

The Lotus logo consists of the word "Lotus" in a bold, black, sans-serif font, centered within a bright yellow rectangular background.

**Lotus Pharmaceutical Co., Ltd.  
Handbook for the 2019 First Extraordinary  
General Meeting  
【 Translation 】**

**Meeting Time: February 20<sup>th</sup>, 2019**

**PLACE: No.21, Nangang 3<sup>rd</sup> Rd., Nantou City,  
Nantou County 540, Taiwan**

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**Lotus Pharmaceutical Co., Ltd.**  
**Procedure for the 2019 First Extraordinary General**  
**Meeting**

Call the Meeting to Order

Chairman Remarks

Proposals and Discussion

Special Motions

Adjournment

Lotus Pharmaceutical Co., Ltd.  
Year 2019 Agenda of First Extraordinary General  
Meeting

**Time: 9:00 a.m. on Wednesday, February 20<sup>th</sup>, 2019**

**Place: No.21, Nangang 3<sup>rd</sup> Rd., Nantou City, Nantou County, Taiwan**

**Call the Meeting to Order**

**Chairperson Remarks**

**Discussion Items:**

1. Proposal for private placement

**Special Motions**

**Adjournment**

# Discussion Items

## 1. **Proposed by the Board**

### **Proposal:**

Proposal for private placement

### **Explanation:**

1. The Company plans to authorize the Board of Director and the Chairman or any person(s) designated by the Chairman to jointly and/or severally to issue common shares via private placement to strategic investor(s) in accordance with the applicable laws and regulations, the Articles of Incorporation of the Company and other rulings promulgated by the competent authorities.
2. With regard to the above-mentioned private placement of common shares, it is proposed to request the Shareholders Meeting to authorize the Board of Directors and the Chairman or any person(s) designated by the Chairman to jointly and/or severally conduct the following:
  - (1) The matters which shall be explained in accordance with Article 43-6 of the Securities Exchange Act and the Regulations Governing Private Placement Conducted by Public Companies:
    1. Pricing Basis and Reasonableness
      - i. The issuance price of the common share shall not be lower than 80% of the reference price. The reference price shall be the higher of:
        - A. The simple average closing price of the common shares of the Company for either the 1, 3, or 5 business days before the pricing date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
        - B. The simple average closing price of the common shares of the Company for the 30 business days before the pricing date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
      - ii. The above-mentioned pricing basis is determined in accordance with the applicable laws and regulations, the conditions and future development of the Company and

considering the three-year lockup restriction. Therefore, it should be reasonable.

- iii. It is proposed to request the Shareholders Meeting to authorize the Board of Directors to determine the actual issuance price in accordance with the applicable laws and regulations, within the pricing range approved by the Shareholders Meeting and based on the market conditions; provided that the issuance price shall not be lower than the par value of the share (NT\$10).
  - iv. The Chairman is authorized to determine the pricing date based on his discussion with the relevant investor(s).
2. Method for determination of specific person(s) as the investor(s)
- i. The investor(s) shall meet the qualifications set forth in Article 43-6 of the Securities Exchange Act and the relevant rulings promulgated by the competent authorities and shall not be an insider or affiliated person of the Company.
  - ii. The investor shall be a strategic investor
    - A. The method to determine the strategic investor and the purpose: The investor(s) shall meet the above-mentioned qualifications and shall be a juristic person that, for the purpose of increasing the profit of the Company, provides assistance to the Company in terms of enhanced skills, improved quality, reduced cost, increased efficiency, enlarged market, or other benefits, achieved through vertical or horizontal integration in the industry or joint effort in product or market development or otherwise, and using the investor's own experience, skills, knowledge, brand, or channels.

Fuji Pharma Co., Ltd. ("**Fuji Pharma**") was established in April 1965, its current paid-in capital is 379,910,000 Yen and its shares are listed on the Tokyo Stock Exchange. Fuji Pharma' scope of business includes development, manufacture, and marketing of pharmaceutical products, such as injection agents, internal drugs, drugs for external

use, and diagnostic products. Fuji Pharma should be able to assist the Company to expand its market and distribution channels and provide various products, achieved through joint effort in product or market development or otherwise, by using its own experience, skills, knowledge, brand, or channels and the strategic alliance with the Company.

