

Stock code: 5536



**Handbook for the 2015
Annual Meeting of Shareholders**

MEETING TIME: May 28, 2015

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I. Meeting Procedure

Acter Co., Ltd.

Procedure for the 2015 Annual Meeting of Shareholders

- 1. Call the Meeting to Order**
- 2. Chairperson Remarks**
- 3. Report Items**
- 4. Proposals**
- 5. Discussion and Elections**
- 6. Questions and Motions**
- 7. Adjournment**

II. Agenda of Annual Meeting of Shareholders

Acter Co., Ltd.

Year 2015 Agenda of Annual Meeting of Shareholders

Time : 09:00 a.m on Thursday, 28 May, 2015

Place : 33F, No.787, Jhongming S. Rd., Taichung, Taiwan (Acter's office meeting room)

Chairperson : Chairman Liang, Chin-Li

1. Call the Meeting to Order

2. Chairperson Remarks

3. Report Items

(1)2014 Business Report.

(2)Supervisor's Review Report of the 2014 Financial Statements.

4. Proposals

(1)Adoption of the 2014 Business Report and Financial Statements.

(2)Adoption of the Proposal for Distribution of 2014 Profits.

(3)Adoption of waiving the right to subscription in 2014 capital increase by cash of Nova Technology Corp.

5. Discussion and Elections

(1)Discussion on the proposal to amend "Articles of Incorporation".

(2)Discussion on the proposal to amend "Rules of Procedure for Shareholder Meetings".

(3)Discussion on the proposal to amend "Procedure for Acquisition or Disposal of Assets" 、 "Endorsement and Guarantee Procedure"

and "Procedures for Loaning of Company Funds".

(4) Discussion on the proposal to amend "Procedures for Election of Directors and Supervisors".

(5) Concerning about establishing presence overseas and human resources benefits, the company proposes to offer to buy within 15% shares of directly or indirectly reinvestment companies by high-performance employees.

(6) Discussion of the listing plan of the company's subsidiary Nova Technology Corp. In order to meet the requirements of applicable laws and regulations, we intend to have the shareholders authorize through the meeting that the Board of Directors may handle related capital increase by cash and release of shares within one year for the subsidiary.

(7) To elect the members of the 10th Board of Directors.

(8) To release the directors and independent directors from non-competition restrictions.

6. Questions and Motions

7. Adjournment

III. Report Items

Report No. 1 : 2014 Business Report. (proposed by the Board of Directors)

Explanation : The 2014 Business Report is attached as pp. [16-27], Attachment 1 and Attachment 2.

Report No. 2 : Supervisor's Review Report of the 2014 Financial Statements.
(proposed by the Board of Directors)

Explanation: The 2014 Supervisor's Review Report is attached as pp. [28], Attachment 3.

IV. Proposals

Proposal No. 1 : Adoption of the 2014 Business Report and Financial Statements. (proposed by the Board of Directors)

Explanation :

- (1) Acter Company's Financial Statements, including the balance sheet, statement of comprehensive income, statement of change in equity, and statement of cash flows, were audited by independent auditors, Wu, Whe-Land CPA and Chang, Tzu-Hsin CPA of KPMG Firm. Also Business Report and Financial Statements have been approved by the Board held on Feb. 26, 2015 and examined by the supervisors of Acter Company.
- (2) The 2014 Business Report, independent auditors' report, and the above-mentioned Financial Statements are attached in the Meeting Agenda as, pp. [16-27], Attachment 1 and Attachment 2.

Resolution :

Proposal No. 2 : Adoption of the Proposal for Distribution of 2014 Profits.
(proposed by the Board of Directors)

Explanation :

(1) Please refer to the 2014 Profit Distribution Table as follows.

Acter Co., Ltd.
PROFIT DISTRIBUTION TABLE
Year 2014

Unit : NTD

Beginning retained earnings	667,373,555
Add: net profit after tax	94,830,617
Less: Defined benefit plans	3,068,735
Less: 10% legal reserve (2014)	9,483,062
Distributable net profit	749,652,375
Distributable items:	
Cash Dividend to shareholders(2 per share)	93,231,638
Stock Dividend to shareholders (0 per share)	0
Unappropriated retained earnings	656,420,737
Notes:	
Employee bonus sharing 3,457,308(According to the Articles of Association the employee bonus in the amount not less than 2%)	
Compensation of directors and supervisors 1,707,313 (According to the Articles of Association the director and supervisor remuneration in the amount not exceeding 3%)	

(2) When distributing cash dividends, the total amount paid to each shareholder shall be in whole NT dollars and any fractional amount less than one NT dollar shall be rounded up to the next NT dollar. The resulting difference shall be recognized as a Company expense.

(3) Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to determine the ex-dividend date, ex-rights date, and other relevant issues.

Resolution :

Proposal No. 3 : Adoption of waiving the right to subscription in 2014 capital increase by cash of Nova Technology Corp. (proposed by the Board of Directors)

Explanation : The company promised at the time of listing application that it might not give up its rights during capital increase efforts of its subsidiary Nova Technology Corp. in the coming years. However, when Nova Technology Corp. issued 1,901,000 shares of capital increase by cash in July 2014 for the purposes of expending company's business and strengthening business development, except for the 10.57% of shares kept as required under Article 267 of the Company Act, a total of 201,000 shares would be open for subscription by employees. The remainder 1,700,000 shares were given up by the company and subscribed by the strategic partner, Solar Technology Inc. The abstention of shares available for subscription upon capital increase by cash was applied for it by the GreTai Securities Market on June 4, 2014 and was approved through GSM Letter No. 1030014353 on June 17, 2014.

