accumulated deficit will be NT\$0 after the offset. Please refer to the 2017 Deficit Offset Statement below for more details.
2. Due to the lack of retained earnings, the Company does not intend to distribute dividends and bonuses this year.

Taiwan Liposome Company, Ltd.

2017 Deficit Offset Statement

(In NTD)

Items	Amount	
	Subtotal	Total
Undistributed Earnings at the beginning of 2016	\$0	
2017 retained earnings adjustment	(124,064)	
Undistributed Earnings with adjustments	(124,064)	
2017 net income (deficit)	(873,962,377)	
Deficit to be offset at the end of 2017		(\$874,086,441)
Deficit Offset		
Capital reserve - common share premium	874,086,441	874,086,441
Accumulated deficit at the end of 2017		0

Chairman of the Board:

Officer:

Head of the Accounting Dept.:

Resolution:

V. Items for Discussion

Item No. 1: Discuss the proposed amendments to the Company's Articles of Incorporation. (Proposed by the Board of Directors)

Explanation:

1. In light of the establishment of an audit committee and the Company's operational needs, some provisions within the Articles of Incorporation are therefore being amended in accordance with the Securities and Exchange Act. The establishment of the Audit Committee takes effect on the same day that the proposal to amend the Company's Articles of Incorporation was approved at the shareholders' meeting.
2. Comparison Table for the amendments to the Articles of Incorporations can be found on pages 51 to 54 of this Handbook under Schedule 7.

Resolution:

Item No. 2: Discuss the proposed amendments to the Company's "Procedures for the Acquisition or Disposal of Assets." (Proposed by the Board of Directors)

Explanation:

1. In light of the establishment of an audit committee, it is proposed to amend the "Procedures for the Acquisition or Disposal of Assets."
2. Comparison Table for the amendments to the Company's "Procedures for the Acquisition or Disposal of Assets" can be found on pages 55 to 58 of this Handbook under Schedule 8.

Resolution:

Item No. 3: Discuss the proposed amendments to the Company's "Operating Procedures for Endorsements and Guarantees." (Proposed by the Board of Directors)

Explanation:

1. In light of the establishment of an audit committee and the Company's operational needs, it is proposed to amend the "Operating Procedures for Endorsements and Guarantees."
2. Comparison Table for the amendment to the Company's "Operating Procedures for Endorsements and Guarantees" can be found on pages 59 to 62

of this Handbook under Schedule 9.

Resolution:

Item No. 4: Discuss the proposed amendments to the Company’s “Operating Procedures Governing Lending of Funds” (Proposed by the Board of Directors)

Explanation:

1. In light of the establishment of an audit committee, it is proposed to amend the “Operating Procedures Governing Lending of Funds.”
2. Comparison Table for the amendments to the Company’s “Operating Procedures Governing Lending of Funds” can be found on pages 63 to 64 of this Handbook under Schedule 10.

Resolution:

Item No. 5: Discuss the proposed amendments to the Company’s “Rules of Procedures for Shareholders Meetings.” (Proposed by the Board of Directors)

Explanation:

1. In light of the establishment of an audit committee, it is proposed to amend the “Rules of Procedures for Shareholders Meetings.”
2. Comparison Table for the amendments to the Company’s “Rules of Procedures for Shareholders Meetings” can be found on pages 65 to 66 of this Handbook under Schedule 11.

Resolution:

Item No. 6: Discuss the proposed amendments to the Company’s “Rules and Procedures for Election of Directors and Supervisors.” (Proposed by the Board of Directors)

Explanation:

1. In light of the establishment of an audit committee, it is proposed to amend the “Rules and Procedures for Election of Directors and Supervisors” and the name of the Rules and Procedures in question.
2. Comparison Table for the amendments to the Company’s “Rules and Procedures on Election of Directors and Supervisors” can be found on pages 67 to 69 of this Handbook under Schedule 12.

Resolution:

Item No. 7: To discuss the proposed abrogation of the Company's "Rules Governing the Scope of Powers of Supervisors." (Proposed by the Board of Directors)

Explanation:

In light of the establishment of an audit committee, it is proposed to abrogate the Company's "Rules Governing the Scope of Powers of Supervisors."

Resolution:

Item No. 8: To discuss the issuance of ordinary shares for cash to sponsor the issuance of overseas depositary receipts and/or issuance of ordinary shares for cash domestically. (Proposed by the Board of Directors)

Explanation:

1. It is proposed that in order to meet the Company's need for long term development, the Company will take one of the following approaches or a combination of the following approaches: issuance of ordinary shares for cash to sponsor the issuance of overseas depositary receipts and/or issuance of ordinary shares for cash domestically, once or at multiple times with the proper timing and taking into account the condition of the capital market and the actual fiscal needs of the Company, so as to raise long term capital and increase the variety of channels for raising capital while maintaining flexibility, and to improve the Company's international competitiveness.
2. This offering of securities shall be conducted within the limit of 30,000,000 shares.
3. Where it is necessary to decide or revise the main contents of this proposal, including but not limited to the amount (number of shares), issuance price, terms and conditions of the issuance, the method of underwriting, the issue plan, projects for the use of fund, estimated timeline, and expected benefits and other unsolved matters related to this issuance, in accordance with any changes to the law, requirements of the competent authorities, the Company's need of funds and actual market conditions, the Board of Directors or the Chairperson, depending on the matter concerned, are fully authorized to

administer such matters.

4. An explanation with respect to the manner and contents of this issuance can be found on page 70 of this Handbook under Schedule 13.

Resolution:

VI. Ad Hoc Motions

VII. Adjournment

VIII. Schedules

Schedule 1

Operational Report

Dear Shareholders:

1.1 Business Result in 2017

(1) Results of Execution of 2017 Business Plan

The Company's revenues increased by NT\$7.961 million (or +19.10%) in 2017 to NT\$49.635 million from NT\$41.674 million in 2016. The comprehensive loss of NT\$877.482 million for the period represented an increase of NT\$51.963 million (or 6.29%) from the NT\$825.519 million registered in 2016.

The Company continuously focused on projects in the three major areas of pain management, ophthalmology and oncology this year. The main achievements are summarized below.

- A. TLC599 started recruitment of its Phase II trial in Taiwan and Australia. This is a randomized, double blinded, placebo controlled, dose finding study for single dose administration of TLC599 in patients with osteoarthritis (OA) of the knee. The estimated total enrollment is 72 patients with 24 patients in each one of the 3 groups – 12mg, 18mg and placebo. After administration, patients are evaluated for safety and efficacy with a 24-week follow-up period.
- B. ProDex™/TLC399 started Phase IIa recruitment in the U.S. This is a randomized, double masked study. Eligible patients with macular edema due to retinal vein occlusion are enrolled to receive a single dose of TLC399 with either of the three dose strengths by intravitreal (IVT) route. Each of the three groups will include approximately 22 subjects for 66 subjects in total. The patients will be gauged for visual acuity, safety, tolerability and retinal thickness after the single IVT injection with a 1-year follow-up period.
- C. The oncology drug candidate TLC178 has been designated as a drug for a rare pediatric disease in the treatment of rhabdomyosarcoma (RMS) by the U.S. Food and Drug Administration (FDA). This designation brings the company closer to receiving a Rare Pediatric Disease Priority Review Voucher, which can be used to expedite the review process or transferred for use on another product.
- D. TLC178 has received an orphan drug designation for the treatment of soft tissue sarcoma by the U.S. Food and Drug Administration (FDA). A Phase I/IIa dose-escalation study has been underway at

sites in Taiwan and the U.S. to evaluate the maximum tolerated dose of the drug to be used in pivotal studies. If TLC178 is approved for the treatment of pediatric rhabdomyosarcoma, the orphan drug designation will broaden its indication to soft tissue sarcomas and provide an orphan drug exclusivity of 7 years.

- E. Doxisome (liposomal doxorubicin) submitted a Marketing Authorization Application (MAA) to the European Medicines Agency (EMA) for the treatment of breast cancer and ovarian cancer.

In terms of the operations, the Company, for the third consecutive year, was ranked in the top 5% of TWSE- and TPEX- listed companies in the annual Corporate Governance Evaluation. 843 TWSE-listed companies and 653 TPEX-listed companies were evaluated, with the top 5% being the highest ranking group. Among the total of 1,496 companies, only 76 made the top 5%; TLC was among the few to be honored with this recognition. These extraordinary achievements reflect on the Company's unyielding efforts to improve corporate governance and information disclosure, as well as its high regard for the interests of all shareholders.

(2) Research and Development in 2017

Progresses of the Company's drug R&D activities in 2017 are summarized as follows:

- A. TLC599 started Phase II recruitment in Taiwan and Australia. Based on the Phase I/II results in which the primary outcome showed no severe adverse effect and the secondary outcome showed continuous pain relief at week 12 in both the 6mg and 12mg groups measured via WOMAC and VAS pain score assessments, the Phase II study is extending the study duration to 24 weeks and adding a high dose (18mg) group to better reflect the long-term sustained release property of TLC599.
- B. The Company and China Medical University Hospital (CMUH) signed an agreement to collaborate in the execution of four clinical trial programs, including two oncology candidate therapeutics (TLC178 and TLC388) and one therapeutic (TLC599) for extended duration osteoarthritis treatment.
- C. ProDex™/TLC399 started Phase IIa recruitment in the U.S.
- D. The Company received a government grant from Taiwan's Ministry of Economic Affairs (MOEA) towards its Fast Track designation plan for TLC399.

- E. The new dosage form/ new formulation TLC590 for the treatment of post-surgical pain has completed PreIND meeting with the U.S. FDA as well as GMP production.
- F. TLC178 has been designated as a drug for a rare pediatric disease in the treatment of rhabdomyosarcoma (RMS) and received an orphan drug designation for the treatment of soft tissue sarcoma by the U.S. Food and Drug Administration (FDA).
- G. TLC599 has been issued a patent entitled “Method of Treating Arthritis” by the U.S. Patent and Trademark Office.
- H. ProDex™/TLC399 has been patented for “Ophthalmic Drug Delivery System Containing Phospholipid and Cholesterol” and “Pharmaceutical Compositions To Reduce Complications of Ocular Steroid “in Australia. Meanwhile, the patent for “Ophthalmic Drug Delivery System Containing Phospholipid and Cholesterol” was issued the notice of allowance in South Korea.
- I. TLC178 has been issued a patent entitled “Controlled Drug Release Liposome Composition” by both the U.S. Patent and Trademark Office and the Taiwan Intellectual Property Office.
- J. TLC388 (Lipotecan®), the radiation sensitizer for hepatocellular carcinoma (HCC), was patented for “Pharmaceutical Compositions of Hydrophobic Camptothecin Derivatives” in Japan.

(3) Results of Execution of 2017 Budget : NA

1.2 Annual Plan in 2018

(1) Business Strategies

The Company will continue to focus on its two main technology platforms of sustained release delivery and targeted delivery. With experience and expertise in LipAD™, or Lipid-Assembled Delivery, the company will systemically expand applications of the two platforms as well as their patents.

The know-how of modifying platforms and optimizing formulations in dealing with various drugs and diseases, alongside continuous patent filings, help to shorten the R&D process, reduce costs and risks, and ensure profitability after the product hits the market.

In addition, the Company will develop more products in the areas of pain management, ophthalmology and oncology by utilizing its own or other companies' technologies or drugs to fulfill unmet medical needs.

In line with the “One IND every 18 months” strategy, the Company will steadily commercialize its R&D results to meet its business strategic goals.

- (2) Key production and distribution strategies
 - A. Operation planning and production and distribution strategies
 - a. Create turnkey solutions to increase the scale of its production and work with domestic and foreign GMP manufacturers with respect to such production.
 - b. Enhance human resources management in each of the Company’s subsidiaries. Make use of the resources available to the Company so as to allow the Company to become familiarized with local laws, regulations and medical needs, which will improve its position when submitting MAAs to local governments and applying for government subsidies. The subsidiaries received by the Company should help the Company form a closer relationship with its local business partners, from which the Company can better identify local market trends.
 - c. Enlarge the production and distribution cooperation network through different product distribution strategies in order to reduce operating risks.
 - B. Research and product development strategies
 - a. Focus on developing and commercializing LipAD™.
 - b. Explore market needs and trends and extend to other indications.
 - c. Attract pharmaceutical companies to enter into technical collaboration arrangements with the results of its product development. More collaboration opportunities for the Company mean the Company can observe relevant markets more closely and as a result develop products that cater to each market. Through this collaboration scheme, the costs can be shared with cooperation partner(s), and the access of the product to the relevant markets is also secured with such scheme, which will significantly reduce R&D costs and risks. By cooperating with international pharmaceutical companies, the Company will be able to increase its R&D capacity.
 - d. Improve technology to develop derivative drugs by combining the Company's know-how with that of other companies through technical collaboration.
- (3) Projected sales and its basis: The Company has not yet formulated its 2018 earnings forecast, and financial predictions and business related

figures are not applicable. In respect to management, however, short-, mid-, and long-term development strategies and objectives are formulated based on R&D progress, the original drug market size, and the deliberated authorized cooperative development model.