- B. Necessity: Because the trend of the strategic alliance in the pharma industry, to increase the Company's advantage in competition, it is necessary to engage Fuji Pharma as the strategic investor for the long term development of the Company.
- C. Expected benefits: After Fuji Pharma's investment in the Company, the Company can work together with Fuji Parma to increase advantage in competition, develop the distribution channels and to provide various products.

iii. The necessity to conduct private placement

- A. Reasons not to conduct public offering: Considering the capital market condition, time effectiveness to raise capital, feasibility, issuance cost and the need to find strategic investor(s) as well as the three-year lockup which can ensure the long term cooperation between the Company and the strategic investor(s), the Company decides to conduct private placement, not public offering.
- B. Number of shares to be issued by way of private placement: Up to 12,000,000 common shares which shall be issued at once within one year after the Shareholders Meeting approves this private placement
- C. Use of proceed and expected benefits:
  - i. Use of proceed: to increase working capital, develop distribution channels and seek for opportunities of strategic alliance and investment
  - ii. Expected benefits: To increase productivity, develop distribution channels and increase the market share.

- (2) The rights and obligations of the common shares to be issued by way of private placement shall be the same as those of the common shares already issued by the Company. However, these private placement shares cannot be freely transferred within three years after the shares are delivered unless the transfer is proceeded according to Article 43-8 of the Securities Exchange Act. It is proposed to request the Shareholders Meeting to authorize the Board of Directors to file application with the Taipei Exchange or the exchange where the Company shares are listed after the third anniversary of the delivery date to obtain the consent letter and then to register these shares by filing with the Financial Supervisory Commission.
- (3) It is proposed to request the Shareholders Meeting to authorize the Board of Directors to determine the major plan of the private placement, including the actual issuance price, number of shares to be issued, terms and conditions, private placement amount, capital increase record date, project items, indicative timeline, expected benefits and other matters if any amendment or revision is required because of the competent authorities' request or change of market conditions.
- (4) It is proposed to request the Board of Directors and the Shareholders Meeting to approve the private placement and to authorize the Chairman or any person(s) designated by the Chairman to negotiate, sign and deliver the relevant agreements or documents in relation to this private placement and to conduct any matters which are necessary for this private placement. If there are any outstanding matters, it is proposed to authorize the Chairman to handle these matters in accordance with the applicable laws and regulations.

3. Please discuss and approve.

**Resolution:**



# **Special Motions**

## **Adjournment**

## **Attachment 1**

### **Appendix 1                      Articles Of Incorporation of LOTUS PHARMACEUTICAL CO., LTD. [English translation for reference only]**

#### **Section I - General Provisions**

##### **Article 1**

The Company shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 美時化學製藥股份有限公司 in the Chinese language, and Lotus Pharmaceutical Co., Ltd. in the English language.

##### **Article 2**

The scope of business of the Company shall be as follows:

1. C802041 Drugs and Medicines Manufacturing
2. F208021 Retail Sale of Drugs and Medicines
3. F208031 Retail sale of Medical Equipment
4. F401010 International Trade
5. C802110 Cosmetics Ingredients Manufacturing
6. F102170 Wholesale of Food and Grocery
7. F108040 Wholesale of Cosmetics
8. F203010 Retail sale of Food and Grocery
9. I199990 Other Consultancy
10. IG01010 Biotechnology Services
11. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

##### **Article 3**

The Company shall have its head office in Taipei, Taiwan, Republic of China, and shall be free, upon approval of government authorities in charge, to set up and dissolve factories, representative and branch offices at various locations within and without the territory of the Republic of China, wherever and whenever the Board of Directors deem it necessary or advisable to carry out any or all of its activities.