Resolution :

V. Discussion and Elections

Proposal No. 1: Discussion on the proposal to amend "Articles of Incorporation".
(proposed by the Board of Directors)

Explanation :

- (1) In order to conform to related commercial laws and establish an audit committee instead of supervisors, the company hereby proposes to amend "Articles of Incorporation".
- (2) Please refer to page 29-31 (Attachment 4) for details.

Resolution :

Proposal No. 2 : Discussion on the proposal to amend "Rules of Procedure for Shareholder Meetings". (proposed by the Board of Directors)

Explanation :

- (1) In order to conform to the amendments of related commercial laws and establish an audit committee instead of supervisors, the company hereby proposes to amend "Rules of Procedure for Shareholder Meetings".
- (2) Please refer to page 32-34 (Attachment 5) for details.

Resolution :

Proposal No. 3 : Discussion on the proposal to amend "Procedure for Acquisition or Disposal of Assets"、"Endorsement and Guarantee Procedure" and "Procedures for Loaning of Company Funds". (proposed by the Board of Directors)

Explanation :

- (1) In order to conform to the needs of business development and establish an audit committee instead of supervisors, the company hereby proposes to amend "Procedure for Acquisition or Disposal of Assets"、"Endorsement and Guarantee Procedure" and "Procedures for Loaning of Company Funds".
- (2) Please refer to page 35-40 (Attachment 6~8) for details.

Resolution :

Proposal No. 4 : Discussion on the proposal to amend "Procedures for Election of Directors and Supervisors". (proposed by the Board of Directors)

Explanation :

- (1) In order to conform to the amendments of related commercial laws and establish an audit committee instead of supervisors, the company hereby proposes to amend” Procedures for Election of Directors and Supervisors”.
- (2) Please refer to page 41-45 (Attachment 9) for details.

Resolution :

Proposal No. 5 : Concerning about establishing presence overseas and human resources benefits, the company proposes to offer to buy within 15% shares of directly or indirectly reinvestment companies by high-performance employees. (proposed by the Board of Directors)

Explanation :

- (1) The company promised at the time of listing application that it would not give up direct or indirect holding of shares in reinvestments upon capital increase efforts in coming years. In order to establish presence overseas and to fulfill the needs of talent recruitment, retention, and incentives, consolidation of employee solidarity and for the take of creating maximum interests for shareholders, however, shares of Nova Technology Corp., Her Suo Eng., Co., Ltd., Sheng Huei (Suzhou) Engineering Co., Ltd., Sheng Huei (Shenzhen) Engineering Co., Ltd., Winmax Technology Corp., Nova Technology Singapore Pte., Ltd., and Sheng Huei Engineering Technology Co., Ltd. that the company holds within 15% will be transferred to be held by high-performance employees. If employees want to sell the shares they hold, the original shareholders or other

employees have the right of first refusal.

- (2) The application form was submitted to GreTai Securities Market on December 15, 2014 and was approved through GSM Letter No. 1030034526 dated December 22, 2014.

Resolution :

Proposal No. 6 : Discussion of the listing plan of the company's subsidiary Nova Technology Corp. In order to meet the requirements of applicable laws and regulations, we intend to have the shareholders authorize through the meeting that the Board of Directors may handle related capital increase by cash and release of shares within one year for the subsidiary. (proposed by the Board of Directors)

Explanation :

- (1) In order to help with the operation and development of the subsidiary Nova Technology Corp. and help attract and retain required professional talent, listing of stock will be sought for Nova Technology Corp. in the future. As required under Article 3 Subparagraph 5 of the Taipei Exchange Supplemental Rules Governing Applications by Group Enterprises for TPEX Listing of Stock, the shares held by the company and all of its subsidiaries and affiliates may not exceed 70% of the total shares issued by Nova Technology Corp. Capital increase by cash and release of shares for Nova Technology Corp. will be conducted as follows:
 - A. The price per share in each capital increase by cash effort organized by Nova Technology Corp. in the future may not be lower than the net value per share as is shown in the most recently inspected and signed-off

financial report of the company. In addition, among the shares issued as a result of the capital increase by cash , except for 10% to 15% that should be retained for subscription by the company's employees according to law, the number of shares that may be subscribed by the company pro rata will be given up and will be prioritized for subscription by all shareholders of the company pro rata to the holding ratio as indicated in the shareholders' roster as of the most recent book closure date. Shares to be subscribed yet given up by shareholders or fractional shares will consistently be handled by the Chairman upon authorization by the Board of Directors of Nova Technology Corp.; the Chairman will approach specific persons for possible subscriptions. The total number of shares available for subscription by the company's shareholders will be calculated by their respective holding ratios as is shown in the shareholders' roster on the baseline date for capital increase by cash of Nova Technology Corp.; all shareholders will receive a payment notification sent by the company. We intend to let the shareholders authorize through the meeting that the company's Board of Directors may take charge of handling prioritized subscription by the whole shareholders of the company and other matters with regard to shares given up during Nova Technology Corp.'s capital increase by case in order to reduce the options toward Nova Technology Corp.