1.3 Future Corporate Strategy

The Company strives to improve upon original drug properties to achieve less toxicity, fewer side effects, higher or longer efficacy through drug delivery systems and formulation designs and optimize a product to address unmet market needs. The Company will not only emphasize on developing products of its own, but will also assist international pharmaceutical companies with the problems they encounter in developing new drugs, provide assistance to these companies with research on particular drugs or technology, and collaborate with them in developing new products. Through these technical collaborative relationships with international companies, the Company will be able to improve its technology to bring good to patients who are suffering from related illness.

1.4 External Impacts on Corporate Operating

By modifying existing drugs, New Formulation drugs came into the international spotlight in recent years for their low development risks, shorter time-to-market, existing markets, and most importantly, patentability. With its pipeline filled with New Formulation drugs, Taiwan Liposome Company is well positioned to take advantage of the trend.

Taiwan Liposome Company, Ltd.

Chairman of the Board: Keelung Hong

General Manager: George Yeh

Head of the Accounting Dept.: Nicole Lin

Taiwan Liposome Company, Ltd.

Execution Report of the Sound Business Plan

Taiwan Liposome Company (“the Company” or “TLC”) insists on continuous research and development in technology platform for its application on drug development. TLC attaches great importance on reviewing the research and development (R&D) milestones of each stage. From our base in Taiwan, we aim to expand our business globally. Because R&D is an ongoing process, under the premise of R&D first, operation performance can be improved from the following aspects:

1. Royalty income

TLC formulates licensing strategies based on the supply and demand and competition of each drug in the market and the Company’s resources. It negotiates patent licensing and cooperative business model at an appropriate time to enjoy profit-sharing from royalty once the drug is launched. The operating revenue was NT\$49,635 thousand in 2017, an increase of 19.10% from the NT\$41,674 thousand in 2016 and an increase from the planned amount. The increase was primarily due to the steady loyalty income generated from Lipo-Dox, a new dosage form product, and Ampholipad, a super generic drug, which are already in the market.

2. R&D management

The Company continuously researches and develops technology platforms to be applied to drug development. Under the premise of developing uniqueness and mastering key technologies and through prudent R&D management, checkpoints are set at the three R&D milestones: front-end molecular research, preclinical studies, and clinical trials, to effectively advance the R&D goals.

(1) Preclinical studies

The TLC animal facility performs tests pursuant to the GLP spirit. When external GLP testing is necessary, the Company would perform preliminary trials in pharmacology-toxicology. This check point allows the Company to submit results to the Contracted Research Organization (CRO) for reference in order to reduce the chance of GLP failing.

(2) Clinical trials (or bioequivalent studies)

Drugs are subject to Investigative New Drug (IND) reviews before subjects can be recruited for human subject research. The results achieved in the past year (2017) include the new dosage form drug for eye disease, ProDex, is currently undergoing the clinical trial II(a); the new dosage form drug for arthritis, TLC599, is in the clinical trial phase II; and the new dosage form drug for cancer, TLC18, is at the clinical trial phase I/II(a). The latter has received two orphan drug designations in US and obtained a priority review voucher as a drug for a rare pediatric disease in the treatment of rhabdomyosarcoma (RMS).

(3) Manufacturing and production

TLC adopts an organizational approach to master production process expansion technology. To ensure the success of R&D results and mass production, the Company works from tailor-made machinery and equipment for mass production to on-site technology transfer and process monitoring. The results achieved in the past year (2017) are as follows: the new dosage form/new formulation TLC178 for cancer has completed the lab scale expansion and GMP production, and the TLC590 has completed the trial production within the fab and the preparation work for clinical trial drug production.

The sum of R&D and administrative expenses amounted to NT\$952,206 thousand in 2017, an increase of 8.08% from NT\$881,054 thousand in 2016. However, the number is smaller than the planned declaring amount.

Taiwan Liposome Company, Ltd.
Supervisors' Auditing Report

To All Shareholders of Taiwan Liposome Company, Ltd.:

The Board of Directors has prepared and submitted the Company's 2017 Business Report, Individual Financial Statements, Consolidated Financial Statements and Proposal to offset the deficit of 2017 to the Company's Supervisor(s) for his or her review, of which the Individual Financial Statements and Consolidated Financial Statements were audited by independent certified public accountants, Teng, Sheng-Wei and Hsieh, Chih- Cheng, of PricewaterhouseCoopers Taiwan, pursuant to which an audit report has been prepared. According to such audit report, the abovementioned documents are sufficient to properly demonstrate the Company's financial position, financial performances and the volume of cash flow. I have reviewed each of the aforementioned documents and have not found any inaccuracies. Therefore, I hereby submit this report in compliance with Article 14 of the Securities and Exchange Act and Article 219 of The Company Act.

Date: January 19, 2018

Taiwan Liposome Company, Ltd.

Supervisor: Chin-Fen Huang

Taiwan Liposome Company, Ltd.
Supervisors' Auditing Report

To All Shareholders of Taiwan Liposome Company, Ltd.:

The Board of Directors has prepared and submitted the Company's 2017 Business Report, Individual Financial Statements, Consolidated Financial Statements and Proposal to offset the deficit of 2017 to the Company's Supervisor(s) for his or her review, of which the Individual Financial Statements and Consolidated Financial Statements were audited by independent certified public accountants, Teng, Sheng-Wei and Hsieh, Chih- Cheng, of PricewaterhouseCoopers Taiwan, pursuant to which an audit report has been prepared. According to such audit report, the abovementioned documents are sufficient to properly demonstrate the Company's financial position, financial performances and the volume of cash flow. I have reviewed each of the aforementioned documents and have not found any inaccuracies. Therefore, I hereby submit this report in compliance with Article 14 of the Securities and Exchange Act and Article 219 of The Company Act.

Date: January 19, 2018

Taiwan Liposome Company, Ltd.

Supervisor: Matthew C. Chen

Taiwan Liposome Company, Ltd.
Supervisors' Auditing Report

To All Shareholders of Taiwan Liposome Company, Ltd.:

The Board of Directors has prepared and submitted the Company's 2017 Business Report, Individual Financial Statements, Consolidated Financial Statements and Proposal to offset the deficit of 2017 to the Company's Supervisor(s) for his or her review, of which the Individual Financial Statements and Consolidated Financial Statements were audited by independent certified public accountants, Teng, Sheng-Wei and Hsieh, Chih- Cheng, of PricewaterhouseCoopers Taiwan, pursuant to which an audit report has been prepared. According to such audit report, the abovementioned documents are sufficient to properly demonstrate the Company's financial position, financial performances and the volume of cash flow. I have reviewed each of the aforementioned documents and have not found any inaccuracies. Therefore, I hereby submit this report in compliance with Article 14 of the Securities and Exchange Act and Article 219 of The Company Act.

Date: January 19, 2018

Taiwan Liposome Company, Ltd.

Supervisor: Kuei-Lung Chu

Taiwan Liposome Company, Ltd.
Comparison Table for the Amendment to the Rules of Procedure for Board Meetings

Article No.	After the Amendment	Prior to the Amendment	Explanations
Article 3	<p>Convention of the Board Meeting and Meeting Notice</p> <p>The Meeting shall be held at least once every quarter.</p> <p>The written notice of convening a Meeting shall state the reason and shall be sent to each director of the Company at least seven (7) days prior to the Meeting provided that a Meeting may be convened at any time in case of emergency.</p>	<p>Convention of the Board Meeting and Meeting Notice</p> <p>The Meeting shall be held at least once every quarter.</p> <p>The written notice of convening a Meeting shall state the reason and shall be sent to each director <u>and supervisor</u> of the Company at least seven (7) days prior to the Meeting provided that a Meeting may be convened at any time in case of emergency.</p>	Deleted the provisions regarding the supervisors to reflect the establishment of an audit committee.
Article 12	<p>Matters Required for Discussion</p> <p>The following matters are required to be submitted to the Board of Directors for discussion :</p> <p>(1) Business plans of the Company;</p> <p>(2) Annual financial report and semi-annual financial report, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA);</p> <p>(3) Establishment or amendment of the internal control system of the Company pursuant to Article 14-1 of the Securities and Exchange Act (the "Act"), <u>and an assessment of the effectiveness of the internal</u></p>	<p>Matters Required for Discussion</p> <p>The following matters are required to be submitted to the Board of Directors for discussion :</p> <p>(1) Business plans of the Company;</p> <p>(2) Annual financial report and semi-annual financial report, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA);</p> <p>(3) Establishment or amendment of the internal control system of the Company pursuant to Article 14-1 of the Securities and Exchange Act (the "Act");</p> <p>(4) Establishment or amendment of the procedures of material</p>	Revised pursuant to the amended Article 7 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p><u>control system.</u></p> <p>(4) Establishment or amendment of the procedures of material financial or business transactions, i.e. acquisition or disposal of assets, engaging in derivative products transactions, and lending funds or providing endorsements or guarantees to other parties, pursuant to Article 36-1 of the Act;</p> <p>(5) The offering, issuance, or private placement of any equity-related securities;</p> <p>(6) The appointment or discharge of the financial, accounting, or internal auditing officer;</p> <p>(7) A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition;</p> <p>(8) Matters set forth in Article 14-3 of the Act, or any other matters to be approved by the shareholders' meeting of the Company or by the Board of Directors of the Company pursuant to laws and regulations or the Articles of Incorporation of the Company, or material matters so required by the</p>	<p>financial or business transactions, i.e. acquisition or disposal of assets, engaging in derivative products transactions, and lending funds or providing endorsements or guarantees to other parties, pursuant to Article 36-1 of the Act;</p> <p>(5) The offering, issuance, or private placement of any equity-related securities;</p> <p>(6) The appointment or discharge of the financial, accounting, or internal auditing officer;</p> <p>(7) A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition;</p> <p>(8) Matters set forth in Article 14-3 of the Act, or any other matters to be approved by the shareholders' meeting of the Company or by the Board of Directors of the Company pursuant to laws and regulations or the Articles of Incorporation of the Company, or material matters so required by the competent authorities;</p> <p>(9) The proposal made by the Compensation Committee pursuant to its faithful</p>	

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>competent authorities;</p> <p>(9) The proposal made by the Compensation Committee pursuant to its faithful performance of duties.</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p><u>Each Meeting shall be attended by at least one independent director of the Board of Directors of the Company ("Independent Director") in person. With respect to the matters required to be approved by the Board of Directors set forth in paragraph 1</u></p>	<p>performance of duties.</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p><u>With respect to the matters required to be approved by the Board of Directors pursuant to Article 14-3 of the Act, the independent Directors of the Board of the Company (the "Independent Directors") shall attend such Meeting in person or give their proxies to other Independent Director to attend the Meeting on their behalf. In case an Independent Director has a</u></p>	

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p><u>of this Article, all Independent Directors shall attend such Meeting, and in the event that an Independent Director fails to attend in person, he/she shall designate another Independent Director to attend the Meeting as his/her proxy.</u> In case an Independent Director has a dissenting or qualified opinion on such matter, the foresaid opinion shall be expressly recorded in the meeting minutes of such Meeting. In case an Independent Director can not attend the Meeting in person to voice his/her dissenting or qualified opinion on such matter, except for any reasonable cause, he/she shall issue his/her opinion in writing in advance and his/her opinion shall be expressly recorded in the meeting minutes of such Meeting.</p>	<p>dissenting or qualified opinion on such matter, the foresaid opinion shall be expressly recorded in the meeting minutes of such Meeting. In case an Independent Director can not attend the Meeting in person to voice his/her dissenting or qualified opinion on such matter, except for any reasonable cause, he/she shall issue his/her opinion in writing in advance and his/her opinion shall be expressly recorded in the meeting minutes of such Meeting.</p>	
Article 16	<p>Meeting Minutes and Signing (Omitted)</p> <p>(7) Discussion items: the resolution method and result for each proposal, and summarize the comments made by, and specify any objections or reservations expressed by, directors, experts, or any other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was</p>	<p>Meeting Minutes and Signing (Omitted)</p> <p>(7) Discussion items: the resolution method and result for each proposal, and summarize the comments made by, and specify any objections or reservations expressed by, directors, <u>supervisors</u>, experts, or any other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the</p>	<p>Deleted the provisions regarding the supervisors to reflect the establishment of the audit committee.</p>

