

Stock Code: 8454

## **momo.com Inc.**

### **Agenda for 2017 Shareholders' Meeting**

Date: May 17, 2017 (Wednesday)

Address: Lily Conference, No. 327, Section 1, Tiding Blvd, Neihu  
District, Taipei City

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# **momo.com Inc.**

## **Meeting Procedures**

1. Announcement of Commencement of the Meeting
2. Chairman's Remarks
3. Matters to Report
4. Matters to Ratify and Discuss
5. Matters to Elect
6. Other Proposals
7. Extemporaneous Motions
8. Meeting Adjourned

# **momo.com Inc.**

## **Meeting Agenda**

Date: May 17, 2017(Wednesday) at 9:00 a.m.

Venue: Lily Conference, No. 327, Section 1, Tiding Blvd, Neihu District, Taipei City

1. Reporting the number of shares represented by the attending shareholders and announcing the commencement of the meeting
2. Chairman's remarks
3. Matters to report:
  - (1) 2016 Business Report
  - (2) Audit Committee's Report
  - (3) Distribution of remuneration to employees and directors for 2016
  - (4) Amendments to the Company's Corporate Social Responsibility Best Practice Principles
4. Matters to Ratify and Discuss:
  - (1) Amendments to the Company's Rules of Procedure for Shareholders' Meetings
  - (2) 2016 Business Report and Financial Statement
  - (3) Distribution of Earnings for 2016
  - (4) The proposal for the distribution of cash from capital surplus
  - (5) Amendments to the Company's Articles of Incorporation
  - (6) Amendments to the Company's Procedures for Elections of Directors and Supervisors
  - (7) Amendments to the Company's Regulations Governing the Acquisition and Disposal of Assets
5. Matters to Elect:
  - (1) To elect the Board of Directors
6. Other Proposals:
  - (1) To release the Board of Directors from the non-competition restrictions
7. Extemporaneous Motions
8. Meeting adjourned

## **Matters to Report**

1. 2016 Business Report. Please refer to Attachment I (see pages 10 –11 of the present agenda).
2. Audit Committee's report. Please refer to Attachment II (see pages 12 – 13 of the present agenda).
3. Distribution of remuneration to employees and directors for 2016.

### **Explanation:**

The remuneration to employees and directors was determined on January 24, 2017 by the board of directors. A total remuneration of NT \$1,420,603 shall be distributed to employees and a total remuneration of NT \$1,420,603 shall be distributed to directors. All remunerations shall be distributed in cash.

4. Amendments to the Company's Corporate Social Responsibility Best Practice Principles. Please refer to Attachment III (see pages 14 –18 of the present agenda).

# Matters to Ratify and Discuss

## Agenda 1

**Proposed by: Board of Directors**

Agenda: Amendments to the Company's Rules of Procedure for Shareholders' Meetings

Explanation:

1. In order to improve the efficiency of electronic voting system used in shareholder's meetings, the board hereby proposes to revise the Company's Rules of Procedure for Shareholders' Meetings. Please refer to Attachment IV (see pages 19 – 20 of the present agenda) for the proposed revisions.
2. Approval is respectfully requested.

Resolution:

## Agenda 2

**Proposed by: Board of Directors**

Agenda: 2016 Business Report and Financial Statement

Explanation:

1. 2016 Financial Statement was reviewed by Li-Wen Kuo and Wen-Ching Lin of Deloitte.
2. Please refer to Attachment V (see pages 21 – 30 of the present agenda) for the Business Report, Financial Statement, and consolidated financial statement.
3. Ratification is respectfully requested.

Resolution:

## Agenda 3

**Proposed by: Board of Directors**

Agenda: Distribution of Earnings for 2016

Explanation:

1. The company's net profit for 2016 totaled to NT \$1,183,226,943 and shall be distributed in accordance with the earnings distribution table. Please refer to Attachment VI (see page 31 of the present agenda).
2. The company proposes to distribute a total of NT \$1,002,622,778 from the distributable earnings. Cash dividend of NT \$7.1586 per share shall be distributed to the shareholders. It is proposed that after the distribution is approved at the shareholders' meeting, the Chairman of the board shall be authorized to decide on the record date, the distribution date, and other matters related to dividends distribution.

3. Pursuant to Article 28-2 of the Securities and Exchange Act, if the number of issued and outstanding shares is affected by the company's transfer of repurchased treasury stocks to its employees, or by the requirement of competent authorities, or by subjective and objective factors causing necessary adjustments to shareholders' percentage of distribution, the shareholders' meeting shall authorize the Chairman of the board to make such adjustment.
4. Ratification is respectfully requested.

Resolution:

Agenda 4

**Proposed by: Board of Directors**

Agenda: The proposal for the distribution of cash from capital surplus

Explanation:

1. Pursuant to Article 241 of the Company Act, where a company incurs no loss, it may distribute its capital surplus, in whole or in part, in cash or by issuing new shares to shareholders in proportion to the number of shares being held.
2. The company proposes to distribute NT \$117,845,222 of capital surplus generated from the issuance of share premium to its shareholders as cash at NT \$0.8414 per share.
3. The capital surplus and earnings are expected to be distributed in cash at NT \$8 per share (i.e., the capital surplus shall be distributed in cash at NT \$0.8414 per share and earnings shall be distributed at NT \$7.1586 per share). Distribution shall be based on the number of shares held by the shareholders as listed in the shareholders list on the date of record. The amount distributed shall be paid to denomination of NT \$1, where amount less than NT \$1 shall be rounded off. The shareholders' meeting is proposed to authorize the Chairman of the board to make the appropriate adjustment for the rounding of amount less than NT \$1. The approval of the present proposal by the shareholders' meeting authorizes the Chairman of the board to set a record date for distribution, the date of distribution, and manage relevant matters. In addition, cash distribution shall be calculated based on the number of total outstanding shares in issuance.
4. Thereafter, if the number of outstanding shares issued is affected by the company's transfer of repurchased treasury stocks to its employees, causing necessary adjustments to shareholders' percentage of distribution, the shareholders' meeting is proposed to authorize the Chairman of the board to make the appropriate adjustment as needed.
5. Approval is respectfully requested.

Resolution:

#### Agenda 5

**Proposed by: Board of Directors**

Agenda: Amendments to the Company's Articles of Incorporation.

Explanation:

1. In order to adjust to changes/newly-passed laws and actual operational needs, the board hereby proposes to revise the company's articles of incorporation. Please refer to Attachment VII (see pages 32 – 35 of the present agenda) for the proposed revisions.
2. Approval is respectfully requested.

Resolution:

#### Agenda 6

**Proposed by: Board of Directors**

Agenda: Amendments to the Company's Procedures for Elections of Directors and Supervisors

Explanation:

1. In order to adopt the nomination system for all candidates for directors, the board hereby proposes to revise the company's Procedures for Elections of Directors and Supervisors. Please refer to Attachment VIII (see pages 36 – 37 of the present agenda) for the proposed revisions.
2. Approval is respectfully requested.

Resolution:

#### Agenda 7

**Proposed by: Board of Directors**

Agenda: Amendments to the Company's Regulations Governing the Acquisition and Disposal of Assets

Explanation:

1. In Response to the amendment of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies for TWSE/GTSM Listed Companies, the board hereby proposes to revise the company's Regulations Governing the Acquisition and Disposal of Assets. Please refer to Attachment IX (see pages 38 – 43 of the present agenda) for the proposed revisions.
2. Approval is respectfully requested.

Resolution:



# Matters to Elect

Agenda 1

**Proposed by: Board of Directors**

Agenda: To elect the Board of Directors

Explanation:

1. The current Board of Directors with their terms will expire on Feb. 13, 2017. The Company is proposing to elect the sixth term of Board of Directors at the 2017 Annual General Shareholders' Meeting.
2. ii. According to Article 19 of the Company's Articles of Incorporation, the Company is to have 9-11 directors. The company is proposing to elect 9 directors including 3 independent directors with a term of office of 3 years at the 2017 AGM. The election of independent directors shall be by way of a candidate nomination system.
3. The sixth term of the Board of Directors will hold office from May 17, 2017 to May 16, 2020. The Audit Committee will be composed entirely of independent directors.
4. The list of candidates for independent directors was approved by the company's first Board of Director's 26<sup>th</sup> meeting, with the relevant background information for the candidates in the table below. Please proceed for voting, pursuant to the company's Procedures for Elections of Directors and Supervisors (prior to the proposed revision) ( see pages 60 – 63 of the present agenda ) .

Candidate Name	Education	Experience / Other Current Positions	Shareholding (Shares)
Shi-kuan Chen	* Ph.D. in Economics, Yale University * Professor, College of Management, National Taiwan University	<b>Experience :</b> * Associate Professor, International Business, National Taiwan University * Chairman, International Business, National Taiwan University * Professor, International Business, National Taiwan University * Associate Dean, College of Management, National Taiwan University <b>Other Current Positions :</b> * Professor, International Business, National Taiwan University * Independent Director, Chung Hwa Pulp Corp. * Independent Director, DBS Bank (Taiwan) Ltd. * Independent Director, Sinbon Electronics	0

Candidate Name	Education	Experience / Other Current Positions	Shareholding (Shares)
		Co., Ltd.	
Yi-Hong Hsieh	<ul style="list-style-type: none"> <li>* J.S.D., School of Law, Stanford University</li> <li>* Bachelor of Laws, College of Law, National Taiwan University</li> </ul>	<p><b>Experience :</b></p> <ul style="list-style-type: none"> <li>* Adjunct Professor of College of Management at National Taiwan University, School of Management at National Central University, and School of Law at Soochow University</li> <li>* Director, Mega Financial Holding Company Ltd.</li> </ul> <p><b>Other Current Positions :</b></p> <ul style="list-style-type: none"> <li>* Professor, College of Management, National Taiwan University</li> <li>* Independent Director, Yulon Motor Co., Ltd</li> <li>* Independent Director, Taiwan Acceptance Corporation</li> </ul>	0
Hong-So Chen	<ul style="list-style-type: none"> <li>* EMBA., National Taiwan University</li> <li>* Department of Transportation Engineering and Management, National Chiao Tung University</li> </ul>	<p><b>Experience :</b></p> <ul style="list-style-type: none"> <li>* CEO/President, BACO International., Ltd./ Systex Corporation</li> <li>* President in China region/Vice President of Sales in North Asia region, Yahoo</li> <li>* Chief Operation Officer, Yahoo Kimo</li> <li>* Business Marketing Skills Support Manager and President, IBM, Microsoft, Motorola, Oracle, Novell</li> <li>* Director, E-Life Mall Corporation</li> <li>* Independent Director, Sercomm Corporation</li> <li>* Independent Director, Spirox Corporation</li> <li>* Independent Director, Genetics Generation Advancement Corp. (GGA Corp.)</li> </ul> <p><b>Other Current Positions :</b></p> <ul style="list-style-type: none"> <li>* Chairman, Guoshi Partners Co., Ltd.</li> <li>* Independent director, Yageo Corporation</li> <li>* Independent director, Giant Manufacturing Co., Ltd.</li> <li>* Independent director, China Chemical &amp; Pharmaceutical Co., Ltd.</li> </ul>	0

5. Please elect enw independent directors accordingly

Resolution:

## **Other Proposals**

Agenda 1

**Proposed by: Board of Directors**

Agenda: To release the Board of Directors from non-competition restrictions

Explanation:

1. According to Article 209 of the Company Act, a director who acts for himself or on behalf of another person that is within the scope of the Company's business, shall clarify the act and receive its approval at the shareholder's meeting..
2. The Company is proposing to approve the removal of the non-competition restrictions on the Board of Directors (including individual directors and directors representing institutional shareholders) for the sixth term elected at the shareholders' meeting till the end of their term in office.
3. Approval is respectfully requested.