- B. In order to meet the criterion for diverging listed options, the company may release shares at a price with reference

to the contemporary operation, profitability, and capital market status of Nova Technology Corp. and appraised by a third party. All shareholders of the company are entitled to subscribe the shares according to their holding ratio as is shown in the shareholders' roster as of the most recent book closure date or strategic or financial investors to the advantages of the future operation and development of Nova Technology Corp.

- C. After the company completes the capital increase by cash and release of shares as indicated above, its holding ratio of Nova Technology Corp. may not be lower than 51%.

Resolution :

Proposal No. 7 : To elect the members of the 10th Board of Directors. (proposed by the Board of Directors)

Explanation :

- (1) The term of directors and supervisors of the 9th Board will expire on 06/17/15. According to the Articles of Incorporation, the company proposes to duly elect 7 new Board members at this year's Annual Meeting of Shareholders and 3 independent directors shall be elected by nomination. The three-year term will start from 05/28/15 and conclude on 05/27/18.
- (2) The qualification of the 3 nominees for the independent directors has been reviewed by the Board meeting. Please refer to page 46 (Attachment 10) for details.

Voting by Poll :

Proposal No. 8 : To release the directors and independent directors from non-competition restrictions. (proposed by the Board of Directors)

Explanation :

- (1) In accordance with Article 209 of Company Law, any director acting for himself/ herself, or for any other person within the scope of the Company business, should explain the important matters of such acts and acquire the approval of the shareholders' meeting.
- (2) It is hereby proposed to release the restriction on competitive activities for newly-elected directors and independent directors, who participate in the operations of other company that engages in the same or similar business as the Company.
- (3) In accordance with Article of Company Law, it is hereby proposed to request the 2015 General Shareholders' Meeting to release the restriction on competitive activities for newly-elected directors and independent directors.

Resolution :

VI. Questions and Motions

VII. Adjournment

VIII.Attachments

Attachment 1: Business Report

Acter Co., Ltd.

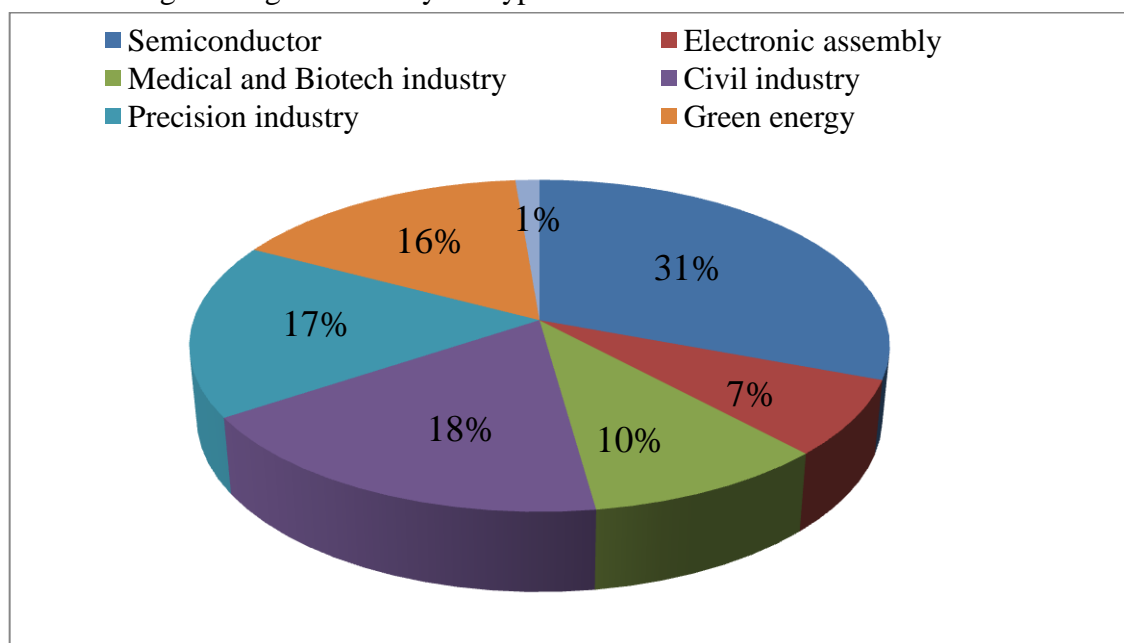
2014 Business Report

1. 2014 Business results

(1). Business plan implementation results

The consolidated revenue of the ACTER Group in 2014 was NTD 7,581 million, a decline of around 12% from the previous year, mainly because of the fact that the economic growth in China and Southeast Asia slowed down, which made it impossible for the high-tech industry to expand capital expenditures. In terms of profitability, the fierce competition in the Chinese market resulted in reduced gross profit margins. Profits for overseas subsidiaries fell short of expectations. In addition, Taiwanese customers faced financial difficulties. As such, huge losses were accounted for in the third quarter. Net profits after consolidated tax revenue throughout the year came to NTD 94 million, with earnings per share of NTD 2.06, a decline of approximately 80%.

Ratios of engineering turnover by the type



Unit : In thousands of New Taiwan Dollars

Items	2014	%
Operating revenue	7,581,552	100
Operating cost	6,959,257	92
Gross profit	622,295	8
Operating expenses	568,414	7
Operating income	53,881	1
Non-Operating income and expenses	31,422	0
Income before income taxes	85,303	1

(2).State of budget implementation

This item is not applicable since Acter has not disclosed any financial forecasts.