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article 12, paragraph 4.</p> <p>(8) Special Motions: the name of the person who proposed the motion, the resolution method and result for each motion, and summarize the comments made by, and specify any objections or reservations expressed by, directors, experts, or any others at the meeting; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.</p> <p>(9) Other required items. If any resolution adopted by the Board of Directors is accompanied by one of the following circumstances,</p>	<p>director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article 12, paragraph 4.</p> <p>(8) Special Motions: the name of the person who proposed the motion, the resolution method and result for each motion, and summarize the comments made by, and specify any objections or reservations expressed by, directors, <u>supervisors</u>, experts, or any others at the meeting; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.</p> <p>(9) Other required items. If any resolution adopted by the Board of Directors is accompanied by one of the following circumstances,</p>	

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>such resolution shall, in addition to be recorded in the meeting minutes of the Meeting, be further announced on the Market Observation Post System designated by Financial Supervisory Commission within two days after the date on which the Meeting is held: (1) Independent Directors have dissenting or qualified opinions with a record or written statement. (2) If there is an audit committee established by the Company, a discussion item which had not been approved by such audit committee of the Company, but is approved by the Board of Directors by affirmative vote of at least seventy-five percent (75%) of the total Directors of Board of the Company.</p> <p>The attendance register of the Meeting shall be part of the meeting minutes and shall be kept safely during the existence of the Company. The meeting minutes of the Meeting shall be signed or sealed by the chairman and the secretary of the Meeting and shall be distributed to all Directors within twenty (20) days after the date on which the Meeting is held. The meeting minutes of the</p>	<p>such resolution shall, in addition to be recorded in the meeting minutes of the Meeting, be further announced on the Market Observation Post System designated by Financial Supervisory Commission, <u>Executive Yuan</u> within two days after the date on which the Meeting is held: (1) Independent Directors have dissenting or qualified opinions with a record or written statement. (2) If there is an audit committee established by the Company, a discussion item which had not been approved by such audit committee of the Company, but is approved by the Board of Directors by affirmative vote of at least seventy-five percent (75%) of the total Directors of Board of the Company.</p> <p><u>(3) The compensation package approved by the Board of Directors by affirmative vote of at least two-thirds (2/3) of the total Board of Directors of the Company is more favorable than the proposal made by the Compensation Committee.</u> The attendance register of the Meeting shall be part of the meeting minutes and shall be kept safely during the existence of the Company. The</p>	

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>Meeting shall be categorized as one of the material records or files of the Company and shall be safely kept during the existence of the Company. Preparation and distribution of the meeting minutes mentioned in <u>paragraph 1</u> of this Article may be made by electronic form.</p>	<p>meeting minutes of the Meeting shall be signed or sealed by the chairman and the secretary of the Meeting and shall be distributed to all <u>Directors and Supervisors</u> within twenty (20) days after the date on which the Meeting is held. The meeting minutes of the Meeting shall be categorized as one of the material records or files of the Company and shall be safely kept during the existence of the Company. Preparation and distribution of the meeting minutes mentioned in <u>Paragraph 1</u> of this Article may be made by electronic form.</p>	

Taiwan Liposome Company, Ltd.
Comparison Table for the Amendment to the Codes of Ethics for Directors,
Supervisors, and Officers

Article No.	After the Amendment	Prior to the Amendment	Explanations
Name of the Code	<u>Code Of Ethics For Directors And Managerial officer</u>	<u>Codes of Ethics for Directors, Supervisors, and Officers</u>	Amended the name of the Code
Article 1	<p>Purpose and Ground</p> <p>To establish guidelines and standards for the Company's directors, and <u>managerial officer</u> to comply with code of ethics, and to reinforce the stakeholders and business partners that the Company is adopting the code of ethics. The Company has referenced the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" to formulate this Code for compliance.</p>	<p>Purpose and Ground</p> <p>To establish guidelines and standards for the Company's directors, <u>supervisors</u> and officers to comply with code of ethics, and to reinforce the stakeholders and business partners that the Company is adopting the code of ethics. The Company has referenced the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" to formulate this Code for compliance.</p>	Deleted the provisions regarding the supervisors to reflect the establishment of an audit committee.
Article 2	<p>Application Scope</p> <p>The code applies to the Company's directors, <u>and managerial officer</u>, including president or who has the equivalent job level, and vice president or who has the equivalent job level, directors or who has the equivalent job level, manager of financial department, manager of accounting department, and/or any other person who has the right to manage or sign on behalf of the Company.</p>	<p>Application Scope</p> <p>The code applies to the Company's directors, <u>supervisors</u>, officers, including president or who has the equivalent job level, and vice president or who has the equivalent job level, directors or who has the equivalent job level, manager of financial department, manager of accounting department, and/or any other person who has the right to manage or sign on behalf of the Company.</p>	Deleted the provisions regarding the supervisors to reflect the establishment of an audit committee.

Article No.	After the Amendment	Prior to the Amendment	Explanations
Article 3	<p>Content</p> <p>1)To prevent conflict of interest</p> <p>A “conflict of interest” can occur when a director’s or <u>manager</u>’s personal interest is adverse to - or may appear to be adverse to - the interests of the Company as a whole. Conflicts of interest also arise when a director or <u>manager</u>, or a member of his or her immediate family which refers to a person's spouse, parents, children, and relatives within the three degree of kinship, receives improper personal benefits as a result of his or her position as a director or <u>manager</u> of the Company.</p> <p>While the Company involves in a loan to, providing a guarantee of the obligations of, conducting a material transaction with, selling products to or purchasing products from a director or <u>manager</u> (or a member of his or her immediate family), the Company shall be aware of any conflict of interests.</p> <p>The Company’s directors and <u>managerial officer</u> shall disclose promptly to the Company any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company.</p> <p>2)Prohibited from Company opportunities</p> <p>Directors and <u>managerial officer</u> must refrain are set out below.</p> <p>(a) taking for themselves personally opportunities that are discovered through the use of the Company’s</p>	<p>Content</p> <p>1)To prevent conflict of interest</p> <p>A “conflict of interest” can occur when a director’s or <u>officer</u>’s personal interest is adverse to - or may appear to be adverse to - the interests of the Company as a whole. Conflicts of interest also arise when a director or <u>officer</u>, or a member of his or her immediate family which refers to a person's spouse, parents, children, and relatives within the three degree of kinship, receives improper personal benefits as a result of his or her position as a director or <u>officer</u> of the Company.</p> <p>While the Company involves in a loan to, providing a guarantee of the obligations of, conducting a material transaction with, selling products to or purchasing products from a director or <u>officer</u> (or a member of his or her immediate family), the Company shall be aware of any conflict of interests.</p> <p>The Company’s directors, <u>supervisors, or management</u> shall disclose promptly to the Company any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company.</p> <p>2)Prohibited from Company opportunities</p> <p>Directors, <u>supervisors, or officers</u> must refrain are set out below.</p> <p>(a) taking for themselves personally opportunities that are discovered through the use of the Company’s</p>	<p>Deleted the provisions regarding the supervisors to reflect the establishment of an audit committee.</p>

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>property, information or position. (b) competing with the Company. Directors and <u>managerial officer</u> are expected to protect the assets of the Company and use them efficiently to advance the interests of the Company.</p> <p>3)Confidentiality Directors and <u>managerial officer</u> shall maintain the confidentiality of information that is related to the Company, its customer or suppliers entrusted to them by the Company and any other confidential information about the Company that comes to them, from whatever source in the course of the Company's business, in their capacity as director or <u>manager</u> except when disclosure is authorized or legally mandated.</p> <p>4)Fair-dealing Directors and <u>managerial officer</u> shall endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. No director or <u>manager</u> should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing influence.</p> <p>5)Protection and usage of assets Directors or <u>managerial officer</u> shall be responsible to protect the Company's assets and to ensure the assets legally use in the Company's business; any theft, negligence in</p>	<p>property, information or position. (b) competing with the Company. Directors and <u>officers</u> are expected to protect the assets of the Company and use them efficiently to advance the interests of the Company.</p> <p>3)Confidentiality Directors, <u>supervisors</u> and <u>officers</u> shall maintain the confidentiality of information that is related to the Company, its customer or suppliers entrusted to them by the Company and any other confidential information about the Company that comes to them, from whatever source in the course of the Company's business, in their capacity as director or <u>officer</u> except when disclosure is authorized or legally mandated.</p> <p>4)Fair-dealing Directors and <u>officers</u> shall endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. No director or <u>officer</u> should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing influence.</p> <p>5)Protection and usage of assets Directors, <u>supervisors</u> or <u>management</u> shall be responsible to protect the Company's assets and to ensure the assets legally use in the Company's business; any theft,</p>	

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>care or waste will affect the Company's profitability.</p> <p>6)Compliance Directors and management shall comply with Company Law, Securities and Transactions Laws, or any other laws and rules that regulate the Company's business activities.</p> <p>7)Encouraging the whistleblowing of any illegal or unethical activities Directors and <u>managerial officer</u> should promote ethical behavior and take steps to ensure the Company encourages employees to talk to <u>managerial officer</u> and other appropriate personnel when in doubt about the best course of action in a particular situation; encourages employees to report violations of laws, rules, regulations, the Company's internal rules, or the Employee Code of Conduct to appropriate personnel; and informs employees that the Company will not allow retaliation for reports made in good faith.</p> <p>8) Violation None of directors, or <u>managerial officer</u> will be subject to retaliation because of a good faith report of a suspected violation. Violations will be investigated by the Board and be penalized by the Company's rules and regulations and disclosed on MOPS of the personnel's position, name, date of violation, violation matters, violated rules, violation dealings and other relevant</p>	<p>negligence in care or waste will affect the Company's profitability.</p> <p>6)Compliance Directors, <u>supervisors</u> and management shall comply with Company Law, Securities and Transactions Laws, or any other laws and rules that regulate the Company's business activities.</p> <p>7)Encouraging the whistleblowing of any illegal or unethical activities Directors and <u>officers</u> should promote ethical behavior and take steps to ensure the Company encourages employees to talk to <u>officers</u> and other appropriate personnel when in doubt about the best course of action in a particular situation; encourages employees to report violations of laws, rules, regulations, the Company's internal rules, or the Employee Code of Conduct to appropriate personnel; and informs employees that the Company will not allow retaliation for reports made in good faith.</p> <p>8) Violation None of directors, <u>supervisors</u> or <u>officers</u> will be subject to retaliation because of a good faith report of a suspected violation. Violations will be investigated by the Board and be penalized by the Company's rules and regulations and disclosed on MOPS of the personnel's position, name, date of violation, violation matters, violated rules, violation dealings and other relevant</p>	

Article No.	After the Amendment	Prior to the Amendment	Explanations
	information. If any penalty resulting from violation of this Code, the person who violates can file complaint in accordance with relevant laws and regulations.	information. If any penalty resulting from violation of this Code, the person who violates can file complaint in accordance with relevant laws and regulations.	
Article 4	<p>Procedure of waiver</p> <p><u>If there is any need to exempt a director or manager from the compliance of the Code, such exemption must be approved by the board of directors. The date when the board of directors approves the exemption, and any objection or reservation by any independent director, the period for exemption, the reasons for exemption, and the principles for granting an exemption shall be promptly posted on MOPS to enable the shareholders to evaluate whether the board of directors' resolution is appropriate, so as to avoid any random or suspicious exemption and ensure appropriate control over the exemption mechanism for the purposes of protecting the Company.</u></p>	<p>Procedure of waiver</p> <p><u>Any waiver of this Code may be made only by the Board and the details of the waiver, including name and title of the receiving party of the waiver, date of the board meeting when the waiver is granted, the validity period of waiver, reason to grant the waiver and principle for granting waiver, will be promptly disclosed to shareholders and posted on MOPS, as required by applicable law and the Taiwan Stock Exchange listing standards.</u></p>	Deleted the provisions regarding the supervisors to reflect the establishment of an audit committee.
Article 5	<p>Disclosure</p> <p>The code and any of its amendment will be disclosed in <u>the Company's website</u>, annual report, prospectus and MOPS.</p>	<p>Disclosure</p> <p>The code and any of its amendment will be disclosed in annual report, prospectus and MOPS.</p>	
Article 6	<p>Execution and Amendment</p> <p>The Code and its amendment will be enforced after Board resolution <u>and shall be submitted to the Audit Committee and reported to shareholders meeting.</u></p>	<p>Execution and Amendment</p> <p>The Code and its amendment will be enforced after Board resolution, <u>reviewed by supervisors and reported to general shareholders' meeting.</u></p>	Deleted the provisions regarding the supervisors to reflect

Article No.	After the Amendment	Prior to the Amendment	Explanations
			the establishment of an audit committee.

Taiwan Liposome Company, Ltd.
Code of Operation Integrity

#1 — Purpose and Scope

The Ethical Corporate Management Best Practice Principles ("Principles") is promulgated to assist Taiwan Liposome Company, Ltd. ("the Company") to foster a corporate culture of ethical management and sound development for establishing good commercial practices.