##### **Article 4**

The total amount of the Company's reinvestment shall not be subject to the restriction of not more than forty percent of the Company paid-up capital. Any matters regarding the reinvestment must be approved and handled in accordance with the rules approved by the Board of Directors and the applicable laws and regulations.

##### **Article 5**

The Company may provide endorsement and guarantee and act as a guarantor to the matters related to the business of the Company.

#### **Section II - Capital Stock**

##### **Article 6**

The total capital of the Company is TWD 3 billion, divided into 300 million shares for a value of TWD 10 per share, to be issued in several tranches by the Board of Directors as authorized.

Among the total capital in the first paragraph, an amount of TWD 100 million shall be reserved, to be divided into 10,000,000 shares for a value of TWD 10 per share, to be issued as employee stock options in several tranches by the Board of Directors as

authorized according to the Company Act and the applicable laws of the Republic of China.

**Article 7**

The share certificates of the Company shall be name-bearing share certificates signed by or affixed with seals of three (3) Directors minimum, and authenticated by the competent authorities of the government or the certification organization. The Company may issue shares without printing share certificates and the shares shall be registered with a domestic securities depository enterprise.

**Article 8**

Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

**Article 8-1**

All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock transaction conducted by shareholders of the Company shall follow the “Guidelines for Stock Operations for Public Companies” unless specified otherwise by law and securities regulations of the Republic of China.

### **Section III - Shareholders Meetings**

**Article 9**

Shareholders’ meetings of the Company are of two types, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened whenever necessary in accordance with the relevant laws, rules and regulations of the Republic of China.

**Article 9-1**

Written notices shall be sent to all shareholders at their latest places of residence as registered with the Company for the convening of shareholders’ meetings, at least thirty (30) days in advance, in case of regular meetings; and at least fifteen (15) days in advance, in case of special meetings. The purpose(s) for convening any such meeting shall be clearly stated in the written notices and publicly announced. Upon agreed, the notices shall be sent by electronic means. The notices may be done via public announcement to the shareholders who have less than one thousand shares.

**Article 10**

If a shareholder is unable to attend a meeting, he/she may appoint a representative, with a Shareholder Proxy Form issued by the Company, to attend it, and to exercise, on his/her behalf, the rights specified in the Proxy Form at the meeting.

**Article 11**

Each share of stock shall be entitled to one vote, except shares under restrictions or shares held under Article 2 of 179 of the Company Law of the Republic of China.

**Article 12**

Except as provided in the Company Law of the Republic of China, shareholders’ meetings may be held if attended by shareholders in person or by proxy representing more than one half of the total issued and outstanding capital stock of the Company, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting.

**Article 12-1**

The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the chairman of the meeting and distributed to shareholders within twenty (20) days after the meeting. The meeting minutes may be distributed by electronic means or publicly announced. Such minutes with record of the taken month/date/year, place, chairman's name, minutes and resolutions, together with the attendance list and proxies, shall be filed and kept at the Company. The attending book of shareholders and the representative authorization forms shall be kept at least one year, or longer till the end of legal proceedings if shareholder file a lawsuit in accordance of Article 189 of the Company Law of the Republic of China.

**Article 12-2**

The Company shall only delist publicly-offered shares with resolution of Shareholders' meeting, and shall not amend this article when shares are listed on Emerging Market or on Taiwan Stock Exchange (GreTai Securities Market).

**Section IV- Directors**

**Article 13**

The Company shall have five (5) to eleven (11) Directors with a term of three (3) years, to be elected from among the persons of legal capacity at the general meeting and eligible for reelection.

**Article 13-1**

Among the above Directors, there shall be at least three (3) Independent Directors and no less than one-fifth (1/5) of the Directors shall be Independent Directors. The candidate nomination system shall apply to the election of Independent Directors, to be elected from among the candidates for Independent Directors at the general meeting. Independent Directors and non-independent Directors shall be elected at the same time with their votes separately counted. Professional qualifications, restrictions on shareholding and concurrent jobs, determination of independence, nomination and election methods, exercise of powers and authority, and other compliances with regard to Independent Directors shall be governed by the applicable regulations established by the regulatory securities authorities of the Republic of China.