Resolution:

## **Extemporaneous Motions**

## **Meeting Adjourned**

## **Attachment I**

### **momo.com Inc. 2016 Business Report**

momo.com Inc. (8454-TW) is a leading virtual retail operator in Taiwan, with operations including momoshop, momomall, TV shopping and catalogue businesses. momo upholds to the corporate mission of “providing various affordable and quality products as well as superior services to improve the life of people” and the four management values in “integrity, friendliness, professionalism, and innovation.” momo offers comprehensive and diverse shopping experience for consumers.

Consolidated revenue for FY2016 totaled NT\$ 28.1 bn, an increase of 9.5% YoY and net profit totaled NT\$ 1.2 bn. Online shopping’ revenue accounted for more than 70% of total revenue, with an impressive 19.5% YoY increase. As the competitive landscape intensifies, momo will continue to strengthen its services and look to further expand its market share in Taiwan. momo will also look to broaden its global reach and evaluate additional oversea expansion opportunities in order to generate higher shareholder value.

The key operational emphases in 2016 are described below:

#### **1. Strengthening channel integrations:**

As the global retail industry shifts towards a new era of reform, previous boundaries that divide different retail formats are become increasingly blurred and inter-channel integration becomes the new trend. In 2016, momo continued to integrate online and TV channel resources, benefitting from cross marketing opportunities from product sourcing, sales, marketing, and operation. momo also continued to leverage big data analysis and rising mobile services to improve its overall operational performance, resulting in a record high revenue after a stellar 9.5% YoY growth.

#### **2. Broaden brand cooperation and develop unique products:**

In the intensely competitive retail market, the sound management of product diversity and differentiation can identify new and untapped opportunities. momo aims to introduce major global brands and their product portfolio to Taiwan while co-develops unique and exclusive products with domestic suppliers. momo is then able to fashion new consumer trends and topics through marketing efforts by leverage social network groups and media, and ultimately, strengthen the traction of its customer base and loyalty to the platform.

### **3. Optimize mobile shopping experience:**

As penetration rate of mobile devices continues to rise, an innovative online marketing strategy that incorporates mobile APPs becomes increasingly important. momo strives to optimize user interface by enhancing product search experience and streamlining purchase flow while incorporating audio and video capabilities into mobile APPs. Currently momo has three mobile shopping APPs and revenue generated from mobile devices already accounts for more than 45% of revenue..

### **4. Upgrade service mechanism:**

Broadening customers' shopping experience and improving service quality is the key to maintain the long-term competitiveness of a company. Momo works in collaboration with the Industrial Technology Research Institute to launch an advanced search optimization project and A.I. Customer Service Interface, the latter is scheduled to be launched in 1Q17. Additionally, momo's "Automatic Logistics Center – North District", with a total investment of over NT\$ 4 bn, is scheduled to be completed and become operational in 2017. The centralized and automated warehousing capability not only can lower operating and transportation costs but also improve the speed of delivery. The investments to improve frontend/backend services will enable the company to improve user experience for customers.

### **5. Overseas business:**

momo not only maintains a strong foothold in Taiwan but is also looking to aggressively expand into overseas markets. In China, momo founded the Fubon Beijing Gehua Trading Co., Ltd. in May 2011 and invested in Global Home Shopping in June, 2015. Currently Global Home Shopping has access to viewers in over 130 million households in China and generates impressive profitability. In ASEAN, momo invested in TVD-momo, a joint-venture in Thailand that was established in March 2014. TVD-momo has become the second largest TV home shopping operator in Thailand. momo will continue to collaborate with Taiwanese suppliers and look for expansion opportunities in other ASEAN markets in order to duplicate the proven successful model in Taiwan.

Incessant drive for innovation is the key to maintaining the competitiveness of any business. Looking into 2017, momo will continue to develop and integrate innovative technology and business processes into our operation. momo will look to further expand its core competency to provide customers with improving services and create higher shareholder value as a leading enterprise in the industry.

## **Attachment II**

**momo.com Inc.**

### **Audit Committee's Report**

**January 24, 2017**

Hereby, the 2016 Annual Financial Statements submitted by the board of directors were verified and compiled into a report by accountants Li-Wen Kuo and Wen-Ching Lin at Deloitte and Touche Accounting Firm. An examination by this audit committee did not find inconsistencies in the abovementioned financial statements. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, the report is presented for review.

Sincerely,

The 2017 General Shareholders' Meeting of momo.com Inc.

momo.com Inc.

Audit committee convener: Si-Kuan Chen

**momo.com Inc.**

**Audit Committee's Report**

March 30, 2017

Hereby are the 2016 Annual Business Report and Disposition of Net Earnings submitted by the board of directors. An examination by this audit committee did not find inconsistencies in the abovementioned documents from the board of directors. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, the report is presented for review.

Sincerely,

The 2017 General Shareholders' Meeting of momo.com Inc.

momo.com Inc.

Audit committee convener: Si-Kuan Chen

## Attachment III

**momo.com Inc.**

### **Comparison Table of Amended Articles of Corporate Social Responsibility Best Practice Principles**

Original Article	Amended Article	Explanation
<p>Article 2</p> <p>The Principles applies to the Company, including the entire operations of the Company and its business groups.</p> <p>The Principles encourages the Company to actively fulfill its corporate social responsibility in the course of its business operations so as to follow the international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as a responsible corporate citizen, and to enhance competitive edges built on corporate social responsibility.</p>	<p>Article 2</p> <p>The Principles applies to the Company, including the entire operations of the Company and its business groups.</p> <p>The Principles encourages the Company to actively fulfill its corporate social responsibility in the course of its business operations so as to follow the international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as a responsible corporate citizen, and to enhance competitive edges built on corporate social responsibility.</p>	<p>The changes in the Chinese text are for minor syntax changes only, removing conjunctions from various part of the paragraph. As a result, no material changes in meanings for the new text.</p>
<p>Article 5</p> <p>The Company shall take consideration of the development trends in the domestics and foreign corporate social responsibility and the relevance of corporate core business, the effect of the company and the overall operations of the group businesses in relation to the stakeholders when developing the corporate social responsibility policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors.</p>	<p>Article 5</p> <p>The Company shall take consideration of the development trends in the domestics and foreign corporate social responsibility and the relevance of corporate core business, the effect of the company and the overall operations of the group businesses in relation to the stakeholders when developing the corporate social responsibility policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors.</p>	<p>The changes in the Chinese text are for minor syntax changes only, removing conjunctions from various part of the paragraph. As a result, no material changes in meanings for the new text.</p>
<p>Article 7</p> <p>The board of directors of the Company shall exercise the due care of good administrators to urge the company to perform its corporate social responsibility initiatives, review the</p>	<p>Article 7</p> <p>The board of directors of the Company shall exercise the due care of good administrators to urge the company to perform its corporate social responsibility initiatives, review the</p>	<p>Matching revision of “Corporate Social Responsibility Best Practice</p>



Original Article	Amended Article	Explanation
<p>results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.</p> <p>The board of directors of the company is advised to include the following matters in the company's performance of corporate social responsibility initiatives:</p> <ol style="list-style-type: none"> <li>1. Identifying the company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines;</li> <li>2. Including corporate social responsibility the guiding principle of the company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives;</li> <li>3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.</li> <li>4. Authorizing management team to handle the economic, environmental and social issues relating to the operations and report the handling status to the Board of the Directors.</li> </ol>	<p>results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.</p> <p>The board of directors of the company is advised to <u>fully consider the interests in of the involved parties, furthermore</u> include the following matters in the company's performance of corporate social responsibility initiatives:</p> <ol style="list-style-type: none"> <li>1. Identifying the company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines;</li> <li>2. Including corporate social responsibility the guiding principle of the company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives;</li> <li>3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.</li> <li>4. Authorizing management team to handle the economic, environmental and social issues relating to the operations and report the handling status to the Board of the Directors.</li> </ol>	<p>Principles for TWSE/GTSM Listed Companies” and adjusting for wordings accordingly.</p>
<p>Article 16</p> <p>The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to monitor and disclose corporate greenhouse gas emissions within the scope of which shall include the following:</p> <ol style="list-style-type: none"> <li>1. Direct greenhouse gas emission: Emissions from operations that are owned or controlled by the company.</li> <li>2. Indirect greenhouse gas emission: Emissions resulting from the</li> </ol>	<p>Article 16</p> <p>The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to monitor and disclose corporate greenhouse gas emissions within the scope of which shall include the following:</p> <ol style="list-style-type: none"> <li>1. Direct greenhouse gas emission: Emissions from operations that are owned or controlled by the company.</li> <li>2. Indirect greenhouse gas emission: Emissions resulting from the</li> </ol>	<p>Word adjustment.</p>

Original Article	Amended Article	Explanation
generation of externally purchased or acquired electricity, heating, or steam. The <u>environmental sustainable group</u> shall develop the strategies and goals for reductions in greenhouse gas emissions with regular review on the effectiveness of the reduction.	generation of externally purchased or acquired electricity, heating, or steam. <u>The business unit that is responsible on a full-time and/or concurrent basis for corporate social responsibility</u> shall develop the strategies and goals for reductions in greenhouse gas emissions with regular reviews on the effectiveness of the reduction.	
(Newly Added)	<u>Article 21-1</u> <u>The Company will treat clients and customers who use products or services provided by the Company in an equitable and rational manner, including principles such as conclusion of contract with fairness and fidelity, duty of care and loyalty, veracity of solicitation, fitness of goods or services, notification and disclosure, compensation shall be proportioned to performance, indemnification for complaint, professional staff is required, etc., in addition to make strategies of implementation and specific related measures.</u>	Matching revision of “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies” and adjusting wordings accordingly.
Article 22 The Company shall take responsibility for the products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Company shall ensure the transparency and safety of the product and service information. The Company further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, and safety of consumers.	Article 22 The Company shall take responsibility for the products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Company shall ensure the transparency and safety of the product and service information. The Company further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, and safety of consumers.	The changes in the Chinese text are for minor syntax changes only, removing conjunctions from various part of the paragraph. As a result, no material changes in meanings for the new text.

Original Article	Amended Article	Explanation
<p>Article 24</p> <p>The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society. The Company is advised to provide a clear and effective procedure for accepting consumer complaints on the products and services so as to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy, and shall protect personal data provided by consumers.</p>	<p>Article 24</p> <p>The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society. The Company is advised to provide a clear and effective procedure for accepting consumer complaints on the products and services so as to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy, and shall protect personal data provided by consumers.</p>	<p>The changes in the Chinese text are for minor syntax changes only, removing conjunctions from various part of the paragraph. As a result, no material changes in meanings for the new text.</p>
<p>Article 25</p> <p>The Company is advised to assess the impact of the procurement act has on the society and the environment of the community of the supply source, and shall cooperate with the suppliers to jointly implement the corporate social responsibility initiative. Prior to engaging in commercial dealings, the Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy. When the Company enters into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.</p>	<p>Article 25</p> <p>The Company is advised to assess the impact of the procurement act has on the society and the environment of the community of the supply source, and shall cooperate with the suppliers to jointly implement the corporate social responsibility initiative. Prior to engaging in commercial dealings, the Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy. When the Company enters into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.</p>	<p>The changes in the Chinese text are for minor syntax changes only, removing conjunctions from various part of the paragraph. As a result, no material changes in meanings for the new text.</p>
<p>Article 26</p> <p>The Company shall evaluate the impact of their business operations on the</p>	<p>Article 26</p> <p>The Company shall evaluate the impact of their business operations on the</p>	<p>Matching revision of “Corporate</p>

Original Article	Amended Article	Explanation
community, and adequately employ personnel from the location of the business operations, to enhance community acceptance. The Company participates in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development, through commercial activities, non-cash property endowment, volunteering service or other charitable professional service.	community, and adequately employ personnel from the location of the business operations, to enhance community acceptance. The Company <u>is contributing, through equity transactions,</u> commercial activities, non-cash property endowment, volunteering service or other charitable professional service, <u>to organizations who wish to settle those social or environmental issues,</u> or participates in events held by , charities and local government agencies relating to community development in order to education and promote community development.	Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”.
Article 29 The Principles shall be implemented upon adoption by the Board of the Directors. The same procedures apply to revision.	Article 29 The Principles shall be implemented upon adoption by the Board of the Directors, <u>and shall be reported at the shareholders' meeting.</u> The same procedures apply to revision.	According to “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”, the revision of the Articles must be approved by the board of directors and submit to shareholder meeting for reporting.
(Newly Added)	Article 30 Corporate Social Responsibility Best Practice Principles were agreed to and signed on January 27, 2016. The first amendment was made on October 27, 2016. <u>An amendment was made for a second time on May 17, 2017.</u>	To include the date of amendment