Principles is applicable to business groups and organizations of the Company which comprise its subsidiaries, any foundation to which the Company's direct or indirect contribution of funds exceeds 50% of the total funds received, and other institutions or juridical persons which are substantially controlled by the Company ("Business Group").

#2 — Prohibition of unethical conduct

When engaging in commercial activities, directors, managers, employees, and mandataries of the Company or persons having substantial control over the Company ("Substantial Controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper Benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("Unethical Conduct") for purposes of acquiring or maintaining Benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or Substantial Controllers or other interested parties.

#3 — Definition of Benefits

"Benefits" in the Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

#4 — Compliance of laws

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM-listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate

management.

#5— Policy

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

#6 - Prevention program

The Code of Operation Integrity established by the Company shall clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall Unethical Conduct (“Prevention Program”), including operational procedures, guidelines, and training.

The Prevention Program adopted by the Company shall comply with relevant laws and regulations in the territories where the Company and its business group are operating in.

In the course of developing the Prevention Program, the Company is advised to communicate with its staff, labor union members, important trading counterparties, or other stakeholders.

#7 - Scope of Prevention Program

In the course of developing the Prevention Program, the Company shall analyze which business activities within its business scope are possibly at a higher risk of being involved in an Unethical Conduct, and strengthen the preventive measures.

The Prevention Program adopted by the Company shall at least include the following preventive measures:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Resulting in any direct or indirect damages to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and

development, procurement, manufacture, provision, or sale of products and services.

#8 — Commitment and Enforcement

The Company and its respective Business Group shall clearly specify ethical corporate management policies in internal rules and external documents. The board of directors and the management level shall rigorously and thoroughly enforce their commitment to such policies for internal management and commercial activities.

#9 — Manner of commercial activities

The Company shall engage in commercial activities in good faith, and in a fair and transparent manner.

Prior to any commercial transactions, the Company shall take into consideration the legality of agents, suppliers, clients or other trading counterparties, and their records of Unethical Conduct, if any. The Company shall not have any dealings with persons who have been involved in any Unethical Conduct.

When entering into contracts with agents, suppliers, clients or other parties, the Company shall include in such contracts provisions demanding ethical corporate management policy compliance and that in the event the trading counterparties are suspected of engaging in Unethical Conduct, the Company may at any time terminate or cancel the contracts.

#10 — Prohibition of bribery

When conducting business, the Company and its directors, managers, employees, mandataries, and Substantial Controllers, shall not directly or indirectly offer, promise to offer, request or accept any improper Benefits, including rebates, commissions, grease payments, or offer or accept improper Benefits in other ways to or from clients, agents, contractors, suppliers, public servants, or other interested parties, unless the laws of the territories where the Company operate permit so.

#11 — Prohibition of illegal political donations

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managers, employees, mandataries, and Substantial Controllers, shall comply with the Political Donations Act and its own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

#12 — Prohibition of improper donations and sponsorship

When making or offering donations and sponsorship, the Company and its directors, managers, employees, mandataries, and Substantial Controllers shall comply with

relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

#13 — Prohibition of unreasonable presents, hospitality or improper Benefits

The Company and its directors, managers, employees, mandataries, and Substantial Controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper Benefits to establish business relationship or influence commercial transactions.

#14 - Prohibition on Infringement of Intellectual Property

The Company and its directors, managers, employees, mandataries, and Substantial Controllers shall observe applicable laws and regulations, the Company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose of, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the holder of the intellectual property rights.

#15 - Prohibition on Unfair Competition

The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, rig bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

#16 - Prevention of Product or Service from

In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, managers, employees, mandataries, and Substantial Controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. The Company shall also adopt and publish policies on the protection of rights and interests of consumers or other stakeholders, and carry out the policies in the operations, with a view of preventing its products and services from directly and indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.

#17 — Organization & Duty

The Company's directors, manager, employees, mandataries, and Substantial Controllers shall exercise the due care of good administrators to urge the Company to prevent Unethical Conduct, always review the results of the preventive measures

and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, internal auditors are in charge of establishing and enforcing the ethical corporate management policies and Prevention Program, mainly in the following matters, and shall report to the board of directors on a regular basis:

1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possible at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

#18 — Conduct business

The directors, managers, employees, mandataries and Substantial Controllers shall comply with laws and regulations and the Prevention Program when conducting business.

#19 — Conflict of interest

The Company shall promulgate policies for preventing conflicts of interests to identify, monitor, and manage risks possibly of Unethical Conduct resulting from conflicts of interest, and shall offer appropriate means for directors, and managers and other stakeholders attending or present at board meeting to voluntarily explain whether their interests would potentially conflict with those of the Company. The directors, managers, and other stakeholders attending or present at board meeting shall state the important aspects of the relationship of interest at the given

board meeting but is prohibited from participating in discussion of or voting on any proposal where the director or the juristic person that the director represents is an interested party, and such participation is likely to prejudice the interests of the company; neither shall a director vote on such proposal as a proxy of another director in such circumstances. The directors shall practice self-discipline and must not support one another in improper dealings.

The directors, managers, employees, mandataries, and Substantial Controllers shall not take advantage of their positions or influence in the Company to obtain improper Benefits for themselves, their spouses, parents, children or any other person.

#20 — Accounting and internal control systems

The Company shall establish effective accounting systems and internal control systems for business activities which may at a higher risk of being involved in an Unethical Conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

Internal auditors shall periodically examine the Company's compliance with the foregoing and prepare audit reports and submit the same to the board of directors. The internal auditors may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

#21 — Procedures and guidelines

The Company shall establish operational procedures and guidelines to guide directors, managers, employees, and Substantial Controllers on how to conduct business in accordance with Article 6 of this Code of Operation Integrity. The procedures and guidelines should at least contain the following matters:

1. Standards for determining whether improper Benefits have been offered or accepted
2. Procedures for offering legitimate political donations
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of Unethical Conduct.

7. Handling procedures for violations of the Principles.

8. Disciplinary measures on offenders.

#22 — Training and appraisal

The chairman, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries and Substantial Controllers and invite the commercial transaction counterparties so they understand the Company's resolve to implement ethical corporate management, the related policies, Prevention Program and the consequences of committing Unethical Conduct.

The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

#23 — Reporting channel and disciplinary system

The Company shall have in place and scrupulously operate a formal channel for receiving reports on Unethical Conduct. The system shall include at least the following:

1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow Company insiders and outsiders to submit reports.
2. Dedicated person or unit appointed to handle the system. Any tip involving a director or senior manager shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
4. Confidentiality of the identity of whistle-blowers and the content of reported cases.
5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
6. Whistle-blowing incentive measures.
In the event of material misconduct or likelihood of material impairment to the Company comes to its awareness upon investigation, the dedicated personnel or unit handling the system shall immediately prepare a report and notify the

independent directors or audit committee in writing.

#24 - Disciplinary and complaint system

The Company shall establish and announce a well-defined disciplinary and complaint system to handle violation of the ethical corporate management rules, and immediately disclose on the company's internal website the offender's job title, name, date the violation was committed, violating act and how the matter was handled.

#25 — Disclosure

The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. The Company shall also disclose the measures taken for implementing ethical corporate management, the status of the implementation, the foregoing quantitative data, and the effectiveness of promotion on the company website, annual report and prospectus, and shall disclose the Company' ethical corporate management best practice principles on the Market Observation Post System.

#26 — Review and correction

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management, and encourage directors, managers and employees to make suggestions so as to review and improve the ethical corporate management best practice principles and achieve better results from implementing the principles.

#27 — go into effect

The ethical corporate management best practice principles shall be implemented after the board of directors grants the approval, and shall be sent to the audit committee and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.

When the ethical corporate management best practice principles 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 opinion. 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. An independent director that cannot attend the board meeting in person to express objection or reservations shall provide an opinion in writing before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

Taiwan Liposome Company, Ltd.

Comparison Table for the Amendment to the Articles of Incorporations

Article No.	After the Amendment	Prior to the Amendment	Explanations
Article 1	The <u>Company</u> shall be named Taiwan Liposome Company, Ltd. (the “Company”) and incorporated as a company limited by shares in accordance with the Company Act.	The <u>company</u> shall be named Taiwan Liposome Company, Ltd. (the “Company”) and incorporated as a company limited by shares in accordance with the Company Act.	Modified the wording.
Article 5	The Company may invest in other business for its business needs, and it is not subject to the restriction stipulated in Article 13 of the Company Act that the total amount of its reinvestment shall not exceed forty (40) percent of the amount of its paid-in capital <u>and shall be handled in accordance with the “Procedures for Acquisition or Disposal of Assets”</u> .	The Company may invest in other business for its business needs, and it is not subject to the restriction stipulated in Article 13 of the Company Act that the total amount of its reinvestment shall not exceed forty (40) percent of the amount of its paid-in capital.	Modified the wording.
Article 7	The Company's total authorized capital is NT\$ <u>2,000,000,000</u> , divided into <u>200,000,000</u> shares, at a par value of NT\$10 per share. The Board of Directors shall be hereby authorized to issue the capital shares in installments as it deems necessary. An amount of NT\$ <u>200,000,000</u> within the authorized capital, divided into <u>20,000,000</u> shares, at a par value of NT\$10 per share, shall be reserved for the issuance of shares upon exercise of stock options, restricted share units to be issued to employees, warrants attached to preferred shares, and/or warrants attached to company bonds. The Board of Directors may	The Company's total authorized capital is NT\$ <u>1,000,000,000</u> , divided into <u>100,000,000</u> shares, at a par value of NT\$10 per share. The Board of Directors shall be hereby authorized to issue the capital shares in installments as it deems necessary. An amount of NT\$ <u>90,000,000</u> within the authorized capital, divided into <u>9,000,000</u> shares, at a par value of NT\$10 per share, shall be reserved for the issuance of shares upon exercise of stock options, restricted share units to be issued to employees, warrants attached to preferred shares, and/or warrants attached to company bonds. The Board of Directors	Increase the amount of capital.

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>resolve to issue the aforementioned shares in installments.</p> <p>Any issuance of employee stock options where the exercise price for such options is lower than the closing price of the ordinary shares of the Company as of the issuance date shall be approved by shareholders representing two-thirds or more of the total number of shares of the Company present at a shareholders' meeting which is attended by shareholders representing at least a majority of the outstanding shares of the Company.</p> <p>Any transfer of shares to employees where the transfer price is lower than the average price of all actual prior re-purchases of shares shall have been approved at the most recent shareholders' meeting by shareholders representing two-thirds or more of the total number of shares of the Company present at the shareholders' meeting, which must be attended by shareholders representing at least a majority of the outstanding shares of the Company.</p>	<p>may resolve to issue the aforementioned shares in installments.</p> <p>Any issuance of employee stock options where the exercise price for such options is lower than the closing price of the ordinary shares of the Company as of the issuance date shall be approved by shareholders representing two-thirds or more of the total number of shares of the Company present at a shareholders' meeting which is attended by shareholders representing at least a majority of the outstanding shares of the Company.</p> <p>Any transfer of shares to employees where the transfer price is lower than the average price of all actual prior re-purchases of shares shall have been approved at the most recent shareholders' meeting by shareholders representing two-thirds or more of the total number of shares of the Company present at the shareholders' meeting, which must be attended by shareholders representing at least a majority of the outstanding shares of the Company.</p>	
	<p>Chapter IV Directors <u>and Audit Committee</u></p>	<p>Chapter IV Directors, <u>Supervisors</u></p>	<p>Revised to reflect the establishment of an audit committee to take the place of the supervisors.</p>

Article No.	After the Amendment	Prior to the Amendment	Explanations
Article 16	<p>The Company shall have <u>7 to 11</u> directors, each of whom has a three-year term of office. The choice of members of the Board of Directors shall take into account the need for diversification, the need for a variety of professional backgrounds, the possession of the necessary knowledge, skill and experience to perform the duties of a director, and gender equality. The Company has adopted a candidate nomination mechanism for the election of directors, and shareholders shall elect the directors from among the nominees listed in the roster of director candidates. Directors of the Company may be re-elected consecutively. The Company may procure liability insurance for the directors to cover their legal liabilities arising out of their performance of duties during their tenure <u>and may, pursuant to the practices prevailing in the United States listed companies, enter into indemnity agreements with the directors and managerial officers to indemnify them for the damages and losses incurred by them.</u></p> <p>To be in compliance with the Securities and Exchange Act, among the aforementioned directors, at least <u>3</u> seats shall be reserved for independent directors, and the number of independent directors shall be more than one-fifth (1/5) of the total number of directors. Any matters regarding</p>	<p>The Company shall have <u>eight</u> directors <u>and three supervisors</u>, each of whom has a three-year term of office. The choice of members of the Board of Directors shall take into account the need for diversification, the need for a variety of professional backgrounds, the possession of the necessary knowledge, skill and experience to perform the duties of a director, and gender equality. The Company has adopted a candidate nomination mechanism for the election of directors <u>and supervisors</u>, and shareholders shall elect the directors <u>and supervisors</u> from among the nominees listed in the roster of director <u>and supervisor</u> candidates. Directors <u>and supervisors</u> of the Company may be re-elected consecutively. The Company may procure liability insurance for the directors <u>and supervisors</u> to cover their legal liabilities arising out of their performance of duties during their tenure.</p> <p>To be in compliance with the Securities and Exchange Act, among the aforementioned directors, at least <u>2</u> seats shall be reserved for independent directors, and the number of independent directors shall be more than one-fifth (1/5) of the total number of directors. Any matters regarding independent directors shall be handled in accordance with relevant regulations promulgated</p>	<p>Deleted the provisions regarding the supervisors and amended the number of directors to reflect the establishment of the audit committee.</p>

