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**TAIWAN LIPOSOME COMPANY LIMITED.**  
**2016 ANNUAL SHAREHOLDERS' MEETING**  
**MINUTES**  
**(Translation)**

Time : 9 a.m. June 21, 2016 (Tue.)

Location: : 2F., No.19-10, Sanchong Rd.,Nangang District, Taipei City 115(2F Meeting Center, Building A, Nangang Software Park)

Total outstanding TLC shares : 55,732,602 shares

Total shares represented by shareholders present in person or by proxy : 42,081,654 shares

Percentage of shares held by shareholders present in person or by proxy : 75.50%

Directors present(3) : Keelung Hong, May Kang, Chang Xing Investment Company-  
Chan Lee

Supervisors present (3) : Chin-Fen Huang, Chih-Chiang Chen, Ta-Kuan Yang

Others(2) : Sheng-Wei Deng (C.P.A., PricewaterhouseCoopers LLP.), Jacqueline Fu  
(Attorney, K&L Gates LLP.)

Chairman : Keelung Hong

Recording Secretary : Nicole Lin

Calling the meeting to order : Report on the number of shares represented by shareholders attending the Meeting in accordance with Company Law §174.

Chairman Remarks: skipped

## **1. Reports**

### **No. 1: 2015 Business Report**

Explanation:

1. The accumulated deficit of the Company to be offset in the year ended December 31, 2015 is NT \$673,562,303, an amount representing half of the Company's paid-in capital.
2. 2015 Business Report can be found on page 6 of handbook for the 2016 annual general meeting of shareholders under Schedule 1.

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**No. 2:** 2015 Supervisor's Review Report

Explanation:

2015 Supervisor's Review Report can be found on page 9 of handbook for the 2016 annual general meeting of shareholders under Schedule 2.

**No. 3:** 2015 Treasury Stock Purchase Report

Explanation:

1. The conditions of resolution and execution for treasury stock purchase are provided as below:

Phase	1 <sup>st</sup>
Date of Resolution of the Board of Directors	August 28, 2015
Purpose of Treasury Stock Purchase	Transfer to employees
Execution Period	From September 2, 2015 to October 30, 2015.
Category and Amount of Treasury Stock Purchase	276,000 shares of ordinary shares
The Ratio of the Amount of Treasury Stock to the Total Number of Outstanding Shares Issued by the Company	0.50%
The Total Purchase Price of Treasury Shares	NT \$36,918,216
The Average Purchase Price of per Treasury Share	NT \$133.76
Transfer Price per Treasury Share to Employees	NT \$133.76
Date of Treasury Share Transfer to Employees	March 17, 2016
Total Number of Treasury Shares Transfer to Employees	276,000 shares
Total Number of Shares Non-Transferred to Employees	0

2. The Rules for Transfers of Treasury Stock to Employees of 2015 of the Company can be found on page 12 of handbook for the 2016 annual general meeting of shareholders under Schedule 3.

## **2. Ratifications**

### **No. 1:** Ratification of 2015 Financial Statements and Business Report (Proposed by the Board of Directors)

Explanation:

1. 2015 Individual and Consolidated Financial Statements have been audited by independent certified public accountants, Deng, Sheng-Wei and Tzeng, Huei-Chin, 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, from which 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 Accounts' reports and other financial statements can be found on pages 14 to 28 of handbook for the 2016 annual general meeting of shareholders under Schedule 4. The Business Report can be found on page 6 of handbook for the 2016 annual general meeting of shareholders under Schedule 1, and the Supervisor's Review Report can be found on page 9 of handbook for the 2016 annual general meeting of shareholders under Schedule 2.

Resolution: The 2015 Financial Statements and Business Report hereby were accepted as submitted, the number of shares represented by shareholders attending the Meeting is 42,081,654 shares; the approval share is 39,637,980 shares, 94.19% of voting shares; the disapproval share is 1,066 shares, 0.00% of voting shares; the invalidated is 0 shares, 0.00% of voting shares; the abstention shares and no votes are 2,442,608 shares, 5.81% of voting shares.

