

BizLink Holding Inc (3665)
Meeting Agenda

Proposals

(By the board)

No. 1: Adoption of 2018 Financial Statements. Please proceed for approval.

Explanation:

1. Our 2018 consolidated financial statements (including balance sheet, statement of income, statement of changes in equity, cash flow statement) were audited by independent CPAs Mr. Jung-Cheng, Chen, and Cheng-Chuan Yu of Deloitte & Touche in Taiwan and the audited financial report is completed herein for review.
2. 2018 Financial Statements have been approved by the board members and reviewed by the audit committee.
3. Please see Attachment V for the above statements.

(By the board)

No. 2: Adoption of the proposal for distribution of 2018 profits. Please proceed for approval.

Explanation:

1. The proposal for the distribution of 2018 profits has been adopted in accordance with the Memorandum and Articles of Association Article #34.1.
2. We propose a cash distribution of NT\$ 888,880,553 for common share holders. According to the number of floating shares as of end 2018, the cash dividend per share is NT\$ 7.5 (or US\$ 0.244180). Cash dividend less than NT\$ 1 shall be accumulated and recorded as other income for the Company. If the total number of floating shares differs from those as of end 2017 owing to the execution of employee warrants or conversion of convertible bonds, we will ask the Board, through the authority of the shareholders' meeting, to adjust the distribution ratio based on the originally proposed figures.
3. Please see Attachment VI for 2018 Earnings Distribution.

Discussion

(By the board)

No. 1: Amendment to the “Procedures for Acquisition or Disposal of Assets”. Please proceed for approval.

Explanation: Due to the business needs of the Group, we propose to make amendment to the “Procedures for Acquisition or Disposal of Assets”. Please find Attachment VII for reference.

(By the board)

No. 2: Amendment to the " Procedures for Endorsement & Guarantee ". Please proceed for approval.

Explanation: Due to the business needs of the Group, we propose to make amendment to the “Procedures for Lending Funds to Other Parties”. Please find Attachment VIII for reference.

(By the board)

No. 3: Amendment to the “Procedures for Endorsement & Guarantee”. Please proceed for approval.

Explanation: Due to the business needs of the Group, we propose to make amendment to the “Procedures for Endorsement & Guarantee”. Please find Attachment IX for reference.

(By the board)

No. 4: Amendment to the Company's Memorandum and Articles of Association. Please proceed for approval.

Explanation: 1. We propose to amend the Company's Memorandum and Articles of Association to comply with the letter, Taiwan Security Shang Erh Tzu # 1071703794, issued by the Taiwan Exchange on November 30, 2018 regarding the “Check list of protection of rights of shareholders in foreign issuer's country of registration”.
2. Please go to Attachment X for a comparison of the changes for both Chinese and English versions.
3. Please go to Appendix V in the Chinese version handbook for the Memorandum and Articles of Association before the amendment.

(By the board)

No. 5: The Company is proposing to raise cash capital by issuing new common shares in the domestic market or via DR offering. Please vote.

Explanation: To cover the needs for production expansion, investment capital, running capital, overseas materials purchase, bank repayments, future development and

competitiveness upgrade, it is proposed to authorize the Board of Director to conduct a capital increase by issuing no more than 20 million shares of common stocks in the domestic market or via depositary receipt offerings. The offer can be issued together, separately or through different tranches based on the market condition. Please refer below for the issue details:

I. Domestic issue of new common shares for a cash capital increase:

It is proposed to authorize the Board of Director by the Shareholders' Meeting to proceed by adopting book building or by public subscription in accordance with Article 28-1 under the Securities and Exchange Act.

- (I) When adopting book building: To comply with Article 267 under the Company Act, there shall be 10% to 15% of such new shares reserved for subscription by employees of the Company. For the remaining portion (85% to 90%), as prescribed in Article 28-1 under the Securities and Exchange Act, the original shareholders shall first surrender the rights to priority subscription via shareholder resolution and agree to place the issue by adopting book building for public offerings. In case of an employee under-subscription, the Chairman will be authorized to place the shortage portion to the specific parties based on the issuing price and handle the matter according to the guidelines under "Taiwan Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms".

The issuing price shall not be less than 90 percent of the simple average closing price of the Company's common on a chosen day from one, three, or five business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends (or capital reduction) at the time of filing to the Financial Supervisory Commission and registering the book-building agreement and underwriting contract to the Taiwan Securities Association, as described under "Self-Regulating Rule for Underwriter to Counsel the Offering and Issuance of Convertible Bonds by the Issuer, Promulgated by the Taipei Securities Dealers Association" ("Self-Regulating Rule" hereafter). It is proposed to authorize the Chairman by the Board to determine the actual issue price with the underwriter's suggestion based on the results of book building and market conditions after the book building period.