**Article 13-2**

For election of Directors other than Independent Directors, the open-ballot, cumulative voting method shall apply where each share is entitled to a number of votes identical to the number of Directors to be elected. All votes may be cast for a single candidate or multiple candidates. The candidates receiving the ballots representing the most voting rights will be elected as Directors. Where amendments to the voting system are necessary, the provisions of the Company Act, such as those under Article 172, shall be followed and the major details shall be listed and explained under the purpose of the meeting in the notice.

**Article 14**

The Directors shall elect from among themselves a Chairman of the Board of Directors, and require a majority in a meeting attended by over two-thirds of the Directors. The Chairman of the Board of Directors shall have the authority to represent the Company.

**Article 14-1**

The meeting of the Board of Directors shall be held at least once every quarter upon written notice mailed/faxed/e-mailed to all the other Directors, at least seven days, unless in case of urgent circumstances, prior to the date of the meeting, specifying the

date and place of the meeting and its agenda.

**Article 14-2**

A meeting of the Board of Directors may be held if attended by a majority of total Directors and resolutions shall be adopted with the concurrence of the majority of the Directors present at the meeting, unless otherwise provided in the Company Law of the Republic of China.

A Director may, by written authorization, appoint another Director to attend on his/her behalf any meeting of the Board of Directors, and to vote for him/her on the matters specified in the written authorization at such meeting when he/she is unable to attend the meeting, but no Director may act as proxy for more than one other Director.

**Article 15**

In the case where the Chairman of the Board is absent or otherwise unable to perform his/her duties, matters conducted on behalf of the Chairman shall be handled in accordance with Article 208 of the Company Law of the Republic of China.

**Article 16**

The Board of Directors shall be generally authorized to review and determine the remunerations for the Directors based on the involvement and contribution to the operation of the Company, regardless profits or losses of the Company, in consistent with the prevailing standards in the same industry.

**Article 16-1**

During the term of the Directors and key employees and to the extent of their performance of work, the Company may procure the liability insurance for them for damage claims filed by parties in interest.

**Article 16-2**

In consideration of strengthening supervision and management over the Company, Board of Directors may form Audit, Nomination, Risk Management or any other functional committees, taking into account the scale of Board of Directors and the number of Independent Directors. An Environmental Protection or related committee may also be included based on the consideration of corporate social responsibility and sustainable operation.

**Article 16-3**

The Company shall establish Audit Committee pursuant to Article 14-4 of Securities and Exchange Act which shall be composed by all Independent Directors.

**Article 16-4**

The composition, duty and authority, rules governing the proceedings of meetings and other rules governing the Audit Committee shall follow the applicable laws and regulations of the Republic of China and the bylaws of the Company.

**Article 16-5**

The Audit Committee or its members shall perform the duty of supervisor under the Company Law, the Securities and Exchange Act, other applicable laws and regulations of the Republic of China, and the bylaws of the Company.

**Section V - Management**

**Article 17**

The Company may appoint one General Manager, and one President for registered branch, and such officers designation, discharge and remuneration shall be in accordance with Article 29 of the Company Law of the Republic of China.

**Section VI - Accounting**

### **Article 18**

After the close of each fiscal year, the following reports shall be prepared by the Board of Directors, and submitted to the regular meeting of shareholders for recognition, after being submitted to Audit Committee for review:

1. Business report,
2. Financial statements,
3. Proposal for distribution of profits or compensation for losses

### **Article 19**

The Company shall, if any profits earned by the Company for a fiscal year, pay no less than 1% of the profits earned by the company as employees' additional compensation and pay no more than 10% as directors' remuneration on condition that the Company shall first use the profits to offset any accumulated losses.