### **No. 2:** Ratification of the proposal to offset the deficit of 2015 (Proposed by the Board of Directors)

Explanation:

1. The Company's 2015 financial statements, after audit by independent certified public accountants, showed a net loss of NT\$675,685,774 in 2015, and an accumulated loss of NT\$673,562,303 with adjustments. The Company plans to offset such loss against NT\$673,562,303 from its capital reserve, pursuant to which the accumulated loss will be NT\$0 after the offset. Please refer to the 2015 Deficit Offset Statement below for more details.

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2. Due to the lack of retained earnings, the Company does not intend to distribute dividends and bonuses this year.

Taiwan Liposome Company, Ltd.

2015 Deficit Offset Statement

(In NTD)

Items	Amount	
	Subtotal	Total
Undistributed Earnings in the beginning of 2015	\$0	
2015 retained earnings adjustment	2,123,471	
Undistributed Earnings with adjustments	2,123,471	
2015 net income (deficit)	(675,685,774)	
Deficit to be offset at the end of 2015		(\$673,562,303)
Deficit Offset		
Capital reserve - common share premium	673,562,303	673,562,303
Accumulated loss at the end of 2015		0

Chairman of the Board: Keelung Hong      Manager: George Yeh

Head of the Accounting Dept.: Nicole Lin

Resolution: The proposal for 2015 Deficit Offset hereby was approved as proposed, the number of shares represented by shareholders attending the Meeting is 42,081,654 shares; the approval share is 39,637,977 shares, 94.19% of voting shares; the disapproval share is 1,066 shares, 0.00% of voting shares; the invalidated is 0 shares, 0.00% of voting shares; the abstention shares and no votes are 2,442,611 shares, 5.81% of voting shares.

### **3. Discussions**

**No. 1:** Discussion to amend the “Articles of Incorporation” of the Company  
(Proposed by the Board of Directors)

Explanation:

1. The Company intends to amend part of the “Articles of Incorporation” of the Company to comply with Article 192-1 and 235-1 of Company Law, moreover, be in accordance with Ministry of Economic Affairs’ policy to integrate the business scope.
2. The comparison of the current and amended “Articles of Incorporation” of the Company can be found on page 29 of handbook for the 2016 annual general meeting of shareholders under Schedule 5.

Resolution: The “Articles of Incorporation” hereby was approved as proposed, the number of shares represented by shareholders attending the Meeting is 42,081,654 shares; the approval share is 38,329,974 shares, 91.09% of voting shares; the disapproval share is 1,072 shares, 0.00% of voting shares; the invalidated is 0 shares, 0.00% of voting shares; the abstention shares and no votes are 3,750,608 shares, 8.91% of voting shares.

**No. 2:** Discussion to amend “Rules for Director and Supervisor Elections”  
of the Company (Proposed by the Board of Directors)

Explanation:

1. “Rules for Director and Supervisor Elections” of the Company was amended in order to comply with the changes to the law as a result of the Financial Supervisory Commission’s ruling dated January 27, 2015 (reference number: Chin- Guan- Cheng-Fa-Tzu No. 1030051379) and Company Law.
2. A comparison of the current and amended “Rules for Director and Supervision Elections” of the Company can be found on page 32 of handbook for the 2016 annual general meeting of shareholders under Schedule 6.

Resolution: The “Rules for Director and Supervision Elections” hereby was approved as proposed, the number of shares represented by shareholders attending the Meeting is 42,081,654 shares; the approval share is 38,329,974 shares, 91.09% of voting shares; the disapproval share is 1,072 shares, 0.00% of voting shares; the invalidated is 0

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shares, 0.00% of voting shares; the abstention shares and no votes are 3,750,608 shares, 8.91% of voting shares.

**4. Motions:** None.

**5. Adjournment:** 9:31 a.m., the Chairman adjourned the Meeting.