## Attachment IV

### momo.com Inc.

#### Comparison Table of Amended Articles of Regulations and Procedures of Shareholders' Meeting

Original Article	Amended Article	Explanation
<p>Article 13. (omitted)</p> <p>Unless otherwise specified in the Company Act or the Company's incorporation articles, a resolution shall be adopted with the consent of the majority of the attending shareholders. When voting is conducted, the chairman or designated personnel shall announce the total number of voting rights of the attending shareholders for each proposal before voting begins. The Company shall upload the shareholders' approvals, disapprovals, and waivers to the MOPS on the same day after the shareholders' meeting.</p> <p>If amendments or alternative proposals are submitted for the same proposal, the chairman shall decide the voting sequence on the amendments and/or alternative proposals along with the original proposal. Once one of them is passed, the others shall be considered vetoed and no further voting is needed. The Chairman shall appoint scrutineers and vote counters for votes on proposals. Scrutineers shall be appointed from shareholders.</p> <p>Vote-count during a shareholders meeting shall be conducted publicly at the meeting venue. The results, including the numbers of votes, shall be announced immediately after counting and filed to records.</p>	<p>Article 13 (omitted)</p> <p>Unless otherwise specified in the Company Act or the Company's incorporation articles, a resolution shall be adopted with the consent of the majority of the attending shareholders. When voting is conducted, the chairman or designated personnel shall announce the total number of voting rights of the attending shareholders before voting for each proposal begins. The Company shall upload the shareholders' approvals, disapprovals, and waivers to the MOPS on the same day after the shareholders' meeting.</p> <p>If amendments or alternative proposals are submitted for the same proposal, the chairman shall decide the voting sequence on the amendments and/or alternative proposals along with the original proposal. Once one of them is passed, the others shall be considered vetoed and no further voting is needed. The Chairman shall appoint scrutineers and vote counters for votes on proposals. Scrutineers shall be appointed from shareholders.</p> <p>Vote-count during a shareholders meeting shall be conducted publicly at the meeting venue. The results, including the numbers of votes, shall be announced immediately after counting and filed to records.</p>	<p>To Enhance the efficiency of the Shareholders' Meeting after the adoption of the electronic transmission mechanism, the Company is proposing to amend Article 13.</p>

Original Article	Amended Article	Explanation
(Newly Added)	<p>Article 20</p> <p>Regulations and Procedures of Shareholders' Meeting <u>were agreed to and signed on May 17, 2007.</u></p> <p><u>The first amendment was made on November 19, 2013.</u></p> <p><u>An amendment was made for a second time on May 17, 2017.</u></p>	To include the date of amendment.

# Attachment V

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
momo.com Inc.

### Opinion

We have audited the consolidated financial statements of momo.com Inc. and its subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2016 and 2015, and the consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2016 and 2015, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China (ROC).

### Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants (CPA) and auditing standards generally accepted in the ROC. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the CPA Ethical Standards, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2016. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's consolidated financial statements for the year ended December 31, 2016 are stated as follows:

#### Risk of revenue recognition

The Group's primary source of revenue is generated from virtual channels, including TV shopping channels, E-commerce portals and catalogues. Due to the nature of the Group's core sales, the Group offers a wide range of products and services to different customers; the trading quantity is rather high while each transaction is individually low in value and is highly automated through the website and related system. As a result of the Group's business model being highly relying on IT infrastructure and



the fact that the Group process, store and transmit large amounts of data through digital and web-based environment, the risk derived from revenue recognition depends on whether the sales amount can be transferred in the IT system appropriately thus ensuring correct timing of revenue recognition. We obtained an understanding and tested the major automatic and manual controls of the related IT system with the assistance of our IT specialists to perform test of details as an audit procedure of sales revenue for the year ended December 31, 2016. The major audit procedures as follows:

1. Verify the details of invoices in the system to check if the sales amount of each invoice is consistent with its shipping notice and sales order.
2. Confirm the completeness and consistency of transmission through IT system by testing the information transferred from front-end system to general ledger system, and further perform tests on whether the Daily Sales Report in the system is consistent with journal entries of revenue each day.

#### Impairment of property, plant and equipment estimates

Driven by continued growth in both revenue and operation, the Group's capital expenditures have increased as well. The carrying value of property, plant and equipment was \$2,921,160 thousand, accounted for 29% of the consolidated assets as of December 31, 2016. At the end of each reporting period, management will assess whether there is any indication that the property, plant and equipment may be impaired in accordance with IAS 36 - Impairment of Assets; if there is an indication that an asset may be impaired, then the asset's recoverable amount should be calculated. The Group evaluates the recoverable amount of the aforementioned asset of its cash-generating unit, since the evaluation requires a number of assumptions and estimates, which will directly affect the recognition of impairment losses; the impairment assessment, in our professional judgement, is one of the key audit matters for the Company's consolidated financial statements for the year ended December 31, 2016. We carried out procedures to understand and walkthrough the design and implement of the Group's internal process for impairment assessment. Additionally, we performed the audit procedures as follows:

1. Obtain the Group's valuation report of impairment indicators regarding each cash generating unit.
2. Evaluate and Consult with our specialists the appropriateness of management's judgments regarding identification of impairment, as well as the assumptions and the Group's sensitivity analyses, including the allocation of cash generating units, the future cash flows and the applied discount rates, which are used to determine the recoverable amount of property, plant and equipment.

#### **Other Matter**

We have also audited the parent company only financial statements of momo.com Inc. as of and for the years ended December 31, 2016 and 2015 on which we have issued an unmodified report.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC of the ROC, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Those charged with governance (including audit committee) are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the ROC will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the ROC, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

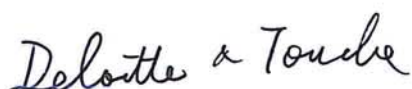
1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with statements that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2016 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Li-Wen Kuo and Wen-Chin Lin.



Deloitte & Touche  
Taipei, Taiwan  
Republic of China

January 24, 2017

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the ROC and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the ROC.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*



**momo.com Inc. AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2016 AND 2015  
(In Thousands of New Taiwan Dollars)**

ASSETS	2016		2015	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 6 and 29)	\$ 2,745,359	27	\$ 3,128,081	33
Available-for-sale financial assets - current (Notes 7 and 29)	1,011,259	10	812,737	9
Accounts receivable, net (Note 9)	44,969	1	29,611	-
Accounts receivable from related parties (Note 29)	4,947	-	15,830	-
Other receivables, net (Note 9)	494,611	5	411,248	4
Other receivables from related parties (Note 29)	165,402	2	132,155	2
Current tax assets	3,483	-	3,921	-
Inventories (Note 10)	312,270	3	124,639	1
Prepayments	26,705	-	32,076	-
Other financial assets - current (Notes 11, 29 and 30)	890,123	9	1,232,202	13
Other current assets	15,945	-	18,274	-
Total current assets	5,715,073	57	5,940,774	62
<b>NON-CURRENT ASSETS</b>				
Financial assets at cost - non-current (Note 8)	60,000	1	60,000	1
Investments accounted for using equity method (Notes 5 and 13)	1,286,727	12	1,290,779	13
Property, plant and equipment (Notes 5, 14 and 29)	2,921,160	29	2,190,151	23
Intangible assets	24,239	-	19,837	-
Deferred tax assets (Note 24)	17,243	-	20,973	-
Refundable deposits (Note 29)	52,708	1	50,186	1
Other financial assets - non-current (Notes 11 and 30)	34,150	-	34,750	-
Total non-current assets	4,396,227	43	3,666,676	38
<b>TOTAL</b>	<u>\$ 10,111,300</u>	<u>100</u>	<u>\$ 9,607,450</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 15, 29 and 31)	\$ 63,005	1	\$ 70,938	1
Accounts payable (Note 16)	2,818,318	27	2,476,640	26
Accounts payable to related parties (Note 29)	5,167	-	45,949	-
Other payables (Note 17)	493,943	5	394,020	4
Other payables to related parties (Note 29)	80,527	1	42,315	-
Current tax liabilities	123,111	1	101,337	1
Advance receipts	59,708	1	58,462	1
Other current liabilities (Note 18)	422,578	4	493,359	5
Total current liabilities	4,066,357	40	3,683,020	38
<b>NON-CURRENT LIABILITIES</b>				
Provisions - non-current	13,773	-	13,773	-
Deferred tax liabilities (Note 24)	4,854	-	7,430	-
Net defined benefit liabilities (Note 19)	5,307	-	5,012	-
Guarantee deposits (Note 20)	241,407	3	241,663	3
Total non-current liabilities	265,341	3	267,878	3
Total liabilities	4,331,698	43	3,950,898	41
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)</b>				
Common stock	1,420,585	14	1,420,585	15
Capital surplus	3,175,583	31	3,354,858	35
Retained earnings				
Legal reserve	461,548	5	355,652	4
Special reserve	151,358	1	-	-
Unappropriated earnings	1,181,786	12	1,058,963	11
Total retained earnings	1,794,692	18	1,414,615	15
Other equity	(212,342)	(2)	(151,358)	(2)
Treasury shares	(397,175)	(4)	(397,175)	(4)
Total equity attributable to owners of the Company	5,781,343	57	5,641,525	59
<b>NON-CONTROLLING INTERESTS (Note 21)</b>	(1,741)	-	15,027	-
Total equity	5,779,602	57	5,656,552	59
<b>TOTAL</b>	<u>\$ 10,111,300</u>	<u>100</u>	<u>\$ 9,607,450</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

# **momo.com Inc. AND SUBSIDIARIES**

## **CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<b>2016</b>		<b>2015</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
OPERATING REVENUES (Notes 22 and 29)	\$ 28,080,788	100	\$ 25,639,898	100
OPERATING COSTS (Notes 10, 23 and 29)	<u>24,769,608</u>	<u>88</u>	<u>22,536,236</u>	<u>88</u>
GROSS PROFIT FROM OPERATIONS	<u>3,311,180</u>	<u>12</u>	<u>3,103,662</u>	<u>12</u>
OPERATING EXPENSES (Notes 19, 23 and 29)				
Marketing expenses	967,513	3	1,059,398	4
Administrative expenses	<u>1,073,733</u>	<u>4</u>	<u>983,867</u>	<u>4</u>
Total operating expenses	<u>2,041,246</u>	<u>7</u>	<u>2,043,265</u>	<u>8</u>
NET OTHER INCOME AND EXPENSES	<u>484</u>	<u>-</u>	<u>(1,628)</u>	<u>-</u>
OPERATING INCOME	<u>1,270,418</u>	<u>5</u>	<u>1,058,769</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 23 and 29)	66,016	-	107,000	1
Other gains and losses, net (Notes 23 and 29)	(475)	-	2,382	-
Finance costs (Note 23)	(3,268)	-	(239)	-
Share of profit of associates accounted for using equity method (Notes 5 and 13)	<u>78,599</u>	<u>-</u>	<u>68,147</u>	<u>-</u>
Total non-operating income and expenses	<u>140,872</u>	<u>-</u>	<u>177,290</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	1,411,290	5	1,236,059	5
INCOME TAX EXPENSE (Note 24)	<u>244,662</u>	<u>1</u>	<u>242,970</u>	<u>1</u>
PROFIT	<u>1,166,628</u>	<u>4</u>	<u>993,089</u>	<u>4</u>
OTHER COMPREHENSIVE INCOME (Notes 19 and 24)				
Items that may not be reclassified to profit or loss:				
Remeasurement of defined benefit plans	(1,695)	-	(1,000)	-
Share of other comprehensive loss of associates accounted for using equity method	(472)	-	(1,274)	-
Income tax relating to items that may not be reclassified to profit or loss	288	-	170	-