- (II) In case of a public subscription:

Other than 10% to 15% allocation for employee subscription as prescribed in Article 267 under the Company Act, 10% of the new shares issued will be publicly underwritten as prescribed in Article 28-1 under Securities and Exchange Act, and the remaining portion (75%~80%) will be allocated proportionally to the original shareholders based on the percentage holding shown on the record on the subscription date. In case of an under-subscription, the Chairman will be authorized to place the shortage to the specific parties based on the issuing price. The price will be determined in accordance with the "Self-Regulating Rule" and

shall be no less than 70 percent of the simple average closing price (after adjustment for any distribution of stock dividends) of the common shares of the Company on a chosen day from one, three, or five business days before filing to Financial Supervisory Commission and five trading days prior to the Ex-Rights Date.

II. Explanatory Note for issue new commons shares for cash capital through DR offering:

(I) Other than the 10% to 15% allocation for employee subscription as prescribed in Article 267 under the Company Act. For the remaining 85% to 90%, as prescribed in Article 28-1 under the Securities and Exchange Act, the rights to priority subscription of the original shareholders shall be first surrendered via a shareholder resolution, and the portion will be issued through DR offering. In case of an employee under-subscription, the Chairman shall be authorized to place the shortage portion to the specific parties based on the issuing price or to place the portion through the underlying DR offering and handle the matter according to the guidelines under the “Taiwan Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms”.

(II) The issuing price for the new common shares for cash capital through DR offering shall be determined based on the international practice under the premise that it will not affect the rights of original shareholders. It is proposed to authorize the Board to determine the final issuing price with the underwriter. The means to determine the final price shall be in compliance with all related regulations:

I. The price will be determined in accordance with the “Self-Regulating Rule” and shall not be less than 90 percent of either the closing price of the Company’s common shares from Taipei Exchange on the day of price determination or the simple average closing price on a chosen day from one, three or five business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends (or capital reduction). All regulations shall be followed when adjusting the means for determining the price, even when there’s a change of laws. Under the consideration for short-term share price fluctuations, it is proposed to authorize the Chairman to make the final decision for the issuing price, within the range described above, based on international practice and after taking into account global capital market conditions, share price in the domestic market, the results of book building, together with suggestions from the underwriter.

II. We believe the issuance should not cause material impact to the rights of original shareholders. The maximum equity dilution will reach 14.43% if the limit of 20 million shares is fully issued through overseas DR offerings. All shareholders shall be rewarded as soon as the projected benefits from the capital increase are realized. Moreover, the price of DR is determined based on a fair market price closely linked to the common share price of the Company from the Taiwan Exchange. Any shareholder can purchase shares from the Taiwan stock market with a price close to the DR issuing price without bearing the currency or liquidity risks.

- III. Should any revision to major matters regarding DR offering, such as the issuing terms and conditions, the issuing price, the issuing shares, the issuing dollar amount, the use of fund, the project progress and the expected efficacy, be made due to a competent authority or a change of laws or the objective circumstance, it shall be fully authorized for the Board of Directors to deal with.
- IV. If the limit of 20 million shares mentioned above is fully issued, it will account for 14.43% of total outstanding shares. As the capital raised through this offering will be used to replenish the operating capital, purchase overseas materials, repay loans, acquire machinery facilities and investment or prepare for future operations expansion, we expect it will eventually add value to our equity and cause a limited dilution effect to the current shareholders.
- V. Rights and obligations of common stocks through this issued are generally the same as common stocks issued previously by the Company.

Elections

(By the board)

No. 1: By-election of Directors of the Company board. Please proceed for election.

Explanation: 1. We propose to by-elect 1 independent directors according to the Memorandum and Articles of Association Article #25.1 in the 2019 general shareholders' meeting. For the election of the independent director, we will adopt the candidate nomination system in accordance with the Memorandum and Articles of Association Article #27.3. The tenure for the new independent director was starting from June 12, 2019 to June 20, 2021.

2. Please go to Attachment XI for the director candidates' information.

Other Discussions

(By the board)

No. 1: Proposal for the cancellation of the prohibition on directors from participation in competing businesses. Please proceed for discussion.

Explanation: 1. According to the Memorandum and Articles of Association Article #30.4 "A director who does anything for himself on behalf of another person that is within the scope of the Company's business, shall reveal to the shareholders' meeting the essence of such practice and receive special approval".

2. We propose to cancel the prohibition on new directors who invest or operate any business that is within the scope of the Company's business or serves as a director or manager for such a business, provided no interests of the Company would be compromised.