The aforesaid "profits earned by the Company" refers to pre-tax profits before deducting the said employees' additional compensation and directors' remuneration. The Company may pay such employees' additional compensation in the form of cash or stock. The distribution method, amount and stock numbers shall be approved by a majority vote at a meeting of board of directors attended by at least two-thirds of the total number of directors and then reported to the shareholders' meeting.

The Company shall pay such directors' remuneration in cash. The distribution ratio shall be recommended by Remuneration Committee to the board of directors. The board of directors is authorized to determine the distribution ratio not exceeding the above upper limit. The distribution ratio will be approved by a majority vote at a meeting of board of directors attended by at least two-third of the total number of directors and then reported to the shareholders' meeting.

Employees who are entitled to employees' additional compensation are those officially hired by the Company with labor insurance and benefits and the employees of subsidiaries under certain conditions. Temporary employees and probationary employees are not included.

#### **Article 19-1**

The Company shall, after covering all losses incurred in the past years and paying all taxes and dues, set aside a legal capital reserve at 10 % of the profits left over, until the accumulated legal capital reserve has equaled the total capital of the Company, and then set aside special capital reserve in accordance with relevant laws or regulations of the Republic of China or as requested by the authorities. If any remaining profits are available, the Board of Directors shall prepare the proposal for distribution of profits for the approval from shareholders' meeting.

#### **Article 19-2**

Considering the Company is in an industry in a growth phase, profits may be distributed in total after taking into consideration financial, business, and operational factors, and to be distributed upon approved by the shareholders' meeting. It is expected that the dividends, subject to the shareholders' approval, are in the range of 10% to 100% of distributable profits of a year, among which cash dividend shall not be less than 10% of total distribution.

## **Section VII - Supplementary Provisions**

### **Article 20**

In regard to all matters not provided for in these Articles of Incorporation, the Company Law of the Republic of China shall govern.

### **Article 21**

The internal organization of the Company and the detailed procedures of business

operation shall be determined by the Board of Directors.

**Article 22**

These Articles of Incorporation are agreed to and signed on May 25, 1966.

The first Amendment was made on February 1<sup>st</sup>, 1974

The second Amendment was made on August 17<sup>th</sup>, 1974

The third Amendment was made on June 26<sup>th</sup>, 1975

The fourth Amendment was made on August 13<sup>th</sup>, 1976

The fifth Amendment was made on April 23<sup>rd</sup>, 1977,

The sixth Amendment was made on December 9<sup>th</sup>, 1978

The seventh Amendment was made on April 24<sup>th</sup>, 1981

The eighth Amendment was made on December 10<sup>th</sup>, 1982

The ninth Amendment was made on July 16<sup>th</sup>, 1985

The tenth Amendment was made on September 2<sup>nd</sup>, 1989

The eleventh Amendment was made on October 11<sup>th</sup>, 1995

The twelfth Amendment was made on June 16<sup>th</sup>, 1998

The thirteenth Amendment was made on February 17<sup>th</sup>, 2001

The fourteenth Amendment was made on April 20<sup>th</sup>, 2002

The fifteenth Amendment was made on June 14<sup>th</sup>, 2003

The sixteenth Amendment was made on August 23<sup>rd</sup>, 2003

The seventeenth Amendment was made on June 18<sup>th</sup>, 2005

The eighteenth Amendment was made on June 23<sup>rd</sup>, 2006

The nineteenth Amendment was made on June 27<sup>th</sup>, 2008

The twentieth Amendment was made on June 16<sup>th</sup>, 2009

The twenty-first Amendment was made on June 17<sup>th</sup>, 2010

The twenty-second Amendment was made on June 5<sup>th</sup>, 2012

The twenty-third Amendment was made on June 3<sup>rd</sup>, 2013

The twenty-fourth Amendment was made on February 17<sup>th</sup>, 2014

The twenty-fifth amendment was made on March 3<sup>rd</sup>, 2015. The deletion of the articles in relation to Supervisors and the amendment to the articles in relation to the Audit Committee take effect on the date when the audit committee is established.