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>independent directors shall be handled in accordance with relevant regulations promulgated by the competent authority.</p> <p>The total number of nominal shares of the Company’s stock held by the directors shall be in compliance with the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies” promulgated by the competent authority.</p>	<p>by the competent authority.</p> <p>The total number of nominal shares of the Company’s stock held by the directors <u>and supervisors</u> shall be in compliance with the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies” promulgated by the competent authority.</p>	
Article 16-1	<p><u>The Company shall establish an Audit Committee pursuant to Article 14-4 of the Securities and Exchange Act, and starting from the date of establishment, the supervisors shall be replaced by the Audit Committee, and the functions of supervisors under the Securities and Exchange Act and any other laws and regulations shall be performed by the Audit Committee. The Audit Committee shall be composed of all independent directors, one of which shall be the convener. The number of members, the term, duties and meeting rules shall be set forth in the Audit Committee Charter.</u></p>	(Newly Incorporated)	Incorporated to reflect the establishment of the audit committee.
Article 17	<p>In the event that no election of new directors is effected after the expiration of the tenure of existing directors, the tenure of the existing directors may be extended until the time new directors have been elected and assumed their offices. <u>If the directors are dismissed for any reason, resulting in there being less than five directors, an election of</u></p>	<p>In the event that no election of new directors <u>or supervisors</u> is effected after the expiration of the tenure of existing directors <u>or supervisors</u>, the tenure of the existing directors <u>or supervisors</u> may be extended until the time new directors <u>or supervisors</u> have been elected and assumed their offices. When the number of vacancies in the Board</p>	Deleted the provisions regarding the supervisors to reflect the establishment of the audit committee and amended the article

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p><u>directors to fill the vacancies shall be held at the most recent shareholders meeting, but if the number of vacancies in the Board of Directors reaches one-third (1/3) or more of the total number of directors, an extraordinary shareholders meeting shall be called within sixty days after the date of occurrence to elect successor directors to fill the vacancies, and the tenure of such successor directors shall be limited to the remaining tenure of the departing directors. If the independent directors are dismissed for any reason, resulting in there being less than the required minimum number of independent directors under the Securities and Exchange Act or these Articles, an election of directors to fill the vacancies shall be held at the most recent shareholders meeting, but if all the independent directors are all dismissed for any reason, an extraordinary shareholders meeting shall be called within sixty days after the date of occurrence to elect successor directors to fill the vacancies.</u></p>	<p>of Directors equals one-third (1/3) of the total number of directors <u>or when all the supervisors are dismissed, the Board of Directors shall call a shareholders' meeting in accordance with the time limit provided in the Company Act to elect successor directors or supervisors to fill the vacancies, and the tenure of such successor directors or supervisors shall be limited to the remaining tenure of the departing directors or supervisors.</u></p>	<p>pursuant to Articles 14-2 and 26-3 of the Securities and Exchange Act.</p>
Article 21	(Deleted)	<p><u>In addition to performing their statutory duties, supervisors are entitled to attend meetings of the Board of Directors and to express opinions but shall not vote at these meetings.</u></p>	Deleted.
Article 22	The Board of Directors is authorized to determine the remuneration to directors based on	The Board of Directors is authorized to determine the remuneration to directors <u>and</u>	Deleted the provisions regarding the

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>their level of participation in the operations of the Company and their individual contributions to the Company, taking into account industry standards as a reference. The Company may pay independent directors with a remuneration that is different from that of ordinary directors, provided that the remuneration shall be reasonable.</p>	<p><u>supervisors</u> based on their level of participation in the operations of the Company and their individual contributions to the Company, taking into account industry standards as a reference. The Company may pay independent directors <u>and supervisors who exercise independent functions</u> with a remuneration that is different from that of ordinary directors <u>and supervisors</u>, provided that the remuneration shall be reasonable.</p>	<p>supervisors to reflect the establishment of the audit committee.</p>
Article 24	<p><u>The following reports shall be submitted to the Audit Committee for approval in accordance with Article 14-5 of the Securities and Exchange Act, and to the Board of Directors for approval. The approved reports shall then be submitted to the regular shareholders' meeting for the shareholders' approval:</u></p> <p>(1) report on operations; (2) financial statements; and (3) proposals on the distribution of profits or covering of losses.</p>	<p><u>Annual closing of the Company's books and accounts as listed below shall be prepared by the Board of Directors at the close of each fiscal year. The Board of Directors shall then deliver them to the supervisors for examination thirty (30) days before the date fixed for the regular shareholders' meeting, and then deliver the same to the regular shareholders' meeting for the shareholders' approval:</u></p> <p>(1) report on operations; (2) financial statements; and (3) proposals on the distribution of profits or covering of losses.</p>	<p>Deleted the provisions regarding the supervisors to reflect the establishment of the audit committee and amended the article pursuant to Articles 14-5 of the Securities and Exchange Act.</p>
Article 25	<p>If the Company has profits at the end of the year, two percent (2%) to eight percent (8%) of the profits shall be distributed to employees and no more than two percent (2%) of the profits shall be distributed to the directors, as their respective remuneration. However, in the event that the Company still has</p>	<p>If the Company has profits at the end of the year, two percent (2%) to eight percent (8%) of the profits shall be distributed to employees and no more than two percent (2%) of the profits shall be distributed to the directors <u>and supervisors</u>, as their respective remuneration. However, in the</p>	<p>Deleted the provisions regarding the supervisors to reflect the establishment of the audit committee.</p>

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>accumulated losses, an amount shall be reserved to make up accumulated losses before distribution may be made.</p> <p>If a subsidiary of the Company meets certain specific requirements, its employees shall be entitled to receive a portion of the distribution of profits specified in the preceding paragraph.</p>	<p>event that the Company still has accumulated losses, an amount shall be reserved to make up accumulated losses before distribution may be made.</p> <p>If a subsidiary of the Company meets certain specific requirements, its employees shall be entitled to receive a portion of the distribution of profits specified in the preceding paragraph.</p>	
Article 28	<p>The Articles of Incorporation were first made and executed on September 30, 1997. The first amendment to the Articles of Incorporation (“Amendment”) was made on January 11, 2002. The second Amendment was made on April 15, 2002. The third Amendment was made on October 2, 2003. The fourth Amendment was made on January 15, 2004. The fifth Amendment was made on June 8, 2005. The sixth Amendment was made on June 22, 2006. The seventh Amendment was made on June 26, 2008. The eighth Amendment was made on March 20, 2009. The ninth Amendment was made on April 30, 2009. The tenth Amendment was made on June 18, 2010. The eleventh Amendment was made on June 17, 2011. The twelfth Amendment was made on June 26, 2012. The thirteenth Amendment was made on June 18, 2014. The fourteenth Amendment was made on June 23, 2015. The fifteenth Amendment</p>	<p>The Articles of Incorporation were first made and executed on September 30, 1997. The first amendment to the Articles of Incorporation (“Amendment”) was made on January 11, 2002. The second Amendment was made on April 15, 2002. The third Amendment was made on October 2, 2003. The fourth Amendment was made on January 15, 2004. The fifth Amendment was made on June 8, 2005. The sixth Amendment was made on June 22, 2006. The seventh Amendment was made on June 26, 2008. The eighth Amendment was made on March 20, 2009. The ninth Amendment was made on April 30, 2009. The tenth Amendment was made on June 18, 2010. The eleventh Amendment was made on June 17, 2011. The twelfth Amendment was made on June 26, 2012. The thirteenth Amendment was made on June 18, 2014. The fourteenth Amendment was made on June 23, 2015. The fifteenth</p>	<p>Incorporated the number of amendments and the relevant dates.</p>

Article No.	After the Amendment	Prior to the Amendment	Explanations
	was made on June 21, 2016. <u>The sixteen Amendment was made on June 26, 2018.</u>	Amendment was made on June 21, 2016.	

Taiwan Liposome Company, Ltd.

Comparison Table for the Amendment to the Procedures for the Acquisition or Disposal of Assets

Article No.	After the Amendment	Prior to the Amendment	Explanations
Article 7	<p>Procedure of acquiring or disposing of real estate or equipment</p> <p>1.Appraisal and procedures The acquisition or disposal of real estate or equipment should be carried out in compliance with the <u>Real Estate, Plants and Equipment</u> Circle Procedures as set out in the Internal Control Mechanisms of the Company.</p> <p>2.Decision-making procedures for the terms and conditions of the transaction and the degree of authority delegated</p> <p>(1)Prior to acquiring or disposing of real property, the Company should determine the terms and conditions of the transaction and the transaction price by referring to the publicly announced current value, the appraised value and the actual transaction price of a neighboring real estate property, prepare an analysis report submit it to the board of directors for approval.</p> <p>(2)Acquisition or disposal of equipment should be carried out</p>	<p>Procedure of acquiring or disposing of real estate or equipment</p> <p>1.Appraisal and procedures The acquisition or disposal of real estate or equipment should be carried out in compliance with the <u>Fixed Assets</u> Circle Procedures as set out in the Internal Control Mechanisms of the Company.</p> <p>2.Decision-making procedures for the terms and conditions of the transaction and the degree of authority delegated</p> <p>(1)Prior to acquiring or disposing of real property, the Company should determine the terms and conditions of the transaction and the transaction price by referring to the publicly announced current value, the appraised value and the actual transaction price of a neighboring real estate property, prepare an analysis report submit it to the board of directors for approval.</p> <p>(2)Acquisition or disposal of equipment should be carried out</p>	Revised to reflect the establishment of an audit committee to take the place of the supervisors.

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>through one the following methods: price inquiry, price survey, price negotiation or bidding, and should be approved at the levels pursuant to the Authorization Chart of the Company.</p> <p>(Omitted)</p>	<p>through one the following methods: price inquiry, price survey, price negotiation or bidding, and should be approved at the levels pursuant to the Authorization Chart of the Company.</p> <p><u>(3)If, according to the Regulations or other laws, acquisition or disposal of assets by the Company requires approval from the board of directors and any director expresses a dissenting opinion which is recorded in the minutes or in a written statement, the Company should submit the director’s dissenting opinion to each supervisor. Where independent directors have been appointed in accordance with the applicable regulations, when acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the relevant provisions, the board of directors should take into full consideration each independent director’s opinion. If an independent director expresses an objection to or reservation about any matter, it should be recorded in the minutes of the board of directors’ meeting.</u></p> <p>(Omitted)</p>	
Article 8	Disposition Procedures of Acquisition or Disposal of Investment in Securities 1. (Omitted) 2. Decision-making procedures for	Disposition Procedures of Acquisition or Disposal of Investment in Securities 1. (Omitted) 2. Decision-making procedures for	Revised to reflect the established

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>the terms and conditions of the transaction and the degree of authority delegated:</p> <p>(1) (Omitted)</p> <p>(2) (Omitted)</p> <p>(3) (Deleted)</p> <p>(Omitted)</p>	<p>the terms and conditions of the transaction and the degree of authority delegated:</p> <p>(1) (Omitted)</p> <p>(2) (Omitted)</p> <p>(3) <u>If, according to the Regulations or other laws, acquisition or disposal of assets by the Company requires approval from the board of directors and any director expresses a dissenting opinion which is recorded in the minutes or in a written statement, the Company should submit the director's dissenting opinion to each supervisor. Where independent directors have been appointed by the Company, when acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the relevant provisions, the board of directors should take into full consideration each independent director's opinion. If an independent director expresses an objection to or reservations about any matter, it should be recorded in the minutes of the board of directors meeting.</u></p> <p>(Omitted)</p>	<p>shment of an audit committee to take the place of the supervisors.</p>