(Continued)

# momo.com Inc. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2016		2015	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation	\$ (55,863)	-	\$ (11,110)	-
Unrealized loss on available-for-sale financial assets	(1,478)	-	(101,848)	(1)
Share of other comprehensive loss of associates accounted for using equity method	<u>(3,812)</u>	<u>-</u>	<u>(39,745)</u>	<u>-</u>
Other comprehensive losses, net of tax	<u>(63,032)</u>	<u>-</u>	<u>(154,807)</u>	<u>(1)</u>
COMPREHENSIVE INCOME	<u>\$ 1,103,596</u>	<u>4</u>	<u>\$ 838,282</u>	<u>3</u>
PROFIT ATTRIBUTABLE TO:				
Owners of the Parent	\$ 1,183,227	4	\$ 1,060,781	4
Non-controlling interests	<u>(16,599)</u>	<u>-</u>	<u>(67,692)</u>	<u>-</u>
	<u>\$ 1,166,628</u>	<u>4</u>	<u>\$ 993,089</u>	<u>4</u>
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Parent	\$ 1,120,364	4	\$ 907,126	3
Non-controlling interests	<u>(16,768)</u>	<u>-</u>	<u>(68,844)</u>	<u>-</u>
	<u>\$ 1,103,596</u>	<u>4</u>	<u>\$ 838,282</u>	<u>3</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 8.45</u>		<u>\$ 7.48</u>	
Diluted	<u>\$ 8.45</u>		<u>\$ 7.48</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

**momo.com Inc. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015  
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company										Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings			Exchange Differences on Translation	Other Equity		Treasury Shares	Total		
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain (Loss) on Available-for- sale Financial Assets					
BALANCE AT JANUARY 1, 2015	\$ 1,420,585	\$ 3,329,617	\$ 370,788	\$ 20,017	\$ 1,169,790	\$ 35,019	\$ (34,826)	\$ -	\$ 6,310,990	\$ 83,871	\$ 6,394,861	
Distribution of 2014 earnings												
Legal reserve	-	-	116,979	-	(116,979)	-	-	-	-	-	-	
Cash dividends	-	-	(132,115)	-	(1,072,542)	-	-	-	(1,204,657)	-	(1,204,657)	
Reversal of special reserve	-	-	-	(20,017)	20,017	-	-	-	-	-	-	
Other changes in capital surplus												
Change in capital surplus from investments in associates accounted for by using equity method	-	25,241	-	-	-	-	-	-	25,241	-	25,241	
Profit for the year ended December 31, 2015	-	-	-	-	1,060,781	-	-	-	1,060,781	(67,692)	993,089	
Other comprehensive losses for the year ended December 31, 2015	-	-	-	-	(2,104)	(17,078)	(134,473)	-	(153,655)	(1,152)	(154,807)	
Total comprehensive income (loss) for the year ended December 31, 2015	-	-	-	-	1,058,677	(17,078)	(134,473)	-	907,126	(68,844)	838,282	
Buy-back of ordinary shares	-	-	-	-	-	-	-	(397,175)	(397,175)	-	(397,175)	
BALANCE AT DECEMBER 31, 2015	1,420,585	3,354,858	355,652	-	1,058,963	17,941	(169,299)	(397,175)	5,641,525	15,027	5,656,552	
Distribution of 2015 earnings												
Legal reserve	-	-	105,896	-	(105,896)	-	-	-	-	-	-	
Special reserve	-	-	-	151,358	(151,358)	-	-	-	-	-	-	
Cash dividends	-	-	-	-	(801,135)	-	-	-	(801,135)	-	(801,135)	
Other changes in capital surplus												
Change in capital surplus from investments in associates accounted for by using equity method	-	-	-	-	(136)	-	-	-	(136)	-	(136)	
Issue of cash dividends from capital surplus	-	(179,275)	-	-	-	-	-	-	(179,275)	-	(179,275)	
Profit for the year ended December 31, 2016	-	-	-	-	1,183,227	-	-	-	1,183,227	(16,599)	1,166,628	
Other comprehensive losses for the year ended December 31, 2016	-	-	-	-	(1,879)	(55,867)	(5,117)	-	(62,863)	(169)	(63,032)	
Total comprehensive income (loss) for the year ended December 31, 2016	-	-	-	-	1,181,348	(55,867)	(5,117)	-	1,120,364	(16,768)	1,103,596	
BALANCE AT DECEMBER 31, 2016	\$ 1,420,585	\$ 3,175,583	\$ 461,548	\$ 151,358	\$ 1,181,786	\$ (37,926)	\$ (174,416)	\$ (397,175)	\$ 5,781,343	\$ (1,741)	\$ 5,779,602	

The accompanying notes are an integral part of the consolidated financial statements.

# **momo.com Inc. AND SUBSIDIARIES**

## **CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015 (In Thousands of New Taiwan Dollars)**

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 1,411,290	\$ 1,236,059
Adjustments:		
Depreciation expenses	87,588	115,051
Amortization expenses	12,705	16,943
Provision for bad debt expense	2,594	3,689
Net gain on financial assets at fair value through profit or loss	-	(1,533)
Finance costs	3,268	239
Interest income	(61,428)	(83,675)
Share of profit of associates accounted for using equity method	(78,599)	(68,147)
Loss on disposal of property, plant and equipment, net	545	18,925
Gain on disposal of investments	-	(12,437)
Loss (gain) on foreign currency exchange, net	554	(4,094)
Others	(590)	(690)
Changes in operating assets and liabilities		
Financial assets held for trading	-	1,478
Accounts receivable	(17,161)	20,008
Accounts receivable from related parties	10,883	(12,497)
Other receivables	(84,171)	(89,974)
Other receivables from related parties	(33,303)	26,403
Inventories	(187,631)	(19,570)
Prepayments	5,371	6,552
Other current assets	2,329	(2,671)
Accounts payable	341,678	168,846
Accounts payable to related parties	(40,782)	(16,030)
Other payables	84,167	(9,191)
Other payables to related parties	38,309	(1,743)
Advance receipts	1,246	(2,500)
Other current liabilities	(70,781)	175,368
Net defined benefit liabilities	(1,400)	(1,495)
Cash generated from operations	1,426,681	1,463,314
Interest received	476	423
Income tax paid	(221,008)	(333,562)
Net cash generated by operating activities	<u>1,206,149</u>	<u>1,130,175</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of available-for-sale financial assets	(200,000)	-
Proceeds on sale of available-for-sale financial assets	-	1,192,504
Acquisition of convertible notes	-	(79,980)
Acquisition of associates accounted for using equity method	-	(670,448)
Acquisition of property, plant and equipment	(836,115)	(57,036)
Proceeds from disposal of property, plant and equipment	475	997
Increase in refundable deposits	(16,298)	(12,295)
Decrease in refundable deposits	12,706	26,533
Acquisition of intangible assets	(11,520)	(8,546)
Increase in other financial assets	(1,306,524)	(1,199,201)

(Continued)

**momo.com Inc. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015  
(In Thousands of New Taiwan Dollars)**

	2016	2015
Decrease in other financial assets	\$ 1,648,650	\$ 2,259,551
Interest received	61,111	81,818
Dividend received	<u>45,652</u>	<u>31,407</u>
Net cash (used in) generated by investing activities	<u>(601,863)</u>	<u>1,565,304</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	187,921	70,938
Repayments of short-term borrowings	(190,921)	-
Proceeds from guarantee deposits received	38,545	37,792
Refund of guarantee deposits received	(38,800)	(30,733)
Increase in lease payables	1	25
Decrease in lease payables	(120)	(1,413)
Cash dividends	(980,410)	(1,204,657)
Payments for buy-back of ordinary shares	-	(397,175)
Interest paid	<u>(3,410)</u>	<u>(67)</u>
Net cash used in financing activities	<u>(987,194)</u>	<u>(1,525,290)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>186</u>	<u>(318)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(382,722)</u>	<u>1,169,871</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>3,128,081</u>	<u>1,958,210</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 2,745,359</u>	<u>\$ 3,128,081</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)



## Attachment VI

### **momo.com Inc. Proposal for 2016 Earnings Distribution**

Unit: NT\$

<b>Items</b>	<b>Amount</b>
<b>Unappropriated retained earnings as of December,2015</b>	\$ 573,940
Less: Remeasurement of defined benefit obligation	1,878,737
Less: Adjustment arising from investments based on equity method	136,340
Plus: Net income of 2016	1,183,226,943
Less: Legal Reserve appropriation (10% )	118,178,581
Less: Special reserve appropriation	<u>60,984,146</u>
<b>Retained Earnings Available for Distribution as of December 31, 2016</b>	1,002,623,079
Distribution Items :	
Cash dividends to Common Share Holders : (NT\$7.1586 per share )	<u>\$ 1,002,622,778</u>
<b>Unappropriated retained earnings balance</b>	<u><u>\$ 301</u></u>

## Attachment VII

**momo.com Inc.**

### Comparison Table of Amended Articles of Incorporation

Original Article	Amended Article	Explanation
<p>Article 2</p> <p>The scope of business of the Company is as follows:</p> <ol style="list-style-type: none"> <li>1. J503020 Television Production</li> <li>2. J503010 Broadcasting Production</li> <li>3. J503030 Broadcasting and Television Program Distribution</li> <li>4. J503040 Broadcasting and Television Commercial</li> <li>5. J503050 Video Program Distribution</li> <li>6. F108031 Wholesale of Drugs, Medical Goods</li> <li>7. F208031 Retail sale of Medical Equipments</li> <li>8. F208021 Retail Sale of Drugs and Medicines</li> <li>9. F208011 Retail Sale of Chinese Medicine</li> <li>10. F108021 Wholesale of Drugs and Medicines</li> <li>11. F108011 Wholesale of Chinese Medicines</li> <li>12. F401161 Tobacco Products Import</li> <li>13. F401171 Alcohol Drink Import</li> <li>14. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</li> </ol>	<p>Article 2</p> <p>The scope of business of the Company is as follows:</p> <ol style="list-style-type: none"> <li>1. J503020 Television Production</li> <li>2. J503010 Broadcasting Production</li> <li>3. J503030 Broadcasting and Television Program Distribution</li> <li>4. J503040 Broadcasting and Television Commercial</li> <li>5. J503050 Video Program Distribution</li> <li>6. F108031 Wholesale of Drugs, Medical Goods</li> <li>7. F208031 Retail sale of Medical Equipments</li> <li>8. F208021 Retail Sale of Drugs and Medicines</li> <li>9. F208011 Retail Sale of Chinese Medicine</li> <li>10. F108021 Wholesale of Drugs and Medicines</li> <li>11. F108011 Wholesale of Chinese Medicines</li> <li>12. F401161 Tobacco Products Import</li> <li>13. F401171 Alcohol Drink Import</li> <li>14. <u>J506021 Satellite Broadcasting Television Program Supplier</u></li> <li>15. <u>F203020 Retail Sale of Tobacco and Alcoholic Beverages</u></li> <li>16. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</li> </ol>	<p>Adding business activities of the Company for 「 J506021 Satellite Broadcasting Television Program Supplier 」 and 「 F203020 Retail Sale of Tobacco and Alcoholic Beverages 」</p>
(Newly Added)	<p>Article 15-1</p> <p><u>The voting power at a shareholders' meeting of the Company may be exercised in writing or by way of electronic transmission.</u></p>	Implementation of E-Voting