The twenty-sixth Amendment was made on June 27<sup>th</sup>, 2016

The twenty-seventh Amendment was made on October 25<sup>th</sup>, 2016

The twenty-eighth Amendment was made on December 16<sup>th</sup>, 2016

The twenty-ninth Amendment was made on June 27<sup>th</sup>, 2017

## **Appendix 2 Rules of Procedure for Shareholder Meetings**

### **Lotus Pharmaceutical Co., Ltd.**

#### **RULES AND PROCEDURES OF SHAREHOLDERS' MEETING**

##### **[English translation for reference only]**

Approved on 2015/04/23

1. Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures unless otherwise provided by relevant laws and regulations.
2. Shareholders attending the Meeting shall sign in on a sign-in book prepared by the Company or submit the attendance card for the purpose of signing in. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the sign-in book or the attendance cards submitted by the shareholders.
3. The presence of shareholders at the Meeting and their voting at the Meeting shall be calculated in accordance with the number of shares.
4. The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9am or later than 3pm.
5. If the Meeting is convened by the Board of Directors, the Chairman of Board of Directors shall preside at the Meeting. In case the Chairman is absence or otherwise unable to perform his/her duties, the Vice Chairman shall sit in as meeting chairman. If there is no Vice Chairman or the Vice Chairman is also absence or otherwise unable to perform his/her duties, the Chairman shall designate a managing director to sit in as meeting chairman. If there is no managing director, the Chairman shall designate a director to sit in as meeting chairman. If the Chairman does not designate a director, the managing directors or directors shall elect one from among themselves to act in lieu of the meeting chairman. If the Meeting is convened by any person other than the Board of Director, who is entitled to convene the Meeting, the said person shall preside at the Meeting. If there are more than two persons calling for the Meeting, they shall elect from among themselves to act in lieu of the meeting chairman.
6. The Company may appoint designated counsel, CPA or other related persons to attend the Meeting.  
Persons handling affairs of the Meeting shall wear ID cards or badges.



7. The entire process of the Meeting shall be tape recorded or videotaped and these tapes shall be preserved for at least one year. If a shareholder lawsuit has been instituted in accordance with Article 189 of the Company Law of the Republic of China, the tapes shall be preserved until the legal proceedings of the lawsuit have been concluded.
8. Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one-third (1/3) of the total issued shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Law of the Republic of China. If during the process of the Meeting the number of shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions of the Meeting for approval in accordance with Article 174 of the Company Law of the Republic of China.
9. The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda. The aforesaid provision applies mutatis mutandis to cases where the Meeting is convened by any person other than the Board of Directors, entitled to convene such Meeting.  
Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved. The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned. However, in the event that the chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.
10. Except otherwise specified in the relevant laws or regulations, the Meeting of the Company shall be convened by the Board of Directors.

All shareholders shall be notified thirty (30) days in advance when an annual general meeting is convened and a handbook shall be prepared. Those shareholders

who hold less than one thousand (1,000) shares of registered stock may be notified thirty (30) days by means of posting a public announcement on the Market Observation Post system website. All shareholders shall be notified fifteen (15) days in advance when an extraordinary general meeting is convened. Those shareholders who hold less than one thousand (1,000) shares of registered stock may be notified by means of posting a public announcement on the Market Observation Post System website. The agenda of the Meeting shall be explicitly stated in notices and public announcements. When the relevant parties grant their consent, notification may be performed using electronic means.

The election or dismissal of directors, amendment to the Articles of Incorporation, the dissolution, merger, split up of the Company, or any other matters specified in Section 1 of Article 185 of the Company Law of the Republic of China, Article 26-1 and Article 43-6 of the Securities and Exchange Act of the Republic of China shall be stated in the agenda of convention and shall not be proposed as special motions in the Meeting.

Shareholders holding at least 1% of the total number of issued shares may submit annual general meeting proposal to the Company in writing for one discussion item. Any proposal with more than one discussion items shall not be included in the agenda of the Meeting. A proposal involving any matters specified in Section 4 of Article 172-1 of the Company Law of the Republic of China may not be included in the agenda by resolution of the Board of Directors.