Article No.	After the Amendment	Prior to the Amendment	Explanations
Article 9	<p>Disposition Procedures for Related Party Transactions</p> <p>1. (Omitted)</p> <p>2. Appraisal and disposition procedures</p> <p>When the Company intends to acquire or dispose of assets from or to a related party, or when it intends to acquire or dispose of assets other than real estate property from or to a related party and the transaction amount is equal to or more than 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the Company may not proceed with entering into a transaction contract or making a payment until the following documents have been approved by <u>the Audit Committee and the board of directors</u>:</p> <p style="text-align: center;">(Omitted)</p> <p>(7) Restrictive terms and other important agreed items associated with this transaction.</p> <p>The transaction amount in the preceding paragraph should be calculated in accordance with Article 14.1.(5) herein. <u>Items that have been approved by the Audit Committee and the board of directors need not be counted</u></p>	<p>Disposition Procedures for Related Party Transactions</p> <p>1. (Omitted)</p> <p>2. Appraisal and disposition procedures</p> <p>When the Company intends to acquire or dispose of assets from or to a related party, or when it intends to acquire or dispose of assets other than real estate property from or to a related party and the transaction amount is equal to or more than 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the Company may not proceed with entering into a transaction contract or making a payment until the following documents have been approved by the board of directors <u>and acknowledged by supervisors</u>:</p> <p style="text-align: center;">(Omitted)</p> <p>(7) Restrictive terms and other important agreed items associated with this transaction.</p> <p>The transaction amount in the preceding paragraph should be calculated in accordance with Article 14.1.(5) herein. <u>Where independent directors have been appointed in accordance with the applicable regulations, when the</u></p>	<p>Revised to reflect the establishment of an audit committee to take the place of the supervisors.</p>

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p><u>toward the transaction amount.</u></p> <p>3. Evaluation of the reasonableness of the transaction costs</p> <p>(Omitted)</p> <p>(5) (Omitted)</p> <p>(i) (Omitted)</p> <p>(ii) The <u>Audit Committee</u> shall take appropriate measures in accordance with Article 218 of the Company Law.</p> <p>(Omitted)</p>	<p><u>transaction is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors should take into full consideration each independent director's opinion. If an independent director expresses an objection to or reservations about any matter, it should be recorded in the minutes of the board of directors meeting.</u></p> <p>3. Evaluation of the reasonableness of the transaction costs</p> <p>(Omitted)</p> <p>(5) (Omitted)</p> <p>(i) (Omitted)</p> <p>(ii) The <u>supervisors</u> shall take appropriate measures in accordance with Article 218 of the Company Law.</p> <p>(Omitted)</p>	
Article 10	<p>Disposition Procedures for Acquisition or Disposition of Memberships or Intangible Assets</p> <p>1. (Omitted)</p> <p>2. Decision-making procedures for the terms and conditions of the transaction and the degree of authority delegated</p> <p>(1) (Omitted)</p> <p>(2) (Omitted)</p>	<p>Disposition Procedures for Acquisition or Disposition of Memberships or Intangible Assets</p> <p>1. (Omitted)</p> <p>2. Decision-making procedures for the terms and conditions of the transaction and the degree of authority delegated</p> <p>(1) (Omitted)</p> <p>(2) (Omitted)</p>	<p>Revised to reflect the establishment of an audit committee to take the place of the</p>

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>(3) (Deleted)</p> <p>(Omitted)</p>	<p>(3) <u>If, according to the Regulations or other laws, acquisition or disposal of assets by the Company requires approval from the board of directors and any director expresses dissent which is recorded in the minutes or a written statement, the Company should submit the director's dissenting opinion to each supervisor. Where the independent directors have been appointed by the Company, when the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the relevant provisions, the board of directors should take into full consideration each independent director's opinion. If an independent director expresses an objection to or reservations about any matter, it should be recorded in the minutes of the board of directors meeting.</u></p> <p>(Omitted)</p>	<p>supervisors.</p>
Article 12	<p>Procedure for handling the acquisition and disposal of derivative products</p> <p>(Omitted)</p>	<p>Procedure for handling the acquisition and disposal of derivative products</p> <p>(Omitted)</p>	<p>Revised to reflect the establishment of an audit committee</p>

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>3. Internal Audit System</p> <p>(1) Internal audit personnel shall periodically examine the appropriateness of internal controls on derivatives transactions, conduct a monthly check on the way derivatives are transacted by the trading department and whether it is in compliance with the derivatives trading procedures, analyze the transaction cycle, and then prepare an audit report based on the said materials. If any material violation is discovered, <u>the Audit Committee</u> shall be notified in writing.</p> <p>(Omitted)</p>	<p>3. Internal Audit System</p> <p>(1) Internal audit personnel shall periodically examine the appropriateness of internal controls on derivatives transactions, conduct a monthly check on the way derivatives are transacted by the trading department and whether it is in compliance with the derivatives trading procedures, analyze the transaction cycle, and then prepare an audit report based on the said materials. If any material violation is discovered, <u>all supervisors</u> shall be notified in writing.</p> <p>(Omitted)</p>	<p>tee to take the place of the supervisors.</p>
Article 17	<p>Execution and Amendment</p> <p><u>1. These procedures will come into force after they are first passed by the Audit Committee, approved by the board of directors and then approved by the shareholders at the shareholder's meeting. If a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's opinion to the Audit Committee. The same processes shall apply to any amendment to these procedures.</u></p>	<p>Execution and Amendment</p> <p><u>1. The execution of and amendments to this procedure shall be passed by the board of directors, submitted to the supervisors and presented to the shareholder's meeting for its approval. If any director expresses dissent and his dissenting opinion has been written down in the minutes or in a written statement, the company shall submit the director's dissenting opinion to each supervisor.</u></p>	<p>Revised to reflect the establishment of an audit committee to take the place of the</p>

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>If any director expresses dissent and his dissenting opinion has been written down in the minutes or in a written statement, the company shall submit the director's dissenting opinion to <u>the Audit Committee</u>.</p> <p>2. <u>When</u> the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to <u>the preceding paragraph</u>, 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 meeting minutes of the board of directors.</p> <p>3. <u>The</u> procedures for the acquisition and disposal of assets shall be adopted or amended by the approval of <u>a half or more</u> of all audit committee members and submitted to the board of directors for a resolution.</p> <p style="text-align: center;">(Omitted)</p>	<p>2. <u>As the independent director has been appointed by the Company,</u> <u>when</u> the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors, 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 meeting minutes of the board of directors.</p> <p>3. <u>Where an audit committee has been established in accordance with the Securities Exchange Act,</u> <u>the</u> procedures for the acquisition and disposal of assets shall be adopted or amended by the approval of <u>more than</u> half of all audit committee members and submitted to the board of directors for a resolution.</p> <p style="text-align: center;">(Omitted)</p>	<p>supervisors.</p>

Taiwan Liposome Company, Ltd.

Comparison Table for the Amendment to the Operating Procedures for Endorsements and Guarantees

Article No.	After the Amendment	Prior to the Amendment	Explanations
Article 4	<p>Limitation and authority of endorsement/guarantee</p> <p>(1) The ceilings on the amounts the Company is permitted to make in endorsements/guarantees is no more than <u>fifty percent (50%)</u> of current net worth of the Company. The Company's aggregate endorsement/guarantee amount and the amount of its endorsements/guarantees for any single entity is no more than <u>fifty percent (50%)</u> of current net worth.</p> <p>(2) The aggregate amount of endorsements/guarantees provided by the Company is limited to fifty percent (50%) of its net worth. For any one endorsee /guarantee company should not exceed <u>fifty percent (50%)</u> of the Company's net worth. The aggregate amount of endorsements/guarantees that is set as the ceiling for the public company and its subsidiaries as a whole reaches 50% or more of the net worth of the public company.</p> <p>(3) For endorsements/guarantees deriving from the business relations , the amount provided to any single party shall not exceed the total business amount between the party and the Company (the higher amount of sales or purchase between two parties prevails).</p>	<p>Limitation and authority of endorsement/guarantee</p> <p>(1) The ceilings on the amounts the Company is permitted to make in endorsements/guarantees is no more than <u>50 percent</u> of current net worth of the Company. The Company's aggregate endorsement/guarantee amount and the amount of its endorsements/guarantees for any single entity is no more than <u>20 percent</u> of current net worth.</p> <p>(2) The aggregate amount of endorsements/guarantees provided by the Company is limited to fifty percent (50%) of its net worth. For any one endorsee /guarantee company should not exceed <u>twenty percent (20%)</u> of the Company's net worth. The aggregate amount of endorsements/guarantees that is set as the ceiling for the public company and its subsidiaries as a whole reaches 50% or more of the net worth of the public company.</p> <p>(3) For endorsements/guarantees deriving from the business relations , the amount provided to any single party shall not exceed the total business amount between the party and the Company (the higher amount of sales or purchase between two parties prevails).</p>	Threshold amendment

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>“Net worth” in these Regulations means the balance sheet equity attributable to the owners of the parent company.</p> <p>(4) The aggregate amount of endorsements/guarantee made by the Company to a company, in which the Company directly and indirectly holds more than 90 percent of the voting shares, shall not exceed 10 percent of the Company’s net worth. However, the aggregate amount of endorsements/guarantee made to a company in which the Company holds 100% of the voting shares shall not exceed the Company’s net worth; <u>provided however, that restriction shall not apply to endorsements/guarantee made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.</u></p> <p>The net worth described in the Procedures is referred to the latest balance sheet equity attributable to the owners of the Company which is attested by the certified public accountants.</p>	<p>“Net worth” in these Regulations means the balance sheet equity attributable to the owners of the parent company.</p> <p>(4) The aggregate amount of endorsements/guarantee made by the Company to a company, in which the Company directly and indirectly holds more than 90 percent of the voting shares, shall not exceed 10 percent of the Company’s net worth. However, the aggregate amount of endorsements/guarantee made to a company in which the Company holds 100% of the voting shares shall not exceed the Company’s net worth.</p> <p>(5) This restriction shall not apply to endorsements/guarantee made between companies in which the Company holds, directly or indirectly, 100% of the voting shares. The net worth described in the Procedures is referred to the latest balance sheet equity attributable to the owners of the Company which is attested by the certified public accountants.</p>	

Article No.	After the Amendment	Prior to the Amendment	Explanations
Article 5	<p>Hierarchy of decision-making authority and delegation thereof</p> <p>(1) The company may make an endorsement/guarantee only after the evaluation results under this paragraph and Article 12, paragraph 5 have been submitted to and resolved upon by the board of directors, or approved by the chairman of the board to grant endorsements/guarantees within a 30 percent of net worth of the Company, for subsequent submission to and ratification by the next board of directors' meeting.</p> <p>(Omitted)</p>	<p>Hierarchy of decision-making authority and delegation thereof</p> <p>(1) The company may make an endorsement/guarantee only after the evaluation results under this paragraph and Article 12, paragraph 5 have been submitted to and resolved upon by the board of directors, or approved by the chairman of the board, <u>where empowered by the board of directors under Article 12, paragraph 8</u> to grant endorsements/guarantees within a 30 percent of net worth of the Company, for subsequent submission to and ratification by the next board of directors' meeting.</p> <p>(Omitted)</p>	Proposed amendments to the language of this Article
Article 6	<p>Procedures of Endorsement/Guarantee</p> <p>(Omitted)</p> <p><u>(6) If the Company or its subsidiary provides endorsement or guarantee for an entity whose net worth is lower than half of its paid-in capital, in addition to the requirements in the preceding paragraph, the internal auditors of the Company shall audit the Operational Procedures for making endorsements/guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall notify the Audit Committee in writing of any material violation found.</u></p> <p><u>(7) In the case of the Subsidiary with shares having no par value other than NT\$10, the paid-in</u></p>	<p>Procedures of Endorsement/Guarantee</p> <p>(Omitted)</p> <p>(Newly Incorporated)</p> <p>(Newly Incorporated)</p>	Revised to reflect the establishment of an audit committee to take the place of the supervisors.