(3).Financial structure and profitability

Items		2014	
Financial structure	Ratio of liabilities to assets (%)	61.24	
	Ratio of long-term capital to fixed assets (%)	839.98	
Solvency	Current ratio (%)	155.35	
	Quick ratio (%)	87.59	
Profitability	Return on total assets (%)	1.40	
	Return on stockholders' equity (%)	3.40	
	Ratio to issued capital (%)	Operating income	11.67
		Pre-tax income	18.48
	Profit ratio (%)	1.25	
	Earnings per share (\$)	2.06	

(4).Research and development

The department in charge of design, research, and development continued to develop different innovative techniques for different industries and projects taking advantage of value-added engineering in order to strengthen our competitive advantages. Descriptions are provided as follows:

I. Modular Design and Planning of Large Desalinators

Taiwan is now the 18th area most deprived of water resources in the world. The relatively little rainfall on the island of Taiwan in 2014 made the insufficient agricultural and industrial water supply even worse. Our company started a partnership with a large overseas desalination engineering company and developed desalination technology at the lowest investment cost and unit price of water production.

II. Pre-fabrication Technique for Large Cement Tanks

The application of the prefabrication technique in large cement tanks was known for issues such as lengthy construction and susceptibility to leaks in the past. With the new prefabrication technique developed by our company in collaboration with overseas engineering companies, however, the duration of work can be shortened and it helps effectively address the issue of leakage, too.

III. Biotech Industry

The innovation, research, and development efforts in the implementation of biotech pharmaceutical projects were mainly reflected in the system impact assessment (SIA).

Modern biotech pharmaceutical companies must comply with the PIC/S GMP requirements and GEP (Good Engineering Practice) is the cornerstone of PIC/S GMP while SIA is at the core of GEP.

The standard SIA operating procedure researched and developed by the Quality Control Department applies to projects during the design stage. Quality control engineers and system engineers apply the standard SIA operating procedure while performing internationally approved assessments of all systems involved in biotech pharmaceutical projects comprehensively. By successfully implementing the standard SIA operating procedure, it helps set a clear goal while biotech pharmaceutical projects are being qualified, which not only saves the manpower and time needed for a project but also perfects the qualification logic for biotech pharmaceutical projects.

We will proactively establish the standard operating procedures for critical component assessments (CCAs) of air-conditioning, water purification, distillation, steam purification, compressed air, partition, power, firefighting, drainage, and automatic control systems in order to more effectively, economically, and completely fulfill the needs of biotech pharmaceutical projects.

IV. Continued Developments in Respective Engineering Aspects

- Electrical and mechanical engineering: Storing ice in order to offload peak loads is an example of taking advantage of night-time off-peak hours to run the refrigerant compressor and produce ice. When the compressor is running and the brine water temperature is below 0°C, water inside the tank and container will experience phase changes and freeze in order to store lots of latent heat. The stored ice will then melt to release cold energy during the day when power utilization reaches the peak to satisfy the air-conditioning load demand and accomplish the goal of reducing the uptime of the compressor. By shifting air-conditioning power consumption from peak hours to off-peak ones, it successfully transfers peak air-conditioning load during the day and reduce electricity bills accordingly.
- Special engineering: The exclusive integrated negative-pressure SARS technology for hospitals is an example of taking advantage of air pressure differences between outdoors and indoors; the surrounding outdoor air will only flow toward the negative pressure area indoors because of the characteristic that air is flowing from a high pressure area to a lower one. Negative pressure is an important protection mechanism that blocks an area from an outside environment; it is often used as a means to control air dispersion as it helps ensure that air flows toward an anticipated direction. ACTER successfully applied the negative pressure technology to help hospitals configure isolated negative-pressure patient wards.
- Bio-tech engineering: Clean room integration technologies for cGMP plants are examples of how ACTER helps the pharmaceutical industry further enhance air

cleanness in operating rooms in order to comply with PIC/S GMP requirements. PIC/S GMP standards have more rigid requirements for clean rooms configured in pharmaceutical manufacturing facilities; they differ from existing cGMP standards in Taiwan the most in facilities and operations that help prevent against cross contamination.

- Clean room engineering: Clean room turnkey engineering is an example of how ACTER helps businesses complete clean room engineering by controlling the temperature, humidity, airflow, air pressure, and particles of indoor air along with indoor illumination and dust-free building materials.
- Ultra-high building engineering: The 42-story general-use buildings, for example, take advantage of separation through the turn layer to successfully reduce the pressure resistance level of pipeline, increase operation stability and security, and significantly cut the overall engineering cost.

2. Summary of business plan for 2015

(1).Business strategy

The company has been adhering to its corporate belief of "creating quality spaces" since its inception and operating on the business principles of "being honest, professional, international, and sustainable" with a primary focus on quality, technology, and service. Besides continuing to grow existing relationships with customers, internationalization and diversification are equally emphasized for the ultimate goal of becoming a leading brand while providing all-around engineering services. Operation directives for this year are described as follows:

- I. To strengthen corporate governance and customer financial risk control
- II. To consolidate the main business and continue to integrate diversified types of work while researching and developing new techniques and enhancing quality to ultimately become a leading brand in clean room engineering
- III. To continue expanding professional services in biological, pharmaceutical, and medical industries, strengthening customer relationships, proactively serving customers, and maximizing market share for the industry
- IV. To integrate mainland China resources, keep track of management risks, and bring down the overhead
- V. To expand the scope of operation in Southeast Asia: an additional subsidiary in Yangon, Myanmar is established
- VI. To develop process engineering professionalism required for gas and chemical supply systems and develop engineering integration technology of the new generation

(2).Expected sales volume and basis for estimates

The company is proactively developing new markets and customers domestically and internationally and providing multiple industries with cross-disciplinary integrated

engineering services to satisfy customers' demand and strengthen recognition and support among existing customers.