The Company shall publicly announce acceptance of shareholders' proposals, the place of acceptance, and the acceptance period before the book closure date prior to the annual general meeting. The acceptance period may not be shorter than ten (10) days.

Shareholders' proposal shall be within three hundred (300) characters in length. A proposal exceeding three hundred (300) characters in length shall not be included in the agenda. Proposing shareholders shall attend the annual general meeting in person or by proxy and participate in the discussion with regard to the proposed item.

The Company shall notify those shareholders who submit proposals of the results of process of their proposals prior to the notification of annual general meeting and include the proposals complied with aforesaid provisions in the agenda. With regard to any proposals not included in the agenda, the Board of Directors shall explain the reasons in the Meeting.

11. When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number

of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders shall be decided by the chairman.

If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders; otherwise the chairman shall stop such interruption.

12. Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times and exceeding 5 minutes each time.

In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.

13. Any legal entity designated as proxy by shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting.

If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

14. After the speech of a shareholder, the chairman may respond himself/ herself or appoint an appropriate person to respond.
15. The chairman may announce to end the discussion of any resolution and go into voting if the chairman deems it appropriate.
16. The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s). The result of voting shall be announced at the Meeting and placed on record.
17. During the Meeting, the chairman may, at his/her discretion, set time for intermission. In case of incident of force majeure, the chairman may decide to temporarily suspend the Meeting and announce, depending on the situation, when the Meeting will resume. If the Meeting cannot continue to proceed at the place of Meeting before all the discussion items (including special motions) resolved, the Meeting shall be continued in any other place by resolution of the shareholders present at the Meeting. The Meeting may be resumed or postponed within five days

by resolution of the shareholders present at the Meeting in accordance with Article 182 of the Company Law of the Republic of China.

18. Except otherwise specified in the Company Law of the Republic of China or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chairman.
19. If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.
20. The chairman may conduct the disciplinary officers or the security guards to assist in keeping order of the Meeting place. Such disciplinary officers or security guards shall wear badges marked “Disciplinary Officers” for identification purpose.

These Rules and Procedures shall be effective from the date it is approved by the Shareholders’ Meeting. The same applies in case of revision.

## Appendix 3

### Shareholding of Directors

#### Lotus Pharmaceutical Co., Ltd.

##### Shareholding of Directors

Book closure date: January 22<sup>nd</sup>,2019

| Position             | Name                                                                     | Date elected | Current shareholding |                        | Remarks |
|----------------------|--------------------------------------------------------------------------|--------------|----------------------|------------------------|---------|
|                      |                                                                          |              | Shares               | Shareholding ratio (%) |         |
| Chairman             | Robert Wessman<br>(Alvogen Emerging Markets Holdings representative)     | 20170627     | 151,100,000          | 63.43%                 |         |
| Vice Chairman        | Andrew Lin                                                               | 20170627     | 75,000               | 0.03%                  |         |
| Director             | Petar Vazharov<br>(Alvogen Emerging Markets Holdings representative)     | 20170627     | 151,100,000          | 63.43%                 |         |
| Director             | Thor Kristjansson<br>(Alvogen Emerging Markets Holdings representative)  | 20170627     | 151,100,000          | 63.43%                 |         |
| Director             | Arni Hardarson<br>(Alvogen Emerging Markets Holdings representative)     | 20170627     | 151,100,000          | 63.43%                 |         |
| Director             | Kevin Michael Bain<br>(Alvogen Emerging Markets Holdings representative) | 20170627     | 151,100,000          | 63.43%                 |         |
| Independent Director | Benjamin Ku                                                              | 20170627     | 0                    | 0                      |         |
| Independent Director | Hjorleifur Palsson                                                       | 20170627     | 0                    | 0                      |         |
| Independent Director | Hanfei Lin                                                               | 20170627     | 7,000                | 0.003%                 |         |