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p><u>capital in the calculation under the preceding paragraph shall be substituted for the sum of the share capital plus capital reserve minus the par value.</u></p>		
Article 8	<p>Details of Endorsement/Guarantee Operation</p> <p>(1) The Company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees for 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>Details of Endorsement/Guarantee Operation</p> <p>(1) The Company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees for Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>all the supervisors</u> in writing of any material violation found.</p>	<p>Revised to reflect the establishment of an audit committee to take the place of the supervisors.</p>
	<p>(2) Where as a result of changes of condition the entity for which an endorsement/guarantee is made no longer meets the requirements of Article 3 in this regulation, or the amount of endorsement/guarantee exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to <u>the Audit Committee</u> and report to board of directors, and accomplish the plan on schedule.</p> <p>(3) <u>If the sum of the endorsement or guarantee provided by the Company must exceed</u> the above limits to accommodate business needs <u>and the conditions under these procedures of endorsement and guarantee, before the Company provides such</u></p>	<p>(2) Where as a result of changes of condition the entity for which an endorsement/guarantee is made no longer meets the requirements of Article 3 in this regulation, or the amount of endorsement/guarantee exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to <u>all the supervisors</u> and report to board of directors, and accomplish the plan on schedule.</p> <p>(3) <u>In case the above limits have to be exceed to the</u> accommodate business needs, <u>the approval from</u> the board directors and <u>over</u> half of all the directors should jointly <u>endorse the potential loss that maybe brought</u> by the excess of limits. The</p>	

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p><u>endorsement/guarantee, it shall be first approved by at least a half of the members of the Audit Committee, and then approved by the board directors and at least a half or more of all the directors should jointly guarantee to pay for the loss that may be caused by the excess of limits. The board of directors shall also revise the procedures and submit them for ratification by the shareholders at the shareholder's meeting. If the revised procedures are not ratified at the shareholder's meeting, the board of directors should furnish a plan containing a timetable to withdraw the excess portion.</u></p>	<p>board of directors <u>should</u> also revise the procedures and <u>has it ratified</u> at the shareholder's meeting. If the revised procedures are not ratified at the shareholder's meeting, the board of directors should furnish a plan containing a timetable to withdraw the excess portion.</p>	
	<p><u>(4) (Deleted)</u></p> <p><u>(5) (Deleted)</u></p> <p><u>(4) When these procedures are submitted for discussion by the board of directors pursuant to this</u></p>	<p><u>(4) When the net worth of the subsidiary that the Company endorses/guarantees is lower than 50% of its paid-in capital, the Company shall evaluate the subsidiary business situation quarterly and report to the chairman of the board of directors.</u></p> <p><u>(5) In the case of the Subsidiary with shares having no par value other than NT\$10, for the paid-in capital in the calculation under subparagraph 3 of the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.</u></p> <p><u>(6) Where the position of independent director has been established in accordance with</u></p>	

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p><u>Article</u>, 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><u>the provisions of the Act, when the procedure is</u> submitted for discussion by the board of directors pursuant to <u>the preceding paragraph</u>, 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>	
Article 10	<p>Operation Procedures of Subsidiaries' Endorsement/Guarantee (Omitted)</p> <p>(3) The subsidiary's internal auditors shall audit the Operational Procedures for making endorsements/guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Company's internal audit <u>division and the Company's internal audit division</u> shall notify the <u>Audit Committee</u> in writing of any material violation found. (Omitted)</p>	<p>Operation Procedures of Subsidiaries' Endorsement/Guarantee (Omitted)</p> <p>(3) The subsidiary <u>company's</u> internal auditors shall audit the Operational Procedures for making endorsements/guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Company's internal audit. <u>The Company's internal audit shall notify all the supervisors</u> in writing of any material violation found. (Omitted)</p>	Revised to reflect the establishment of an audit committee to take the place of the supervisors.
Article 12	<p><u>These procedures will come into force after they are first passed by the Audit Committee, approved by the board of directors and then approved by the shareholders at the shareholder's meeting. If a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the</u></p>	<p><u>The procedure is subject to the approval of the board of directors under the Company's Procedures or other acts or regulations, and where a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's opinion to each supervisor. Any amendment is</u></p>	Revised to reflect the establishment of an audit commi

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>director's opinion to <u>the Audit Committee and report such opinion to the shareholders meeting for discussions. The same processes shall apply to any amendment to these procedures. When these procedures are</u> is 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><u>subject to the same procedures. Where the position of independent director has been established in accordance with the provisions of the Act, when the procedure is</u> 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>tee to take the place of the supervisors.</p>

Taiwan Liposome Company, Ltd.

Comparison Table for the Amendment to the Operating Procedures Governing Lending of Funds

Article No.	After the Amendment	Prior to the Amendment	Explanations
Article 7	<p>Custody</p> <p>(1) After loans of funds have been appropriated, the in-charged officer of the loan shall enclose the loan documents, promissory notes, credit vouchers, collateral papers, insurance policies, and correspondent documents into the quality control file, and shall remark the enclosing items and borrower's name on it.</p> <p>(Omitted)</p>	<p>Custody</p> <p>(1) After loans of funds have been appropriated, the in-charged officer of the loan shall enclose the loan documents, promissory notes, credit vouchers, collateral papers, insurance policies, and correspondent documents into the quality control file, and shall remark the enclosing items and borrower's name on it. <u>After submitted and verified by supervisors, the file shall be registered and put into custody.</u></p> <p>(Omitted)</p>	Revised to reflect the establishment of an audit committee to take the place of the supervisors.
Article 8	<p>Notices of loan operation</p> <p>(1) Before the Company lends the funds to others, the Company shall evaluate prudently and carefully whether the Procedures are complied. The Company shall provide its evaluation and submit to the board for resolution. The decision shall not be made any party else than the board.</p> <p>(2) The Company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees and the implementation thereof no less frequently than quarterly and prepare written records</p>	<p>Notices of loan operation</p> <p>(1) Before the Company lends the funds to others, the Company shall evaluate prudently and carefully whether the Procedures are complied. The Company shall provide its evaluation and submit to the board for resolution. The decision shall not be made any party else than the board.</p> <p>(2) The Company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees and the implementation thereof no less frequently than quarterly and prepare written records</p>	Revised to reflect the establishment of an audit committee to take the place of the supervisors.

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>accordingly. They shall promptly notify <u>the Audit Committee</u> in writing of any material violation found.</p> <p>(3) Where the identity of borrower is not in compliance with this rule or its loan balance exceeds the limit as a result of changes of condition, the Company shall adopt rectification plans and submit the rectification plans to <u>the Audit Committee</u>, and accomplish the plan on schedule.</p> <p>(4)The in-charged officer shall monthly work out the statements of credit funds of previous month and submit them to the superiors for review progressively before the tenth day of each month.</p>	<p>accordingly. They shall promptly notify <u>all the supervisors</u> in writing of any material violation found.</p> <p>(3) Where the identity of borrower is not in compliance with this rule or its loan balance exceeds the limit as a result of changes of condition, the Company shall adopt rectification plans and submit the rectification plans to <u>all the supervisors</u>, and accomplish the plan on schedule.</p> <p>(4)The in-charged officer shall monthly work out the statements of credit funds of previous month and submit them to the superiors for review progressively before the tenth day of each month.</p>	
Article 9	<p>Loans of subsidiaries</p> <p>(Omitted)</p> <p>(3)The subsidiary company's internal auditors shall audit the Operational Procedures of Governing Lending of Funds and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Company's internal audit. The Company's internal audit shall notify <u>the Audit committee</u> in writing of any material violation found.</p> <p>(Omitted)</p>	<p>Loans of subsidiaries</p> <p>(Omitted)</p> <p>(3) The subsidiary company's internal auditors shall audit the Operational Procedures of Governing Lending of Funds and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Company's internal audit. The Company's internal audit shall notify <u>all the supervisors</u> in writing of any material violation found.</p> <p>(Omitted)</p>	Revised to reflect the establishment of an audit committee to take the place of the supervisors.
Article 12	<u>These procedures will come into force after they are first passed by</u>	<u>The procedure is subject to the approval of the board of directors</u>	Revised to

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p><u>the Audit Committee, approved by the board of directors and then approved by the shareholders at the shareholder's meeting. If a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's opinion to the Audit Committee and report such opinion to the shareholders meeting for discussions. The same processes shall apply to any amendment to these procedures. When these procedures are is 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.</u></p>	<p><u>under the Company's Procedures or other acts or regulations, and where a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's opinion to each supervisor. Any amendment is subject to the same procedures. Where the position of independent director has been established in accordance with the provisions of the Act, when the procedure is 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.</u></p>	<p>reflect the establishment of an audit committee to take the place of the supervisors.</p>

Taiwan Liposome Company, Ltd.

Comparison Table for the Amendment to the Rules of Procedures for Shareholders Meetings

Article No.	After the Amendment	Prior to the Amendment	Explanations
Article 3	<p>Convening shareholders meetings and shareholders meeting notices</p> <p>(1) (Omitted)</p> <p>(2) This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In</p>	<p>Convening shareholders meetings and shareholders meeting notices</p> <p>(1) (Omitted)</p> <p>(2) This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors <u>or supervisors</u>, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special</p>	Deleted the provisions regarding the supervisors to reflect the establishment of an audit committee.

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p> <p>(3) Election or dismissal of directors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act or Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and</p>	<p>shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p> <p>(3) Election or dismissal of directors <u>or supervisors</u>, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act or Articles 26-1 and 43-6 of the Securities and Exchange</p>	

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>(Omitted)</p>	<p>Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>(Omitted)</p>	
Article 6	<p>Preparation of documents such as the attendance book, meeting agenda, and annual report</p> <p>(Omitted)</p> <p>(3) This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.</p> <p>(Omitted)</p>	<p>Preparation of documents such as the attendance book, meeting agenda, and annual report</p> <p>(Omitted)</p> <p>(3) This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors <u>or supervisors</u>, pre-printed ballots shall also be furnished.</p> <p>(Omitted)</p>	Deleted the provisions regarding the supervisors to reflect the establishment of the audit committee.
Article 7	<p>The chair and non-voting participants of a shareholders meeting</p> <p>(Omitted)</p> <p>(4) It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and be attended by a</p>	<p>The chair and non-voting participants of a shareholders meeting</p> <p>(Omitted)</p> <p>(4) It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and be attended by a</p>	Deleted the provisions regarding the supervisors to reflect the establishment of the audit committee.

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>majority of the <u>members of the board of directors</u> in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.</p> <p>(Omitted)</p>	<p>majority of the <u>directors, at least one supervisor</u> in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.</p> <p>(Omitted)</p>	
Article 14	<p><u>Elections</u></p> <p>(1) The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results of directors and the poll of shareholders shall be announced on-site immediately.</p> <p>(Omitted)</p>	<p><u>Election of directors and supervisors</u></p> <p>(1) The election of directors <u>or supervisors</u> at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results of directors, <u>supervisors</u>, and the poll of shareholders shall be announced on-site immediately.</p> <p>(Omitted)</p>	Deleted the provisions regarding the supervisors to reflect the establishment of the audit committee.

Taiwan Liposome Company, Ltd.

Comparison Table for the Amendment to the Rules and Procedures on Election of Directors and Supervisors

Article No.	After the Amendment	Prior to the Amendment	Explanations
Name of the Procedures	<u>Rules and Procedures for Election of Directors</u>	<u>Rules and Procedures for Election of Directors and Supervisors</u>	Amended the name of the Procedures.
Article 1	To ensure just, fair and open election of the Company's directors ("Directors"), these Rules and Procedures for Election of Directors (the "Procedures") are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.	To ensure just, fair and open election of the Company's directors ("Directors") <u>and supervisors</u> ("Supervisors"), these Rules and Procedures for Election of Directors <u>and Supervisors</u> (the "Procedures") are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.	Deleted the provisions regarding the supervisors to reflect the establishment of an audit committee.
Article 2	Except as otherwise provided by laws and regulations or by the Company's Articles of Incorporation, elections of Directors shall be conducted in accordance with these Procedures.	Except as otherwise provided by laws and regulations or by the Company's Articles of Incorporation, elections of Directors <u>and Supervisors</u> shall be conducted in accordance with these Procedures.	Deleted the provisions regarding the supervisors to reflect the establishment of the audit committee.
Article 4	(Deleted)	<u>A Supervisor shall have the following qualifications:</u> <u>1. Integrity and a practical attitude.</u> <u>2. Impartial judgment.</u> <u>3. Professional knowledge.</u> <u>4. Broad experience.</u> <u>5. Ability to read financial statements.</u> <u>In addition to the requirements of the preceding paragraph, at least one of the Supervisors must be an accounting or finance</u>	Deleted the provisions regarding the supervisors to reflect the establishment of the audit committee.