3. Future development strategies and major production and sales policies

The company will continue with its top three core technical advantages featuring focus, speed, and flexibility, adopt innovative engineering technologies, and integrate equipment and material suppliers to serve customers in respective precision industries and expand horizons for the engineering service industry. In addition, by horizontal integration and professional advancement within the industrial chain, the company will gradually expand its service items. Besides environmental engineering that requires water, electricity, air-conditioning, mechanics, electricity, and clean rooms, it will continue to expand recycling system engineering, gas and chemical supply system engineering and strengthen its relationship with customers by means of diversified management and development strategies.

The multi-area, multi-industry, and diversified deployment strategy adopted by the Group will continue to bring about results this year. Business on major markets such as Taiwan, China, and Southeast Asia will continue to grow steadily. There are new electrical and mechanical projects ongoing in Southeast Asian countries such as Indonesia, Cambodia, and Myanmar. In terms of industrial coverage, besides high-tech, residential buildings, healthcare facilities, and gases and chemicals, the company is collaborating with foreign companies as well to proactively develop customers in the bio-pharmaceutical field. To diversify operations, we have established new subsidiaries to take charge of importation and trading of equipment and Class A engineering and construction projects. As far as sales are concerned, we will focus on prospective customers and build domestic and international strategic partnerships to bring about momentum.

From now on, we will continue to integrate internal resources to exercise synergistic effects and proactively expand the scope of operation, strengthen sales capability, and boost customer satisfaction for the ultimate goal of creating even higher value for the company.

4. Effect of the external competitive environment, legal and regulatory environment, and overall business environment

The competition among businesses in the engineering industry is becoming fiercer day by day both domestically and internationally. In China there is the issue of decreased net profit margins while in Southeast Asia, businesses are faced with downstream collaborators that not professional enough but offer expensive quotations. Nevertheless, ACTER will try its best to retain existing customers while continuing to develop new ones, new markets, and new industrial engineering projects based on its core technical advantages and diversify risk in accordance with its strategy in order to ensure steady business and profit growth for the company.

As far as the regulatory environment is concerned, the company periodically reviews changes made to laws and regulations to ensure compliance with requirements of the competent authority and adheres to its belief of legitimate management. Generally speaking, changes to the regulatory environment will not have a major impact on the company.

Both China and Taiwan are deeply pegged to the international economy. International economic recovery and risks also concern the business performance of our company. ACTER will be brave while bearing the brunt and take the challenge while at the same time increasing its competitiveness in order to provide customers with better services.

5. Corporate Social Responsibility

While pursuing corporate developments, ACTER does not forget its responsibilities as a corporate citizen. Over the long term, the company has collaborated with multiple universities of science and technology to explore the possibilities of technical alliance, education-industry collaboration, and summer internships. Education-industry collaboration enables young students to accumulate practical experience via learning by doing. Summer internships combine theory and practice in one to enable young people to make the best of their professionalism. In addition, the company offers emergency financial scholarships that help students continue with their studies without having to worry about their economic conditions.

Social responsibility at the industrial level, concerns about sustainable development in the supply chain and society are being promoted by focusing on the main business, integrating mechanical and electrical equipment, performing environmental planning and control, utilizing energy effectively, energy-saving, renewability, waste reduction and reutilization. The company returns to society by promoting care for the environment. Only when businesses fulfill their commitment as a global citizen is sustainable development possible. ACTER will continue to carefully fulfill its corporate social responsibility while at the same time initiating the due care from the supply chain about corporate social responsibility to jointly create a better future.

Chairman: Liang , Chin-Li

General Manager: Hsu, Chung-Cheng

Accounting Supervisor : Tsao, Yun-Han

Attachment 2: 2014 Independent Auditors' Report and Financial Statements

Representation Letter

The entities that are required to be included in the combined financial statements of Acter Co., Ltd. as of and for the year ended December 31, 2014, under the Criteria Governing the Presentation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No. 27 endorsed by the Financial Supervisory Commissions R.O.C. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Acter Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Acter Co., Ltd.

MR. Liang, Chairman

February 26, 2015

Independent Auditors' Report

The Board of Directors
Acter Co., Ltd.:

We have audited the accompanying consolidated statements of financial position of Acter Co., Ltd. (the "Company") and subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended December 31, 2014 and 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Those standards and regulations require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred in the first paragraph present fairly, in all material respects, the consolidated financial position of Acter Co., Ltd. and subsidiaries as of December 31, 2014 and 2013, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations as well as SIC Interpretations endorsed by the Financial Supervisory Commission of the Republic of China with its effective dates.

We have audited the parent – company – only financial statements as of and for the years ended December 31, 2014 and 2013 on which we have expressed an unqualified opinion.

Hsinchu, Taiwan (the Republic of china)
February 26, 2015

Note to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations, and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The auditors' audit report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language auditors' review report and consolidated financial statements, the Chinese version shall prevail.

