

Taiwan Liposome Company, Ltd.
2018 ANNUAL SHAREHOLDERS' MEETING MINUTES
(Translation)

Time: June 26, 2018 (Tuesday) at 9:00 a.m.

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

Attendance: Total shares represented by shareholders present in person or
by proxy: 42,253,013 shares. Total outstanding TLC shares:
56,199,034 shares (net of shares without voting rights).
Percentage of shares held by shareholders present in person or
by proxy: 75.18%.

Others (2): Sheng-Wei Teng (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

I. 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
Handbook under Schedule 1.
2. The implementation report for the sound operating plan can be found on
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 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 Handbook under Schedule 4. The re-adopted "Code of Operation Integrity" can be found on Handbook under Schedule 5.

II. 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 Handbook under Schedule 6. The operational report can be found on Handbook under Schedule 1, and the supervisors' auditing report can be found on Handbook under Schedule 3.

Resolution: The 2017 financial statements and operational report hereby were accepted as submitted, the number of shares represented by shareholders attending the Meeting is 42,253,013 shares; the approval share is 42,116,463 shares, 99.67% of voting shares; the disapproval share is 6,101 shares, 0.01% of voting shares; the invalidated is 0 shares, 0.00% of voting shares; the abstention shares and no votes are 130,449 shares, 0.30% of voting shares.

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: The proposal for 2017 Deficit Offset hereby was approved as proposed, the number of shares represented by shareholders attending the Meeting is 42,253,013 shares; the approval share is 42,116,460 shares, 99.67% of voting shares; the disapproval share is 6,104 shares, 0.01% of voting shares; the invalidated is 0 shares, 0.00% of voting shares; the abstention shares and no votes are 130,449 shares, 0.30% of voting shares.

III. 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 Handbook under Schedule 7.

Resolution: The Company's Articles of Incorporation hereby was approved as proposed, the number of shares represented by shareholders attending the Meeting is 42,253,013 shares; the approval share is 41,610,462 shares, 98.47% of voting shares; the disapproval share is 512,102 shares, 1.21% of voting shares; the invalidated is 0 shares, 0.00% of voting shares; the abstention shares and no votes are 130,449 shares, 0.30% of voting shares.

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 Handbook under Schedule 8.

Resolution: The Company's "Procedures for the Acquisition or Disposal of Assets" hereby was approved as proposed, the number of shares represented by shareholders attending the Meeting is 42,253,013 shares; the approval share is 42,117,462 shares, 99.67% of voting shares; the disapproval share is 5,102 shares, 0.01% of voting shares; the invalidated is 0 shares, 0.00% of voting shares; the abstention shares and no votes are 130,449 shares, 0.30% of voting shares.

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 Handbook under Schedule 9.

Resolution: The Company’s “Operating Procedures for Endorsements and Guarantees” hereby was approved as proposed, the number of shares represented by shareholders attending the Meeting is 42,253,013 shares; the approval share is 41,610,462 shares, 98.47% of voting shares; the disapproval share is 512,102 shares, 1.21% of voting shares; the invalidated is 0 shares, 0.00% of voting shares; the abstention shares and no votes are 130,449 shares, 0.30% of voting shares.

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 Handbook under Schedule 10.

Resolution: The Company’s “Operating Procedures Governing Lending of Funds” hereby was approved as proposed, the number of shares represented by shareholders attending the Meeting is 42,253,013 shares; the approval share is 42,116,462 shares, 99.67% of voting shares; the disapproval share is 6,102 shares, 0.01% of voting shares; the invalidated is 0 shares, 0.00% of voting shares; the abstention shares and no votes are 130,449 shares, 0.30% of voting shares.

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 Handbook under Schedule 11.

Resolution: The Company’s “Rules of Procedures for Shareholders Meetings ”hereby was approved as proposed, the number of shares represented by shareholders attending the Meeting is 42,253,013 shares; the approval share is 42,116,461 shares, 99.67% of voting shares; the disapproval share is 6,103 shares, 0.01% of voting shares; the invalidated is 0 shares, 0.00% of voting shares; the abstention shares and no votes are 130,449 shares, 0.30% of voting shares.

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 Handbook under Schedule 12.

Resolution: The Company’s “Rules and Procedures for Election of Directors and Supervisors ”hereby was approved as proposed, the number of shares represented by shareholders attending the Meeting is 42,253,013 shares; the approval share is 42,116,462 shares, 99.67% of voting shares; the disapproval share is 6,102 shares, 0.01% of voting shares; the invalidated is 0 shares, 0.00% of voting shares; the abstention shares and no votes are 130,449 shares, 0.30% of voting shares.

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: The Company's "Rules Governing the Scope of Powers of Supervisors" hereby was approved as proposed, the number of shares represented by shareholders attending the Meeting is 42,253,013 shares; the approval share is 42,116,461 shares, 99.67% of voting shares; the disapproval share is 6,103 shares, 0.01% of voting shares; the invalidated is 0 shares, 0.00% of voting shares; the abstention shares and no votes are 130,449 shares, 0.30% of voting shares.

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 Handbook under Schedule 13.

Resolution: The issuance of ordinary shares for cash to sponsor the issuance of overseas depositary receipts and/or issuance of ordinary shares for cash domestically hereby was approved as proposed, the number of shares represented by shareholders attending the Meeting is 42,253,013 shares; the approval share is 41,610,461 shares, 98.47% of voting shares; the disapproval share is 512,103 shares, 1.21% of voting shares; the invalidated is 0 shares, 0.00% of voting shares; the abstention shares and no votes are 130,449 shares, 0.30% of voting shares.

IV. Ad Hoc Motions: None.

V. Adjournment: 09:41 a.m., the Chairman adjourned the Meeting.