

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 taperecorded 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.