Acter Co., Ltd. and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2014, and 2013
(In Thousands of New Taiwan Dollars)

Assets		December 31,2014		December 31,2013		Liabilities and Equity		December 31,2014		December 31,2013	
		Amount	%	Amount	%			Amount	%	Amount	%
Current Assets:						Current Liabilities:					
1100	Cash and cash equivalents (Note 6 (1)and (17))	\$ 1,141,445	17	1,456,226	21	2100	Short-term loans (Note 6 (11) and(17))	\$ 78,235	1	287,832	4
1125	Available-for-sale financial assets—current (Note 6 (2)and (17))	233,202	3	249,004	4	2150	Notes payable (Note 6 (17))	285,161	4	155,881	2
1150	Notes receivable, net (Note 6 (3) and (17))	165,462	2	174,891	2	2170	Accounts payable (Note 6 (17))	2,081,856	30	2,021,105	29
1170	Accounts receivable, net (Note 6 (3) and (17))	1,682,364	24	1,932,376	28	2180	Payables to related parties (Note 6 (17) and 7 (3))	218	-	6,182	-
1180	Receivables from related parties (Note 6 (17)and 7 (3))	-	-	5,937	-	2190	Construction contracts payable (Note 6 (4) and 7 (3))	503,955	8	335,081	5
1190	Construction contracts receivable (Note 6 (4) and 7 (3))	1,387,905	20	1,390,413	20	2201	Accrued salaries and bonuses	149,017	2	139,293	2
1200	Other receivables (Note 6 (3)and (17))	43,703	1	35,634	1	2230	Income tax payable	29,898	-	93,758	1
1210	Other receivables from related parties (Note 6 (17)and 7 (3))	-	-	10,894	-	2250	Provisions—current (Note 6 (10))	195,917	3	200,651	3
1220	Current income tax assets (Note 6 (5))	21	-	-	-	2311	Advance sales receipts	613,712	9	537,749	8
1310	Inventories, net (Note 6 (5))	1,075,392	16	828,732	12	2399	Other current liabilities and accrued expenses	<u>86,991</u>	<u>1</u>	<u>115,221</u>	<u>1</u>
1476	Other financial assets—current (Note 8)	259,544	4	157,959	2			<u>4,024,960</u>	<u>58</u>	<u>3,892,753</u>	<u>55</u>
1479	Other current assets (Note 7 (3))	<u>263,847</u>	<u>4</u>	<u>235,887</u>	<u>2</u>						
		<u>6,252,885</u>	<u>91</u>	<u>6,477,953</u>	<u>92</u>	2570	Deferred tax liabilities (Note 6 (15))	157,568	2	181,044	3
Non-current assets:						2640	Accrued pension liabilities (Note 6 (12))	34,742	1	32,648	-
1523	Available-for-sale financial assets—noncurrent (Note 6 (2))	25,909	-	40,991	1	2645	Guarantee deposit received	<u>252</u>	<u>-</u>	<u>252</u>	<u>-</u>
1550	Investment accounted for using equity method (Note 6 (6))	1,407	-	6,497	-			<u>192,562</u>	<u>3</u>	<u>213,944</u>	<u>3</u>
1600	Property, plant and equipment (Note 6 (8))	340,595	5	334,438	4	Total Liabilities		<u>4,217,522</u>	<u>61</u>	<u>4,106,697</u>	<u>58</u>
1760	Investment property, net (Note 6 (9))	30,868	-	31,205	-	Equity Attributable to owners of parent company (Note 6 (13))					
1840	Deferred tax assets (Note 6 (15))	105,346	2	37,459	1	3100	Common stock	461,359	7	461,359	7
1985	Long-term prepaid rents	41,414	1	40,988	1	3200	Capital surplus	936,951	13	896,599	13
1990	Other non-current assets (Note 6 (2))	<u>87,476</u>	<u>1</u>	<u>35,751</u>	<u>1</u>	3300	Retained earnings	1,129,996	17	1,499,592	22
		633,015	9	527,329	8	3400	Other equity interest	<u>55,867</u>	<u>1</u>	<u>41,035</u>	<u>-</u>
							Total equity attributable to owners of parent company	<u>2,584,173</u>	<u>38</u>	<u>2,898,585</u>	<u>42</u>
						36XX	Non-controlling interests (Note 6 (7))	<u>84,205</u>	<u>1</u>	<u>-</u>	<u>-</u>
							Total Equity	<u>2,668,378</u>	<u>39</u>	<u>2,898,585</u>	<u>42</u>
Total Assets		<u>\$ 6,885,900</u>	<u>100</u>	<u>7,005,282</u>	<u>100</u>		Total Liabilities And Equity	<u>\$ 6,885,900</u>	<u>100</u>	<u>7,005,282</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

Acter Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2014, and 2013
(In Thousands of New Taiwan Dollars)