Article No.	After the Amendment	Prior to the Amendment	Explanations
		<p><u>professional.</u></p> <p><u>The independence requirements under the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies shall be referred to when electing suitable Supervisors, so as to strengthen the Company's risk management and financial and operational control functions.</u></p> <p><u>At least one Supervisor must be a person having neither a spousal relationship nor a relationship within the second degree of kinship with any other Supervisor or with any Director.</u></p> <p><u>A Supervisor may not serve concurrently as a Director, managerial officer, or any other employee of the Company. In addition, in order to promptly exercise supervising duties, at least one Supervisor must be domiciled in the Republic of China.</u></p>	
Article 6	<p>Elections of the Directors shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Companies Act. Other than those documents required for the review of each Director candidate's qualifications, education and working experience, and the existence of events set out in Article 30 of the Company Act, the Company shall not arbitrarily request the provision of evidencing documents relating to</p>	<p>Elections of the Directors <u>and Supervisors</u> shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Companies Act. Other than those documents required for the review of each Director <u>and Supervisor</u> candidate's qualifications, education and working experience, and the existence of events set out in Article 30 of the Company Act, the Company shall not arbitrarily request the</p>	<p>Deleted the provisions regarding the supervisors to reflect the establishment of the audit committee.</p>

Article No.	After the Amendment	Prior to the Amendment	Explanations
	<p>additional qualifications or conditions. The Company shall further provide the outcome of the review to shareholders for their reference, so that qualified Directors will be elected.</p> <p>(Omitted)</p> <p>(Deleted)</p>	<p>provision of evidencing documents relating to additional qualifications or conditions. The Company shall further provide the outcome of the review to shareholders for their reference, so that qualified Directors <u>and Supervisors</u> will be elected.</p> <p>(Omitted)</p> <p><u>If the number of Supervisors falls below the prescribed number in the Company's Articles of Incorporation due to the dismissal or resignation of a Supervisor, it is advisable to hold a by-election to fill the vacancy at the next shareholders' meeting. In case the Supervisors are dismissed or resign en masse, a special shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</u></p>	
Article 7	The Company has adopted the cumulative voting method for election of Directors. Each share will be entitled to a number of votes that is equal to the number of Directors to be elected, and the votes may be cast for a single candidate or split among multiple candidates.	The Company has adopted the cumulative voting method for election of Directors <u>and Supervisors</u> . Each share will be entitled to a number of votes that is equal to the number of Directors <u>or Supervisors</u> to be elected, and the votes may be cast for a single candidate or split among multiple candidates.	Deleted the provisions regarding the supervisors to reflect the establishment of the audit committee.
Article 8	The Board of Directors shall prepare ballots in a number corresponding to the number of Directors to be elected. The number of votes associated with the ballot shall be specified thereon, which shall then be	The Board of Directors shall prepare ballots in a number corresponding to the number of Directors <u>and Supervisors</u> to be elected. The number of votes associated with the ballot shall be specified thereon, which shall	Deleted the provisions regarding the supervisors to reflect the establishment of the audit

Article No.	After the Amendment	Prior to the Amendment	Explanations
	distributed to the attending shareholders at the shareholders' meeting. In lieu of recording the name of each voter, the Company may print the attendance card number on the ballots.	then be distributed to the attending shareholders at the shareholders' meeting. In lieu of recording the name of each voter, the Company may print the attendance card number on the ballots.	committee.
Article 9	<p>In accordance with the number of Directors set forth in the Company's Articles of Incorporation, the votes for Independent Directors and non-Independent Directors shall be calculated separately, and the candidates receiving the most votes (including both the votes represented by ballots and the votes cast by electronic means) will be elected. When two or more candidates receive the same number of votes, resulting in the number of top vote-getting candidates exceeding the specified number of positions, the candidates in question shall draw lots to determine the persons who are elected, and the chairman shall draw lots on behalf of any of such candidates not in attendance.</p> <p>(Deleted)</p>	<p>In accordance with the number of Directors <u>and Supervisors</u> set forth in the Company's Articles of Incorporation, the votes for Independent Directors and non-Independent Directors shall be calculated separately, and the candidates receiving the most votes (including both the votes represented by ballots and the votes cast by electronic means) will be elected. When two or more candidates receive the same number of votes, resulting in the number of top vote-getting candidates exceeding the specified number of positions, the candidates in question shall draw lots to determine the persons who are elected, and the chairman shall draw lots on behalf of any of such candidates not in attendance.</p> <p><u>A person who is concurrently elected as a Director-elect and Supervisor-elect pursuant to the preceding paragraph shall determine whether to assume the office of a Director or Supervisor. In the event that a Director-elect or Supervisor-elect is verified not matching such person's personal information or the election of</u></p>	Deleted the provisions regarding the supervisors to reflect the establishment of the audit committee.

Article No.	After the Amendment	Prior to the Amendment	Explanations
		<p><u>such person is void pursuant to the applicable laws, the vacancy left by such person shall be filled by the candidate who received the second most votes accordingly.</u></p>	
Article 13	<p>The votes shall be calculated on site immediately after the end of the poll and the results of the calculation, including the list of Directors-elect and the numbers of votes with which they were elected, shall be announced by the chairman at the location of the meeting.</p> <p>(Omitted)</p>	<p>The votes shall be calculated on site immediately after the end of the poll and the results of the calculation, including the list of Directors-elect <u>and Supervisors-elect</u> and the numbers of votes with which they were elected, shall be announced by the chairman at the location of the meeting.</p> <p>(Omitted)</p>	Deleted the provisions regarding the supervisors to reflect the establishment of the audit committee.
Article 14	<p>The Company shall give notifications to the Directors-elect, and their assumption of their offices shall be registered pursuant to the law after they submit a document providing their consent to act as a Director.</p>	<p>The Company shall give notifications to the Directors-elect <u>and Supervisors-elect</u>, and their assumption of their offices shall be registered pursuant to the law after they submit a document providing their consent to act as a Director/<u>Supervisor.</u></p>	Deleted the provisions regarding the supervisors to reflect the establishment of the audit committee.

Explanation for the Means and Contents of the Issuance of Ordinary Shares for Cash to sponsor the issuance of overseas depositary receipts and/or issuance of ordinary shares for cash domestically

1. In order to meet the Company's need for long term development, it is proposed to take one of the following approaches or a combination of the following approaches: issuance of ordinary shares for cash to sponsor the issuance of overseas depositary receipt and/or issuance of domestic ordinary shares for cash, once or in installments, within the scope of 30,000,000 shares at the proper timing and take into account the condition of the capital market and the actual fiscal need of the Company in accordance with relative laws and regulations, the Company's Articles of Incorporation and the relevant rules of the competent authorities, so as to raise long term capital and increase the variety of channels for raising capital while maintaining flexibility, and to improve the Company's international competitiveness.
2. Issuance of ordinary shares for cash to sponsor the issuance of overseas depositary receipt:
 - (1) The issue price for the issuance of ordinary shares for cash to sponsor the issuance of overseas depositary receipt, according to "Voluntary Code of Practice of Taiwan Securities Association Sales Agency Member Guiding Issuing Company to Raise and Issue Securities" (the "Voluntary Code of Practice"), is prohibited to be less than the closing price of the Company's ordinary shares on the pricing date or less than 90 percent of the average price of the simple arithmetic average of closing price for either the 1, 3, or 5 business days before the pricing date deducted shares dividends (or capital reduction) and cash dividends. However, if domestic relative laws and regulations were amended, the Board of Directors can adjust manners and percentage of pricing in correspondence with the laws and regulations. In order to gain the acceptance of foreign investors, the Chairman of the Board is authorized within the aforementioned scope to set actual issue price in collaboration with securities underwriter according to international customs and related book building situation, so the manner to set issue price should be reasonable. In addition, the manner to determine the issue price for overseas depositary receipts is based on fair trading market price of ordinary share formed in the business place of domestic securities firm. The original shareholders can still purchase ordinary shares with pricing that is close to the issue price for overseas depositary receipts, and is therefore free from

assuming the risk of exchange and liquidity. If the Company issue ordinary shares for cash for issuing overseas depositary receipt in maximum 30,000,000 shares, the highest rate of dilution of shareholder's right calculated by raised shares is 34.80%. However, when the benefits for this capital increase emerged, the Company's competitiveness can be increased, all shareholders can share the benefit, so there should not be material negative effect to original shareholder's right.

- (2) For the purpose of issuance of ordinary shares for cash to sponsor the issuance of overseas depositary receipt, the Company will reserve 15% of new shares for subscription by employees of the Company in accordance with Article 267 of the Company Act. The remaining 85% new shares will be proposed to be publicly offered in general meeting of shareholders in accordance with Article 28-1 of the Securities Exchange Act as the original security of issuing overseas depositary receipt, and the original shareholders waive their pre-emptive right. The shares that the employees waive their right to subscribe or undersubscription, the Chairman of the Board shall be authorized to seek specific persons to subscribe, or add in as the original security to sponsor the issuance of overseas depositary receipt in consideration of market needs.
 - (3) In correspondence with the issuance of ordinary shares for cash to sponsor the issuance of overseas depositary receipt, it is proposed to authorize the Chairman of the Board, the President of the Company, or persons designated by the Chairperson of the Board to approve and execute all documents regarding the issuance of overseas depositary receipt and administer matters related to the issuance of new shares in representation of the Company.
3. To execute the plan to issue ordinary shares domestically, it is proposed to the shareholder's meeting to resolve that the Chairman of the Board is authorized to choose one of the following manner to underwrite:
- (1) If conducting allocation of securities by book building
 - A. Other than reservation of 15% of new shares for subscription by employees of the Company in accordance with Article 267 of the Company Act, the remaining 85% shares shall be allocated to make book building placement, and the original shareholders waive their pre-emptive right in accordance with Article 28-1 of the Securities Exchange Act. Where the shares that the employees waive their right to subscribe or undersubscription, the Chairman of the Board shall be authorized to seek specific persons to subscribe.

B. The actual issue price of the issuance of shares for cash is authorized to the Chairman of the Board to collaborate with the lead securities underwriter to determine in consideration of the all-around situation of the book building allocation, situations of the issuing market and relative laws and regulations after the expiry of period for book building allocation. The determination of the issue price, according to Voluntary Code of Practice shall not be less than 90 percent of the average price of the simple arithmetic average of closing price for either the 1, 3, or 5 business days before the pricing date deducted shares dividends (or capital reduction) and cash dividends while reporting to the Financial Supervisory Commission, submitting book building placement agreement to the Taiwan Securities Association, and submitting underwriting contract to the Taiwan Securities Association. However, if Taiwan's relative laws and regulations were amended, the Board of Directors can adjust manners and percentage of pricing in correspondence with the laws and regulations.

(2) If conducting public subscription

A. The Company shall reserve 15% of total amount of new shares for subscription by employees of the Company in accordance with Article 267 of the Company Act, and allocate 10% of total amount of new shares to be publicly underwritten. The remaining 75% shall be severally subscribed by original shareholders according to the names and percentage of shares written in the Register of Shareholders on the base date of the subscription. The fractional shares where the original shareholder subscribed to less than 1 share can be directly administered by the shareholder to be combined through the shareholder service provider of the Company within 5 days of the record date for subscription. It is proposed to grant the Chairman of the Board the power and authority to seek specific persons for subscription at the issuing price of the fractional shares that are less than one share, the shares that the original shareholders, employees and the public did not subscribe to or are undersubscribed and the fractional shares that the shareholder fails to report to the company for combination during the above specified period..

B. The pricing for the cash increase of capital is authorized to the Chairperson of the Board to determine collaborate with underwriter according to the market condition. In accordance with paragraph 1 of Article 6 of the Voluntary Code of Practice, the scope of discretion shall be between 70% and 100% of the simple arithmetic average of closing

price for either the 1, 3, or 5 business days before the pricing date minus distribution of shares dividends (or capital reduction) and cash dividends. However, if domestic relative laws and regulations were amended, the Board of Directors can adjust means and percentage of pricing in correspondence with the laws and regulations.

4. The funds raised in this plan is designated for the long term development of the Company, debts repayment, operation fund increase, reinvest, acquisition of other companies, premises buildings and equipment replacement, and other single or multiple use, and is predicted to finish execution within 5 years after completion of fund raising. The execution of this capital increase plan is predicted to be able to strengthen the competitiveness of the Company, enhance research and development synergy that has positive benefit for shareholder's right.
5. The ordinary shares issued to sponsor the issuance of overseas depositary receipt and/or ordinary shares issued domestically for cash will be listed on Taipei Exchange. After issuance, the rights and obligations of the shares shall be the same with original shares.
6. Where the main contents of this capital increase for cash domestically, including but not limited to, numbers and monetary amount of share to be issued, conditions of issuance, devoted items of the capital plan, expected schedule, expected benefit, and other related events not mentioned in this approval, are required to be decided or amended due to the change of laws and regulations, request of the competent authorities, operation assessment, or to respond the objective environment, , it's proposed to authorize to the Chairman of the Board of Directors to do every required acts. It's proposed to authorize to the Chairman of the Board of Directors to decide the base date of price, actual issued price, the base date of subscription, the base date of capital increase, and other events related to the issuance of shares.
7. It's proposed to authorize the Board of Directors to decide, adjust, and enact all items, and do all acts related to main contents of this issuance of ordinary shares for cash to sponsor the issuance of overseas depositary receipt responding to the needs of the Company and the situation of business environment, including but not limited to, numbers and monetary amount of share to be issued, issued price, conditions of issuance, methods of underwriting, plan of issuance, items of the plan, expected schedule, expected benefit, and other events not mentioned in this approval. Where such events are required to be decided or amended due to request of the competent authorities or to respond to the objective environment, it's proposed to authorize to the Board of Directors to do all required acts as well.

8. Where there are matters not clarified in this resolution, the Board of Directors and/or Chairman of the Board of Directors shall be fully authorized to administer in accordance with relative laws and regulations.