Original Article	Amended Article	Explanation
<p>Article 19</p> <p>The Company shall have nine to eleven directors on the board of directors, with a term of office of three years. Directors shall be elected by the shareholders during the shareholders' meeting and Directors may be re-elected. In case no election of new directors is affected after the expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until a time when new directors are elected and assumed their roles as directors. However, the competent authority may, ex officio, order the Company to elect new directors within a given time limit; and if no re-election is effected after the expiry of the given time limit, the out-going directors shall be discharged ipso facto from such expiration date. Once the Company's shares are issued to the public, to fulfill Company governance, the board of directors of the Company shall establish no less than three in number and not less than one-fifth of the total number of independent directors, in accordance with Article 14-2 of the Securities and Exchange Act. A nomination system shall be used to elect independent directors, where candidates from a list of independent directors are chosen in the shareholders' meeting. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination and election, and other matters for compliance with respect to independent directors shall be prescribed by the competent securities and exchange authority.</p>	<p>Article 19</p> <p>The Company shall have nine to eleven directors on the board of directors, with a term of office of three years. Directors shall be elected by the shareholders during the shareholders' meeting and Directors may be re-elected. In case no election of new directors is affected after the expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until a time when new directors are elected and assumed their roles as directors. However, the competent authority may, ex officio, order the Company to elect new directors within a given time limit; and if no re-election is effected after the expiry of the given time limit, the out-going directors shall be discharged ipso facto from such expiration date. Once the Company's shares are issued to the public, to fulfill Company governance, the board of directors of the Company shall establish no less than three in number and not less than one-fifth of the total number of independent directors, in accordance with Article 14-2 of the Securities and Exchange Act. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination and election, and other matters for compliance with respect to independent directors shall be prescribed by the competent securities and exchange authority.</p> <p>During director elections, <u>a nomination system shall be used to elect directors, where candidates from a list of directors are chosen in the shareholders' meeting,</u> independent and dependent directors are</p>	<p>Election of directors shall adopt a nomination system as well as adjusting the order of the text and content of the article.</p>

Original Article	Amended Article	Explanation
<p>During director elections, independent and dependent directors are elected concurrently, but count towards separate quorums. A candidate to whom the ballots cast represents a prevailing number of votes shall be deemed a(n) dependent/independent director-elect. The total registered shares to be held by the Company's board of directors shall be no less than the percentage of total outstanding shares specified by the competent authority.</p> <p>The Company shall purchase liability insurance for its directors.</p>	<p>elected concurrently, but count towards separate quorums. A candidate to whom the ballots cast represents a prevailing number of votes shall be deemed a(n) dependent/independent director-elect. The Company shall purchase liability insurance for its directors.</p>	
<p>Article 26</p> <p>All directors of the board who are engaged in the Company's business shall be paid travel costs and remuneration. The allocation of remuneration shall be decided upon at the meeting of the board of directors based on industry standards. When the Company generates a profit, remuneration shall be allocated to the board of directors in accordance with Article 31 of the present Articles of Incorporation.</p> <p>Once the Company's shares are issued to the public, reasonable remuneration may be allocated to independent directors separately from the amount allocated to non-independent directors.</p> <p>Shareholders or directors assuming the roles of managers or employees at the Company shall be deemed a member of the general staff and paid a manager or employee salary based on their duties. The salary amount shall be stipulated as per contract or in accordance with relevant laws and regulations.</p>	<p>Article 26</p> <p>All directors of the board who are engaged in the Company's business shall be paid travel costs and remuneration. The allocation of remuneration shall be decided upon at the meeting of the board of directors based on industry standards. When the Company generates <u>profit</u>, remuneration shall be allocated to the board of directors in accordance with Article 31 of the Articles of Incorporation.</p> <p>Once the Company's shares are issued to the public, reasonable remuneration may be allocated to independent directors separately from the amount allocated to non-independent directors.</p> <p>Shareholders or directors assuming the roles of managers or employees at the Company shall be deemed a member of the general staff and paid a manager or employee salary based on their duties. The salary amount shall be stipulated as per contract or in accordance with relevant laws and regulations.</p>	<p>Adjusting wordings accordingly.</p>

Original Article	Amended Article	Explanation
<p>Article 37</p> <p>These Articles of Incorporation were approved by all members of the founders meeting on 19 August, 2004.</p> <p>First amendment on 10 March, 2005</p> <p>Second amendment on 30 June, 2006</p> <p>Third amendment on 17 May, 2007</p> <p>Fourth amendment on 5 October, 2007</p> <p>Fifth amendment on 30 January, 2008</p> <p>Sixth amendment on 17 January, 2009</p> <p>Seventh amendment on 19 August, 2010</p> <p>Eighth amendment on 5 June, 2012</p> <p>Ninth amendment on 19 November, 2013</p> <p>Tenth amendment on 14 February, 2014</p> <p>Eleventh amendment on 14 May, 2014</p> <p>Twelfth amendment on 6 May, 2015</p> <p>Thirteenth amendment on 20 April, 2016</p>	<p>Article 37</p> <p>These Articles of Incorporation were approved by all members of the founders meeting on 19 August, 2004.</p> <p>First amendment on 10 March, 2005</p> <p>Second amendment on 30 June, 2006</p> <p>Third amendment on 17 May, 2007</p> <p>Fourth amendment on 5 October, 2007</p> <p>Fifth amendment on 30 January, 2008</p> <p>Sixth amendment on 17 January, 2009</p> <p>Seventh amendment on 19 August, 2010</p> <p>Eighth amendment on 5 June, 2012</p> <p>Ninth amendment on 19 November, 2013</p> <p>Tenth amendment on 14 February, 2014</p> <p>Eleventh amendment on 14 May, 2014</p> <p>Twelfth amendment on 6 May, 2015</p> <p>Thirteenth amendment on 20 April, 2016</p> <p><u>Fourteenth amendment on 17 May, 2017</u></p>	<p>To include the dates of various amendment</p>

## Attachment VIII

momo.com Inc.

### Comparison Table of Amended Articles of Procedures for Elections of Directors and Supervisors

Original Article	Amended Article	Explanation
<p>Article 6</p> <p>Elections of <del>independent</del> directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. But when the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies. When the number of independent directors falls below that required under the proviso of Article 14-2, <del>Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the "Standards for Determining Unsuitability for TPEX Listing under Article 10, Paragraph 1 of the Taipei Exchange Rules Governing the Review of Securities for Trading on the TPEX" by Taipei Exchange</del>, a by-election shall be held at the next shareholders meeting to fill the vacancy. When all independent directors are dismissed, a special shareholder meeting</p>	<p>Article 6</p> <p>Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. But when the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies. When the number of independent directors falls below that required under the proviso of Article 14-2, a by-election shall be held at the next shareholders meeting to fill the vacancy. When all independent directors are dismissed, a special shareholder meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies. When the supervisors are dismissed for any reason which leads to the number of supervisors falling below the provisions prescribed in the Company's article of incorporation, the Company shall hold a</p>	<p>In response to adopt the nomination system for all director candidates, the Company is proposing to amend Article 6 of the Procedures for Elections of Directors and Supervisors.</p>

Original Article	Amended Article	Explanation
<p>shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> <p>When the supervisors are dismissed for any reason which leads to the number of supervisors falling below the provisions prescribed in the Company's article of incorporation, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. Nonetheless when all supervisors are dismissed, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>	<p>by-election to fill the vacancy at its next shareholders meeting. Nonetheless when all supervisors are dismissed, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>	
(Newly Added)	<p>Article 16</p> <p>Procedures for Elections of Directors and Supervisors were agreed to and signed on May 17, 2007.</p> <p>The first amendment was made on November 19, 2013.</p> <p><u>An amendment was made for a second time on May 17, 2017.</u></p>	<p>To include the dates of various amendment.</p>

## Attachment IX

### momo.com Inc.

#### Comparison Table of Amended Articles of Regulations Governing the Acquisition and Disposal of Assets

Original Article	Amended Article	Explanation
<p>Article 9</p> <p>When acquiring or disposing real estate or equipment where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$ 300 million or more, the company shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser, unless the counter party of the transaction is a government agency or the company is engaging with others to build property on its own or leased land, or acquiring or disposing of equipment for business use. The company shall further comply with the following provisions:</p>	<p>Article 9</p> <p>When acquiring or disposing real estate or equipment where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$ 300 million or more, the company shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser, unless the counter party of the transaction is a government <u>agency</u> or the company is engaging with others to build property on its own or leased land, or acquiring or disposing of equipment for business use. The company shall further comply with the following provisions:</p>	<p>Aligns revision of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and adjusting wordings accordingly.</p>
<p>Article 11</p> <p>Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$ 300 million or more, except in transactions with a government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	<p>Article 11</p> <p>Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$ 300 million or more, except in transactions with a government <u>agency</u>, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	<p>Aligns revision of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and adjusting wordings accordingly.</p>
<p>Article 14</p> <p>When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party</p>	<p>Article 14</p> <p>When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party</p>	<p>Aligns revision of “Regulations Governing the Acquisition and Disposal of Assets by Public</p>



Original Article	Amended Article	Explanation
<p>and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the Company shall acquire the consent from the majority of all Audit Committee Members and may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors for resolutions, and subject to mutatis mutandis application of Article 6, paragraphs 2, 3 and 4:</p>	<p>and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or <u>redemption</u> of domestic money market funds <u>issued by the securities investment trust enterprises</u>, the Company shall acquire the consent from the majority of all Audit Committee Members and may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors for resolutions, and subject to mutatis mutandis application of Article 6, paragraphs 2, 3 and 4:</p>	<p>Companies” and adjusting wordings accordingly.</p>
<p>Article 22 The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to provide an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.</p>	<p>Article 22 The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to provide an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. <u>However, in the merger by the Company and its subsidiary of which the total number of the issued voting shares or the total amount of the capital stock directly or indirectly held by the Company, or by and between the subsidiaries of which the total number of the issued voting shares or the total amount of the capital stock directly or indirectly held, the company may be exempted from seeking opinions from an independent expert.</u></p>	<p>In view of such merger prescribed by the Business Mergers and Acquisitions Act, conducted between the Company and a 100% held subsidiary of the Company, or between such subsidiaries, the loosening of the restrictions for such merger so that it is not required to seek opinions from an independent expert on the justification of</p>

Original Article	Amended Article	Explanation
		the share exchange ratio.
<p>Article 30</p> <p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>1. Acquisition or disposal of real estate from or to a related party, or acquisition or disposal of assets other than real estate from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$ 300 million or more; provided, this shall not apply to the trading of government bonds or bonds under repurchase and resale agreements, subscription, or redemption of domestic money market funds.</p> <p>2. Merger, demerger, acquisition or transfer of shares.</p> <p>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>4. Where an asset transaction other than any of those referred to in the preceding <del>three</del> subparagraphs, a disposal of receivables by a financial institution or an investment in the mainland China area reaches 20 percent or more of paid-in capital or</p>	<p>Article 30</p> <p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>1. Acquisition or disposal of real estate from or to a related party, or acquisition or disposal of assets other than real estate from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$ 300 million or more; provided, this shall not apply to the trading of government bonds or bonds under repurchase and resale agreements, subscription, or <u>redemption of domestic money market funds issued by the securities investment trust enterprises.</u></p> <p>2. Merger, demerger, acquisition or transfer of shares.</p> <p>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>4. <u>Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount reaches any of the following:</u>  <u>(1) A public company's paid-in capital</u></p>	<p>Matching revision of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and adjusting wordings accordingly.</p>

Original Article	Amended Article	Explanation
<p>NT\$ 300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of government bonds.</p> <p>(2) Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, or subscription of securities by a securities firm, either in the primary market or in accordance with relevant regulations.</p> <p>(3) Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds.</p> <p><del>(4) Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$ 500 million.</del></p> <p><del>(5) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction is less than NT\$ 500 million.</del></p> <p>The amount of preceding transactions above shall be calculated as follows:</p> <p>1. The amount of any individual transaction.</p> <p>2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same</p>	<p><u>is less than NT\$10 bn, provided, its transaction amount reaches NT\$500 million.</u></p> <p><u>(2) A public company's paid-in capital is less than NT\$10 bn, provided, its transaction amount reaches NT\$1 bn.</u></p> <p><u>5. Acquisition or disposal by a public company in the construction business of real property for construction use, where the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</u></p> <p><u>6. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is less than NT\$500 million.</u></p> <p><u>7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$ 300 million; provided, this shall not apply to the following circumstances:</u></p> <p><u>(1) Trading of government bonds.</u></p> <p><u>(2) Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, or subscription of securities by a</u></p>	