		2014		2013	
		Amount	%	Amount	%
Operating revenues:					
4521	Construction revenue (Note 6 (4) and 7)	\$ 6,464,876	85	7,321,479	85
4529	Less: allowances	<u>(5,594)</u>	<u>-</u>	<u>(6,776)</u>	<u>-</u>
		6,459,282	85	7,314,703	85
4110	Sales	1,087,273	14	1,293,637	15
4800	Other operating revenue	<u>34,997</u>	<u>1</u>	<u>47,732</u>	<u>-</u>
		7,581,552	100	8,656,072	100
Operating cost:					
5520	Construction cost (Note 6 (4), 7 and 12)	6,048,954	80	6,517,139	75
5110	Cost of goods sold (Note 6 (5))	902,706	12	1,088,476	13
5800	Other operating cost	<u>7,597</u>	<u>-</u>	<u>11,492</u>	<u>-</u>
		<u>6,959,257</u>	<u>92</u>	<u>7,617,107</u>	<u>88</u>
	Gross profit	<u>622,295</u>	<u>8</u>	<u>1,038,965</u>	<u>12</u>
Operating expenses:					
6100	Selling	120,931	2	111,100	1
6200	General and administrative (Note 6 (3) and 12)	397,932	5	319,861	4
6300	Research and development	<u>49,551</u>	<u>-</u>	<u>43,683</u>	<u>1</u>
		<u>568,414</u>	<u>7</u>	<u>474,644</u>	<u>6</u>
	Operating income	<u>53,881</u>	<u>1</u>	<u>564,321</u>	<u>6</u>
Non-operating income and expenses:					
7050	Finance costs	(3,500)	-	(5,955)	-
7010	Other income (Note 6 (14))	26,345	-	26,012	-
7070	Share of gain (loss) of associates accounted for using equity method (Note 6 (6))	<u>(218)</u>	<u>-</u>	<u>4,203</u>	<u>-</u>
7020	Other gains and losses, net (Note 6 (14))	<u>8,795</u>	<u>-</u>	<u>31,750</u>	<u>1</u>
		<u>31,422</u>	<u>-</u>	<u>56,010</u>	<u>1</u>
7900	Profit before tax	85,303	1	620,331	7
7950	Income tax expense (benefit) (Note 6 (15))	<u>(3,731)</u>	<u>-</u>	<u>153,940</u>	<u>2</u>
8200	Profit for the year	<u>89,034</u>	<u>1</u>	<u>466,391</u>	<u>5</u>
8300	Other comprehensive income, net of tax:				
8310	Foreign currency translation differences — foreign operations	29,352	-	66,054	1
8325	Net change in fair value of available-for-sale financial assets	(16,079)	-	8,837	-
8360	Actuarial gain (loss) from defined benefit plans	(1,299)	-	759	-
8370	Share of other comprehensive income of subsidiaries and associates	<u>(1,769)</u>	<u>-</u>	<u>(1,729)</u>	<u>-</u>
8399	Less: Income tax relating to components of other comprehensive income	<u>(6,331)</u>	<u>-</u>	<u>(11,229)</u>	<u>-</u>
8300	Other comprehensive income, net	<u>3,874</u>	<u>-</u>	<u>62,692</u>	<u>1</u>
8500	Total comprehensive income	<u>\$ 92,908</u>	<u>1</u>	<u>529,083</u>	<u>6</u>
Profit attributable to:					
8610	Owners of parent	\$ 94,830	1	466,391	5
8620	Non-controlling interests	<u>(5,796)</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>89,034</u>	<u>1</u>	<u>466,391</u>	<u>5</u>
Comprehensive income attributable to:					
8710	Owners of parent company	\$ 106,594	1	529,083	6
8720	Non-controlling interests	<u>(13,686)</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>92,908</u>	<u>1</u>	<u>529,083</u>	<u>6</u>
Earnings per share (attributable to owner of parent company) (Note 6 (16))					
9750	Basic earnings per share(In New Taiwan Dollars)	<u>\$ 2.06</u>		<u>10.11</u>	
9850	Diluted earnings per share(In New Taiwan Dollars)	<u>\$ 2.05</u>		<u>10.04</u>	

See accompanying notes to consolidated financial statements.

Acter Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years ended December 31, 2014 and 2013
(Expressed in Thousands of New Taiwan Dollars)

	Attributable to owners of parent						Other equity interest				
	Retained earnings						Foreign currency translation adjustments	Unrealized gains(losses) on available-for-sale financial assets	Total	Non- controlling interests	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total					
Balance, January 1, 2013	\$ 461,359	896,599	216,384	39,790	1,239,355	1,495,529	(27,235)	4,608	(22,627)	-	2,830,860
Appropriation and distribution of retained earnings for the year ended 2013:											
Legal reserve	-	-	70,953	-	(70,953)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(461,358)	(461,358)	-	-	-	-	(461,358)
Reversal of special reserve	-	-	-	(2,905)	2,905	-	-	-	-	-	-
	<u>461,359</u>	<u>896,599</u>	<u>287,337</u>	<u>36,885</u>	<u>709,949</u>	<u>1,034,171</u>	<u>(27,235)</u>	<u>4,608</u>	<u>(22,627)</u>	<u>-</u>	<u>2,369,502</u>
Comprehensive income for the year ended 2013											
Profit	-	-	-	-	466,391	466,391	-	-	-	-	466,391
Changes in comprehensive income	-	-	-	-	(970)	(970)	54,825	8,837	63,662	-	62,692
Total comprehensive income	-	-	-	-	465,421	465,421	54,825	8,837	63,662	-	529,083
Balance, December 31, 2013	\$ 461,359	896,599	287,337	36,885	1,175,370	1,499,592	27,590	13,445	41,035	-	2,898,585
Appropriation and distribution of retained earnings for the year ended 2014:											
Legal reserve	-	-	46,639	-	(46,639)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(461,358)	(461,358)	-	-	-	-	(461,358)
Changes in ownership interest in subsidiaries	-	40,352	-	-	-	-	-	-	-	-	40,352
	<u>461,359</u>	<u>936,951</u>	<u>333,976</u>	<u>36,885</u>	<u>667,373</u>	<u>1,038,234</u>	<u>27,590</u>	<u>13,445</u>	<u>41,035</u>	<u>-</u>	<u>2,477,579</u>
Comprehensive income for the year ended 2014											
Profit	-	-	-	-	94,830	94,830	-	-	-	(5,796)	89,034
Changes in comprehensive income	-	-	-	-	(3,068)	(3,068)	30,911	(16,079)	14,832	(7,890)	3,874
Total comprehensive income	-	-	-	-	91,762	91,762	30,911	(16,079)	14,832	(13,686)	92,908
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	97,891	97,891
Balance, December 31, 2014	\$ 461,359	936,951	333,976	36,885	759,135	1,129,996	58,501	(2,634)	55,867	84,205	2,668,378