Original Article	Amended Article	Explanation
<p>trading counterparty within the preceding year.</p> <p>3. The cumulative transaction amount of real estate acquisitions and disposals (cumulative acquisitions and disposals respectively) within the same development project within the preceding year.</p> <p>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Regulations need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety.</p> <p>The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company</p>	<p>securities firm, <u>either offering and issuing of ordinary corporate bonds and financial bonds without the rights to the underlying shares in the primary market, or a securities firm, as required for underwriting activities, acting as a securities firm guided and recommended in accordance with regulations prescribed by the Taipei Exchange TPEX.</u></p> <p>(3) Trading of bonds under repurchase/resale agreements, or subscription or <u>redemption</u> of domestic money market funds, and such funds are issued <u>by the domestic securities investment trust.</u></p> <p>The amount of preceding transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> <li>1. The amount of any individual transaction.</li> <li>2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</li> <li>3. The cumulative transaction amount of real estate acquisitions and disposals (cumulative acquisitions and disposals respectively) within the same development project within the preceding year.</li> <li>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</li> </ol> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of</p>	

Original Article	Amended Article	Explanation
<p>headquarters, where they shall be retained for 5 years except where another act provides otherwise.</p>	<p>the current transaction. Items duly announced in accordance with the Regulations need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be, <u>within two days after actually knowing such error or omission</u>, again publicly announced and reported in their entirety.</p> <p>The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.</p>	

## Appendix

### Shareholdings of the Directors

March 19, 2017

Title	Name	Shareholding on final day for stock transfer	Percentage of total issued share capital (%) (Note 3)
Chairperson	Wealth Media Technology Co., Ltd. Representative: Howard Lin	63,047,205	44.38%
Director	Wealth Media Technology Co., Ltd. Representative: James Cheng	63,047,205	44.38%
Director	Wealth Media Technology Co., Ltd. Representative: C. F. Lin	63,047,205	44.38%
Director	Wealth Media Technology Co., Ltd. Representative: Su-Yuan Gao	63,047,205	44.38%
Director	Tong-An Investment Co., Ltd. Representative: Theodore Huang	15,470,000	10.89%
Director	WOORI HOME SHOPPING Representative: Kim, In Ho	14,014,000	9.86%
Independent Director	Si-Kuan Chen	0	0%
Independent Director	Yi-Hong Hsieh	0	0%
Independent Director	Hong-Shou Chen	0	0%
Directors' Total Shareholding: 92,531,205 shares, which accounts for 65.14% of the total issued share capital.			

- Notes: 1. According to Article 26 of the Securities and Exchange Act, the sum of registered shares owned by this company's entire board of directors cannot be less than 6% of the company's total number of shares issued (8,523,510 shares).
2. As an audit committee is set up in the company, there is no application of statutory shares held by supervisors.
3. As a percentage of total issued share capital = shares held ÷ total number of shares issued of 142,058,500 (including treasury shares of 2,000,000 shares)

**This shareholders meeting is proposed to discuss the effects of stock dividends on the company's operating performance, earning per share, and equity IRR (internal rate of return).**

This is not applicable as the company plans to distribute cash dividend in full.

**momo.com Inc.**  
**Articles of Incorporation**  
**(prior to the proposed revision)**

**CHAPTER 1. GENERAL PROVISIONS**

- Article 1. Fubon Multimedia Technology. Co., Ltd, trading under “momo.com Inc.” (hereinafter referred to as “the Company”), is incorporated in accordance with the Company Act.
- Article 2. The scope of business of the Company is as follows:
- A. J503020 Television Production
  - B. J503010 Broadcast Production
  - C. J503030 Broadcasting and Television Program Distribution
  - D. J503040 Broadcasting and Television Commercial
  - E. J503050 Video Program Distribution
  - F. F108031 Wholesale of Medical Equipment
  - G. F208031 Retail Sale of Medical Equipment
  - H. F208021 Retail Sale of Drugs and Medicine
  - I. F208011 Retail Sale of Chinese Medicine
  - J. F108021 Wholesale of Drugs and Medicine
  - K. F108011 Wholesale of Chinese Medicine
  - L. F401161 Tobacco Products Import
  - M. F401171 Alcohol Drink Import
  - N. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special permission.
- Article `3. The company’s headquarter is located in Taipei, Taiwan, and may establish domestic and/or overseas branch offices at appropriate locations when necessary. The establishment and closure of offices shall be decided by the board of directors.
- Article 4. Public notices of the Company are handled in accordance with Article 28 of the Company Act and other relevant laws and regulations.

**CHAPTER 2. SHARES**

- Article 5. The authorized capital of the Company is NT \$2 billion, representing 200 million common shares at a par value of NT \$10 per share. The board of directors is authorized to issue the unissued shares in installments. NT \$50 million of the aforementioned capital is reserved as 5 million shares worth of stock subscription warrants, to be issued to employees in installments pursuant to the resolution by the board of directors.
- Article 6. The Company is not restricted by Article 13 of the Company Act, which stipulates that its reinvestments shall not exceed forty percent of the amount of its own paid-up capital.
- Article 7. All shares of the Company are registered shares. Share certificates are assigned

with serial numbers and affixed with the signatures or personal seals of three or more directors of the Company, and duly certified or authenticated by the competent authority or a certifying institution appointed by the competent authority before issuance.

For the shares to be issued to the public by a company, the issuing company may be exempted from printing any physical share certificate for the shares issued.

For the shares to be issued in accordance with the provision of the preceding Paragraph, the issuing company shall appoint a custodian institution for the recordation of the issuance of such shares.

Article 8. The entries in the shareholders' list referred to in the preceding paragraph shall not be altered and all transfer of shares shall be suspended 30 days prior to the meeting date of the annual general shareholders' meeting, 15 days prior to the meeting date of the special shareholders' meeting, and five days prior to the target date fixed by the Company for distribution of dividend, bonus, or other benefits.

Once the Company's shares are issued to the public, all transfer of shares are suspended 60 days prior to the meeting date of the general shareholders' meeting, 30 days prior to the meeting date of the special shareholders' meeting, and five days prior to the date of distribution of dividend, bonus, or other benefits.

Article 9. Once the Company's shares are issued to the public, all shares are handled in accordance with the regulations stipulated in the Regulations Governing the Administration of Shareholder Services of Public Companies unless otherwise stipulated in other laws or regulations.

Article 10. Once the Company's shares are issued to the public, the exercise price for employee-exclusive stock subscription warrants that are listed as an emerging stock, or are neither listed on an exchange nor traded over-the-counter (OTC) at securities firms, may be lower than its net value per share as reported, and be verified and certified by the accountant, in the financial reports for the most recent fiscal period. After the company becomes an exchange-listed or OTC-listed company, the exercise price of stock subscription warrants for employees that are issued by the Company, may be lower than the closing price of the Company's common shares as of the issuing date. However, the issuance of the preceding stock subscription warrants to employees must obtain the consent of at least two-thirds of the voting rights represented at a shareholders' meeting attended by shareholders representing a majority of the total issued shares.

Article 11. Once the Company becomes an exchange-listed or OTC-listed company, repurchased shares may be transferred to company employees at a transfer price lower than the average repurchase price pursuant to relevant regulations and the resolution by the most recent shareholders' meeting.

### **CHAPTER 3. SHAREHOLDERS' MEETING**

Article 12. Once the Company's shares are issued to the public, a notice to convene a general /special shareholders' meeting shall be given to the shareholdersthirty/fifteen



days in advance. The notice shall indicate the meeting date, meeting place, and the reason for convening the meeting. Shareholders holding less than 1000 shares shall be notified of the shareholders' meeting by public notice. The notice may be given as a means of electronic transmission after obtaining a prior consent from the recipients thereof.

Article 13. A shareholders' meeting shall, unless otherwise provided for in the Company Act or other relevant laws and regulation, be convened by the board of directors. For a shareholders' meeting convened by the board of directors, the chairman of the board shall assume the chairman of the meeting. If the chairman of the board is absent or unable to exercise authority, the Chairman should appoint an elected representative of the Board to assume the responsibility of chairing the meeting. If no representative of the board is appointed, members of the board shall nominate a representative among themselves to chair the meeting. For a shareholders' meeting convened by any other person having convening rights, he/she shall act as the chairman of that meeting provided. However, if there are two or more persons with convening rights, the chairman of the meeting shall be elected from among themselves.

Article 14. Once the Company's shares are issued to the public, shareholders that are unable to attend shareholders' meetings shall state the scope of power authorized to the proxy on the proxy form printed by the Company, affixed with signature or seal, and appoint a proxy to attend the meeting on their behalf in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies stipulated by the competent authorities, unless otherwise stipulated in Article 177, Article 177-1, and Article 177-2 of the Company Act and Article 25-1 of the Securities and Exchange Act.

Article 15. Unless set forth in Article 179 of the Company Act stating the restriction or no voting right on the exercise of voting power, a shareholder shall have one voting power in respect of each share in his/her/its possession.

Article 16. Resolutions at a shareholders' meeting shall, unless otherwise provided for in relevant laws and regulations, be adopted by a majority vote of the shareholders or their proxies present, who represent more than one-half of the total number of voting shares.

Article 17. Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty days after the close of the meeting.

The preparation and distribution of the minutes of shareholders' meeting as required in the preceding Paragraph may be affected by means of electronic transmission. Once the Company's shares are issued to the public, the minutes of shareholders' meeting may be disclosed to the shareholders through a public notice.

Article 18. The Company may, in pursuance of the resolution adopted by its board of

directors, apply to the competent authority in charge for an approval of the public issuance of its shares. The Company may apply for an approval of ceasing its status as a public company by a resolution adopted, at a shareholders' meeting, by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares. The present Article shall remain unchanged during the Company's listing in emerging, OTC, and stock exchange markets. In the event the total number of shares represented by the shareholders present at the shareholders' meeting whose shares have been issued to the public is less than the percentage of the total shareholdings required in the preceding Paragraph, the resolution may be adopted by two-third of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the company.

#### **CHAPTER 4. BOARD OF DIRECTORS, OF THE AUDIT COMMITTEE, AND MANAGERIAL OFFICERS**

Article 19. The Company shall have nine to eleven directors on the board of directors, with a term of office of three years. Directors shall be elected by the shareholders during the shareholders' meeting and Directors may be re-elected. In case no election of new directors is affected after the expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until a time when new directors are elected and assumed their roles as directors. However, the competent authority may, ex officio, order the Company to elect new directors within a given time limit; and if no re-election is effected after the expiry of the given time limit, the out-going directors shall be discharged ipso facto from such expiration date. Once the Company's shares are issued to the public, to fulfill Company governance, the board of directors of the Company shall establish no less than three in number and not less than one-fifth of the total number of independent directors, in accordance with Article 14-2 of the Securities and Exchange Act. A nomination system shall be used to elect independent directors, where candidates from a list of independent directors are chosen in the shareholders' meeting. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination and election, and other matters for compliance with respect to independent directors shall be prescribed by the competent securities and exchange authority.

During director elections, independent and dependent directors are elected concurrently, but count towards separate quorums. A candidate to whom the ballots cast represents a prevailing number of votes shall be deemed a(n) dependent/independent director-elect.

The total registered shares to be held by the Company's board of directors shall be no less than the percentage of total outstanding shares specified by the competent authority.

The Company shall purchase liability insurance for its directors.

Article 20. In Accordance with Article 14-4 of the Securities and Exchange Act, the Company

shall establish an audit committee comprising of all independent directors. The exercise of authority of the audit committee and other compliance requirements are stipulated by the Company Act, Securities and Exchange Act, and the Company's Articles of Incorporation

Supervisors shall be disbanded on the establishment date of the audit committee.

Article 21. Member of the board of directors is selected through a registered cumulative voting method. The number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for the election of one candidate or may be split for the election of two or more candidates. A candidate to whom the ballots are cast represent a prevailing number of votes shall be deemed a director-elect.

Article 22. The board shall organize the board of directors. The powers and duties of the board of directors are as follows:

1. Draft up business plans;
2. Propose earnings distribution or loss make-up proposals;
3. Propose capital increase and reduction plans;
4. Establish key articles and organizational regulations;
5. Appoint or discharge the Company's managers;
6. Establish or withdraw the Company's branch units;
7. Propose budgets and closeure accounts; and
8. Other duties and power authorized by the Company Act and the resolution by the board meeting.

Article 23. The board of directors shall elect a chairman of the board from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The chairman is the the Company's representative.

Article 24. Unless otherwise stipulated in the Company Act, meetings of the board of directors shall be convened by the chairman of the board. Unless otherwise stipulated in the Company Act, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

Article 25. The Chairman of the board shall assume the role of the chairman at the board meetings. If the chairman of the board is absent or unable to exercise his/or authority, the Chairman shall appoint a director to assume responsibility as Chairman. If no director is appointed,, the directors shall elect from amongst themselves an acting chairman. The directors shall attend the board meeting in person. Directors who are unable to attend shall appoint another director to attend on their behalf. A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only.

Meeting of the board of directors could proceed via a visual communication network. The directors taking part in such a visual communication meeting shall

be deemed to have attended the meeting in person.

In calling a meeting of the board of directors, a notice in the form of a fax or electronic mail setting forth therein the subject(s) to be discussed at the meeting shall be given to each director and no later than seven days prior to the scheduled meeting date. However, in the case of emergency, the meeting may be convened at any time.

Article 26. All directors of the board who are engaged in the Company's business shall be paid travel costs and remuneration. The allocation of remuneration shall be decided upon at the meeting of the board of directors based on industry standards. When the Company generates a profit, remuneration shall be allocated to the board of directors in accordance with Article 31 of the present Articles of Incorporation.

Once the Company's shares are issued to the public, reasonable remuneration may be allocated to independent directors separately from the amount allocated to non-independent directors.

Shareholders or directors assuming the roles of managers or employees at the Company shall be deemed a member of the general staff and paid a manager or employee salary based on their duties. The salary amount shall be stipulated as per contract or in accordance with relevant laws and regulations.

Article 27. The Company shall appoint managers. The appointment, discharge, and remuneration of managers at the Company shall be handled in accordance with Article 29 of the Company Act.

## **CHAPTER 5. ACCOUNTING**

Article 28. The Company adopts the period from 1 January each calendar year through 31 December of the same calendar year for the fiscal year. Closing for the year shall be made after each fiscal year end.

Article 29. In accordance with Article 228 of the Company Act, the board of directors shall prepare the following statements and records at the close of the fiscal year and shall present the said statements for approval at the annual general meeting of shareholders:

1. The business report;
2. The financial statements; and
3. The earning surplus distribution or loss off-setting proposals.

Article 30. Distribution of the dividends and bonuses shall be effected in proportion to the number of shares held by each shareholder accordingly. In the instance of no earnings surplus, the Company shall not distribute dividends or bonuses.

Article 31. If the Company has any profit upon closing of accounts, a percentage of the profits shall be distributed as director and employee remuneration, as follows:

1. a maximum of 0.3% as director remuneration
2. 0.1% to 1% as employee remuneration

However, if the Company is operating at a loss, profits shall be retained to make up the losses of preceding years.

Subjects for the distribution of remuneration all include all subordinate employees who meet stipulated criteria.

Article 31-1 If the Company has any profit upon closing of accounts, the Company shall first settle outstanding taxes and offset accumulated losses of the preceding years, and then set aside 10% of such profits as a legal surplus. However, when the legal surplus amounts to the authorized capital, this shall not apply. An additional sum of the special surplus may be retained in accordance with relevant rules and regulations or business requirements. The remaining surplus, if any, shall be allocated as shareholder bonus to be distributed, along with unallocated earnings of previous years, pursuant to the decision by the board meeting. At least 10% shall be set aside, and an earnings distribution plan shall be provided to be resolved by the shareholders' meeting for distribution.

Article 32. Only shareholders of record five days prior to the distribution date of dividend and bonus distribution, are eligible for distribution.

Article 33. In consideration of the current status and development stage of the Company, the Company intends to adopt a dividend policy that seeks to best balance the operating requirements and shareholder interests. A suitable dividend distribution plan shall be drafted upon the board meeting based on the future capital budget plan of the Company to assess future fund requirement, profitability, financial structure, and earnings dilution impact. The dividend distribution plan shall be submitted to be resolved by the shareholders' meeting.

Dividends are distributed in the form of stock dividends or cash dividends, of which, cash dividends shall amount to at least 10% to sustain company operations and growth while protecting dividend balance and shareholders rights.

## **CHAPTER 6. SUPPLEMENTARY PROVISIONS**

Article 34. The Company shall make external guarantees in accordance with business operations.

Article 35. The Company shall alternatively establish organizational regulations and rules of procedure.

Article 36. Matters not provided in these Articles of Incorporation shall be conducted pursuant to the Company Act.

Article 37. These Articles of Incorporation were approved by all members of the founders meeting on 19 August, 2004.

First amendment on 10 March, 2005

Second amendment on 30 June, 2006

Third amendment on 17 May, 2007

Fourth amendment on 5 October, 2007

Fifth amendment on 30 January, 2008

Sixth amendment on 17 January, 2009

Seventh amendment on 19 August, 2010  
Eighth amendment on 5 June, 2012  
Ninth amendment on 19 November, 2013  
Tenth amendment on 14 February, 2014  
Eleventh amendment on 14 May, 2014  
Twelfth amendment on 6 May, 2015  
Thirteenth amendment on 20 April, 2016

Fubon Multimedia Technology. Co., Ltd  
Chairman: Fu-Hsing Lin

**momo.com Inc.**  
**Regulations and Procedures of Shareholders' Meeting**  
**(prior to the proposed revision)**

Approved by the board of directors on April 20, 2007  
Amended on November 19, 2013

- Article 1. The present regulations and procedures are established in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies to set guidelines for the governance, supervision, and management of the shareholders' meeting of Fubon Multimedia Technology Co., Ltd., trading under "momo.com Inc." (hereinafter referred to as the Company).
- Article 2. The Company's shareholders' meetings shall be conducted pursuant to the present regulations and procedures unless otherwise specified in laws and regulations.
- Article 3. The Company's shareholders' meetings shall be convened by the board of directors unless otherwise specified in laws and regulations.

The Company shall prepare electronic files of the shareholders' meeting notice, proxy form, causes and descriptions of proposals for ratification, matters for deliberation, appointment or dismissal of directors or supervisors, and other matters on the shareholders' meeting agenda, and upload the aforementioned information to the Market Observation Post System (MOPS) 30 days before a general shareholders' meeting or 15 days before an extemporary shareholders' meeting. The Company shall also prepare electronic files of the shareholders' meeting agenda and supplementary meeting materials and upload them to the MOPS 21 days before a general shareholders' meeting or 15 days before an extemporary shareholders' meeting. The meeting agenda and supplementary meeting materials shall be prepared 15 days before each shareholder meeting and made accessible to shareholders; they shall also be displayed at the Company and its shareholder service agents and distributed at the meeting venue.

Shareholders' meeting notices and public announcements shall indicate the purposes of the meetings and may be issued by way of electronic transmission provided that the consent of the counterpart(s) is obtained in advance.

Matters pertaining to appointment or dismissal of directors and supervisors, alteration of incorporation articles, and dissolution, merger, split, or specifications in Paragraph 1, Article 185 of the Company Act and Articles 26-1 and 43-6 of the Securities and Exchange Act hereof shall be itemized in the causes or subjects to be described in the notice of convening a shareholders' meeting, and shall not be presented as extemporary motions.

Each shareholder in possession of over 1% of the total outstanding shares of the Company shall be allowed a single proposal in writing to be discussed in each shareholders' meeting. Proposals that involve more than one item shall not be included in the agenda. If a proposal involves one of the situations described in

Paragraph 4, Article 172-1 of the Company Act, the board of directors may exclude the proposal from the agenda.

Prior to the share transfer suspension date set before a general shareholders' meeting is convened, the Company shall publicly announce the location and period for shareholders to submit their proposals to be discussed at the meeting. The period for submitting such proposals shall not be less than 10 days.

Each shareholder's proposal shall contain no more than 300 words. Proposals in excess of 300 words shall not be included in the agenda. A shareholder who has submitted a proposal shall attend the general shareholders' meeting in person or by a proxy and participate in the discussion of such proposal.

The Company shall inform shareholders who have submitted proposals of the processing results before the shareholders' meeting is convened and include proposals complying with the present article in the meeting notice. The board of directors shall explain the reasons for excluding any shareholder's proposal in the agenda during the shareholders' meeting.

- Article 4. A shareholder may issue the Company's proxy form with the scope of authorization indicated to appoint a proxy to attend a shareholders' meeting.

Each shareholder may issue one proxy form and appoint one proxy only. The proxy form shall be delivered to the Company at least five days before the shareholders' meeting in concern is convened. In case more than one proxy form is received, the first one received by the Company shall prevail unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

After the Company receives the proxy form, a shareholder intending to attend the shareholders' meeting in person or exercise his/her voting rights in writing or by way of electronic transmission shall file a proxy rescission notice at least two days before the shareholders' meeting is convened. Otherwise, the voting right exercised by the authorized proxy at the meeting shall prevail.

- Article 5. Shareholders' meetings shall be held at the premises of the Company or locations convenient for shareholders and appropriate for shareholders' meetings. Meetings may not begin earlier than 9:00 a.m. or later than 3:00 p.m. After independent directors are appointed, their opinions regarding the location and time of shareholders' meetings shall be given full consideration.

- Article 6. The Company shall specify in shareholders' meeting notices the time and location for the registration of shareholders and other matters of attention.

The registration of shareholders shall begin at least 30 minutes before the meeting commences. The registration counter shall be clearly indicated. A sufficient number of competent personnel shall be assigned to process registration.

Attending shareholders or their appointed proxies must present their attendance passes, attendance cards, or other certificates for admittance. Proxy solicitors shall also bring their identification certificates for verification.



The Company shall provide an attendance list for the registration of attending shareholders; attending shareholders may choose to submit their attendance cards instead of signing the attendance list.

The Company shall distribute the shareholders' meeting agenda, annual report, attendance passes, speech notes, ballots, and other meeting materials to shareholders attending the shareholders' meeting; separate ballots shall be given for director or supervisor elections.

A shareholder who is a government agency or a juristic person may send more than one representative to attend shareholders' meetings. However, a juristic person serving as a proxy to attend a shareholders' meeting may appoint only one representative to attend the meeting.

Article 7. If a shareholders' meeting is convened by the board of directors, the chairman shall preside over the meeting. If the chairman is on leave or unable to perform his/her duties, the vice chairman shall preside over the meeting. If the Company does not have a vice chairman or the vice chairman is also on leave or unable to perform his/her duties, the chairman shall appoint an executive director to preside over the meeting. If there is no executive director, the chairman shall appoint a director to act on his/her behalf. If the chairman has not appointed an agent, the directors shall elect among themselves one director to act on behalf of the chairman.

To serve as an agent for the chairman to preside over a shareholders' meeting, a director must have been on the board for at least six months and is familiar with the financial and business operations of the Company. The same requirement shall apply when a representative of the director of a juristic person is to chair a shareholders' meeting.

It is considered appropriate that the majority of the directors attend shareholders' meetings convened by the board of directors.

When a shareholders' meeting is convened by a party entitled to do so, the said party shall chair the meeting. If there are two such parties, one shall be elected to chair the meeting.

The Company may appoint its legal counsels, accountants, or relevant personnel to attend shareholders' meetings.

Article 8. The Company shall make uninterrupted audio and video recordings over the entire meeting process, including the shareholders' registration process, meeting proceedings, and election and vote-count in each shareholders' meeting and retain the audio and video recordings for at least one year. However, if any shareholder files a lawsuit in regard to a meeting in accordance with Article 189 of the Company Act, the audio and video recordings of the meeting shall be retained until the lawsuit is concluded.

Article 9. The attendance of shareholder meetings shall be determined based on the number of outstanding shares. The number of shares of the attending shareholders shall be calculated based on the signatures on the attendance list, the submitted attendance

cards, and the shares from shareholders exercising their right to vote in writing or by way of electronic transmission.

The chairman shall call a meeting to order according to the schedule. However, if the number of outstanding shares represented by the attending shareholders is less than one half of the total outstanding shares, the chairman may postpone the meeting up to two times for no more than one hour in total. If the number of shares represented by the attending shareholders is still less than one third of the total outstanding shares after two postponements, the chairman shall declare the meeting aborted.

If the number of shares represented by the attending shareholders remains less than one half but more than one third of the total outstanding shares after two postponements, tentative resolutions may be passed according to Paragraph 1, Article 175 of the Company Act. Shareholders shall be notified of such tentative resolutions and that a shareholders' meeting is to be convened within one month.

If the number of shares represented by the attending shareholders achieves more than one half of the total outstanding shares before the end of the meeting, the chairman may act pursuant to Article 174 of the Company Act and request the attending shareholders to vote on the tentative resolutions.

Article 10. The agendas of meetings convened by the board of directors shall be set by the board of directors and such meetings shall be conducted pursuant to the agendas unless the shareholders' meeting changes the agendas by resolution.

The preceding paragraph shall apply *mutatis mutandis* to meetings convened by other parties entitled to convene shareholders' meetings.

The chairman may not adjourn a meeting before the agenda established as specified in the two preceding paragraphs (including extemporary motions) is concluded, unless it is otherwise resolved during the meeting. If the chairman adjourns the meeting in violation of the Regulations and Procedures of Shareholders' Meeting, the other members of the board of directors shall immediately assist the attending shareholders to elect a new chairman, by majority vote, pursuant to legal procedures to continue the meeting.

The chairman shall provide shareholders, who are submitting proposals or proposing amendments or extemporary motions, sufficient time to explain and discuss their issues until they are ready to be put to a vote.

Article 11. A shareholder who wishes to speak during a shareholders' meeting is required to fill out in advance a speech note containing the summary of the speech and the shareholder account number (or attendance card number) and account name. The chairman shall decide the speaking order of the shareholders.

Any attending shareholder who submits a speech note but does not speak shall be considered unspoken. If a shareholder's speech is inconsistent with his/her/its speech note, the content of the actual speech shall prevail.

Each shareholder shall not speak about the same proposal more than twice without

the permission of the chairman and exceed five minutes in each speech session. The chairman shall stop a speech of any shareholder whose speech is in violation of relevant regulations or concerns issues beyond the subject.

Shareholders shall not interrupt the speech of a speaking shareholder without the permission of the chairman and the speaking shareholder; otherwise the chairman shall stop such interruptions.

When a shareholder, who's a juristic person, has two or more representatives attending a shareholders' meeting, only one representative may speak about each proposal.

The chairman or whose relevant designated personnel may respond after an attending shareholder has finished speaking.

Article 12. Votes at a shareholders' meeting shall be counted based on the number of shares.

The shares held by shareholders without voting rights shall not be included in the total number of outstanding shares.

If there is any concern that the interest of a shareholder regarding an issue discussed during a shareholders' meeting may jeopardize the Company's interests, the shareholder may not participate in voting or serve as a proxy to exercise the voting rights of any other shareholder.

The number of shares held by a shareholder who is prohibited from exercising his/her voting rights as described in the preceding paragraph shall not be included in the total number of shares in voting.

Besides the shareholder service agents ratified by the trust enterprise or securities authority, the voting rights of an individual serving as the proxy for two or more shareholders shall not exceed 3% of the total number of outstanding shares. The excess shares shall not be calculated.

Article 13. Each shareholder is entitled to one vote for each share in his/her possession. This does not apply to shareholders who has restricted or no voting rights according to Paragraph 2, Article 179 of the Company Act.

During a shareholders' meeting, shareholders may exercise their voting rights by way of electronic transmission or in writing. The means of exercising the voting rights shall be specified in the shareholders' meeting notice. Shareholders who exercise their voting rights by way of electronic transmission or in writing shall be deemed to have attended the shareholders' meeting in person, but shall be deemed to have waived their rights to vote in extemporary motions or the amendments to the original proposals at the meeting. Therefore, the Company shall avoid proposing extemporary motions and amendments.

A shareholder who chooses to exercise his/her voting rights in writing or by way of electronic transmission shall have the decision delivered to the Company at least two days before the meeting. If two or more decisions are delivered to the Company, the first one received shall prevail unless a notice of revocation of the foregoing decisions is issued.

A shareholder intending to attend the shareholders' meeting in person after expressing the decision to exercise his/her voting rights in writing or by way of electronic transmission shall revoke the decision by the same means previously used in exercising his/her voting rights at least two days before the meeting; otherwise, the voting right exercised in writing or by way of electronic transmission shall prevail. If a shareholder expresses the intention to exercise his/her voting rights in writing or by way of electronic transmission and at the same time appoints a proxy to attend the meeting, the voting rights shall be exercised by the proxy.

Unless otherwise specified in the Company Act or the Company's incorporation articles, a resolution shall be adopted with the consent of the majority of the attending shareholders. When voting is conducted, the chairman or designated personnel shall announce the total number of voting rights of the attending shareholders for each proposal before voting begins. The Company shall upload the shareholders' approvals, disapprovals, and waivers to the MOPS on the same day after the shareholders' meeting.

If amendments or alternative proposals are submitted for the same proposal, the chairman shall decide the voting sequence on the amendments and/or alternative proposals along with the original proposal. Once one of them is passed, the others shall be considered vetoed and no further voting is needed. The Chairman shall appoint scrutineers and vote counters for votes on proposals. Scrutineers shall be appointed from shareholders.

Vote-count during a shareholders meeting shall be conducted publicly at the meeting venue. The results, including the numbers of votes, shall be announced immediately after counting and filed to records.

Article 14. Elections of directors and supervisors taking place during a shareholders' meeting shall be conducted pursuant to election regulations established by the Company. The results shall be announced immediately at the election, including the names of the elected directors and supervisors and the numbers of votes they received.

The ballots casted in the elections stated in the preceding paragraph shall be sealed with the signatures of the scrutineers and properly kept for at least one year. If a shareholder files a lawsuit over election results in accordance with Article 189 of the Company Act, the ballots shall be kept until the lawsuit is concluded.

Article 15. Resolutions established during a shareholders' meeting shall be recorded in the meeting minutes carrying the signature or personal seal of the chairman. The meeting minutes shall be distributed to shareholders within 20 days after the end of the meeting. Production and distribution of meeting minutes may be conducted electronically.

The Company may distribute meeting minutes electronically by uploading them to the MOPS.

The date, location, name of chairman, method of adopting resolutions, summary

of meeting proceedings, and results of each meeting shall be clearly indicated in the meeting minutes, which shall be kept as long as the Company exists.

Article 16. On the day of each shareholders' meeting, the Company shall compile in tables the numbers of shares obtained by solicitors and the numbers of shares represented by proxies in the specified format. These tables shall be posted at noticeable locations inside the meeting venue.

If any resolutions achieved during a shareholders' meeting are defined as critical information in relevant laws and regulations or the regulations of Taiwan Stock Exchange Corporation, the Company shall upload the contents of such resolutions to the MOPS within the specified period.

Article 17. The personnel handling the affairs of shareholders' meetings shall wear identification passes or armbands.

The chairman may command disciplinary personnel or security guards to maintain order in the meeting venue. Such disciplinary personnel or security guards shall wear armbands or identification passes carrying the wording of "Disciplinary Personnel" when on duty.

If the meeting venue is equipped with loudspeakers, the chairman may stop shareholders from using other equipment.

If any shareholders violate the meeting regulations and procedures, disobey the chairman's correction, disrupt meeting proceedings, and refuse to cooperate when ordered to discontinue their misbehaviors, the chairman may instruct disciplinary personnel or security guards to escort them to leave the meeting venue.

Article 18. When a meeting is in session, the chairman may set time for breaks. In force majeure situations, the chairman may decide to temporarily suspend the meeting and announce when to resume the meeting depending on the circumstances.

If a meeting cannot be continued at the meeting venue before the agenda, (including extemporary motions) of the meeting is concluded, the shareholders' meeting may be adjourned to another location by vote to continue the meeting.

The shareholders' meeting may resolve to postpone or resume a meeting within five days in accordance with Article 182 of the Company Act.

Article 19. The Regulations and Procedures shall take effect after approval by the shareholders' meeting and the same procedure shall apply when amendments are made.

**momo.com Inc.**

**Procedures for Elections of Directors and Supervisors  
(prior to the proposed revision)**

Article 1: To ensure a just, fair and open election of directors and supervisors, these Procedures are adopted pursuant to Articles 21 and 41 of the “Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.”

Article 2: Except as otherwise provided by laws and regulations or by the articles of incorporation of the Company, elections of directors and supervisors shall be conducted in accordance with these Procedures.

Article 3: The overall composition of the board of directors shall be taken into consideration in the selection of this Company’s directors. The composition of the board of directors shall be determined in general by the knowledge, skills and qualities required for performing the duties. The overall abilities advised for the directors include the following:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. International market perspectives.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

Article 4: Supervisors of the Company shall meet the following qualifications:

1. Integrity and a practical attitude.
2. Impartial judgment.
3. Professional knowledge.
4. Broad experience.
5. Ability to read financial statements.

The appointments of supervisors shall be made with reference to the provisions on the independence contained in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, in order to select appropriate supervisors to help strengthen the Company’s risk management and control of finance and operations. At least one supervisor position or one director position must be held by a person having neither a spousal relationship nor a relationship within the second degree of kinship with any other supervisor or

with any director. A supervisor may not serve concurrently as the director, managerial officer, or any other employee of the Company and must be domiciled in the Republic of China to be able to promptly fulfill the functions of supervisor.

Article 5: The qualifications for the independent directors of the Company shall comply with Articles 2, 3 and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8 and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.

Article 6: Elections of independent directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. But when the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the "Standards for Determining Unsuitability for TPEX Listing under Article 10, Paragraph 1 of the Taipei Exchange Rules Governing the Review of Securities for Trading on the TPEX" by Taipei Exchange, a by-election shall be held at the next shareholders meeting to fill the vacancy. When all independent directors are dismissed, a special shareholder meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the supervisors are dismissed for any reason which leads to the number of supervisors falling below the provisions prescribed in the Company's article of incorporation, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. Nonetheless when all supervisors are dismissed, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 7: The cumulative voting method shall be used for election of the directors and supervisors at the Company. Each share will have voting rights in number equal to the directors or supervisors to be elected and may be cast for a single candidate or split among multiple candidates.

Article 8: The board of directors shall prepare ballots for directors and supervisors in number of weights corresponding to the directors or supervisors to be elected, which shall then be distributed to the attending shareholders at the shareholders

meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 9: The number of directors and supervisors will be specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairman drawing lots on behalf of any person(s) not in attendance.

Article 10: Before the election begins, the chairman shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 11: If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder, and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 12: A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the board of directors.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other words or marks are entered in addition to the candidate's account name (name) or the shareholder account number (identity card number) and the number of voting rights allotted.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot for identification of such individual.

Article 13: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation and the list of persons elected as directors or



supervisors shall be announced by the chairman on the site.

Article 14: The board of directors of the Company shall issue notifications to the persons elected as directors or supervisors.

Article 15: These Procedures shall be implemented after the approval by a shareholders meeting. The same procedures apply to any revision.