See accompanying notes to consolidated financial statements.

Acter Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years ended December 31, 2014 and 2013
(All Amount Expressed in Thousands of New Taiwan Dollars)

	2014	2013
Cash flows from operating activities:		
Profit before tax	\$ 85,303	620,331
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation (Including investment property)	24,489	19,301
Amortization	8,463	6,041
Provision for bad debt expense	71,566	19,054
Provision for inventory obsolescence	1,299	22,829
Gain on disposal of available – for – sale financial assets	(3,309)	(3,781)
Share of loss (gain) of associates accounted for using equity method	218	(4,203)
Other	14,108	(13,433)
	116,834	45,808
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	9,429	82,799
Accounts receivable	173,019	(235,236)
Construction contracts receivable	2,508	(340,982)
Inventories	(247,959)	(60,639)
Other financial assets	(174,960)	5,480
	(237,963)	(548,578)
Changes in operating liabilities:		
Notes payable	129,280	(40,686)
Accounts payable	52,090	170,367
Construction contracts payable	168,440	(56,194)
Advance sales receipts	75,963	(164,325)
Other current liabilities	(54,862)	(13,809)
	370,911	(104,647)
Total adjustments	249,782	(607,417)
Cash inflow generated from operations	335,085	12,914
Interest received	10,670	8,438
Interest paid	(4,283)	(5,416)
Income taxes paid	(157,462)	(200,317)
Net cash generated from (used in) operating activities	184,010	(184,381)
Cash flows from investing activities:		
Acquisition of available-for-sale financial assets	(307,162)	(277,480)
Proceeds from disposal of available-for-sale financial assets	330,268	267,145
Acquisition of subsidiaries	15,429	-
Acquisition of property, plant and equipment	(16,779)	(11,268)
Proceeds from disposal of property, plant and equipment	275	702
Increase in other non-current assets	(21,746)	(624)
Net cash generated from (used in) investing activities	285	(21,525)
Cash flows from financing activities:		
Increase (decrease) in short-term loans	(209,597)	135,672
Payment of cash dividends	(461,358)	(461,358)
Changes in non-controlling interests	97,891	-
Net cash used in financing activities	(573,064)	(325,686)
Effect of exchange rate changes on cash and cash equivalents	73,988	52,823
Net decrease in cash and cash equivalents	(314,781)	(478,769)
Cash and cash equivalents at beginning of year	1,456,226	1,934,995
Cash and cash equivalents at end of year	\$ 1,141,445	1,456,226

See accompanying notes to consolidated financial statements.

Attachment 3: Supervisor's Review Report

Acter Co., Ltd. Supervisor's Review Report

This company's 2014 business report, financial statements, and earnings distribution proposal have been prepared and issued by the board of directors. Of these, the financial statement has been audited by Wu, Whe-Land CPA and Chang, Tzu-Hsin CPA of KPMG under commission to the board, and the auditor has issued an audit report giving an unqualified opinion. The foregoing business report, financial statements, and earnings distribution proposal have been reviewed by the supervisors, who have found them to comply with relevant requirements of the Company Act. The foregoing report has been prepared in accordance with Article 219 of the Company Act.

2015 shareholders meeting of Acter Co., Ltd.

Acter Co., Ltd.

Supervisor: Wu, Pi-Huei

Supervisor: Yeh, Hui-Hsin

Supervisor: Winsite Co., Ltd.

Legal Representative : Shih, Tung

February 26, 2015

Attachment 4: Comparison Table of the Articles of Incorporation

Article	After The Revision	Before The Revision
Article 16	<p>The company has 5 to 9 directors and 2 to 3 supervisors, all to be elected from among persons with legal capacities by the shareholder meeting for terms of 3 years. The same person may be elected again upon expiry of the term.</p> <p>The directors and supervisors of the company shall be elected by single selection, registered and accumulated election method. Each share is entitled to the same number of voting rights as the number of directors or supervisors to be elected. The votes may be cast to one single candidate or be distributed among several candidates. The candidates receiving more votes shall be elected directors or supervisors. If this method requires amendment, it shall be carried out in accordance with Article 172 of the Company Law and a table of comparison for such method shall be included in the agenda for convening the meeting.</p> <p>The total number of registered shares of the company that may be held by all directors and supervisors shall be determined by the standard established in accordance with the “Guidelines for Shareholding Percentage by Directors and Supervisors of Publicly Traded Companies and Audit Practice” promulgated by the Financial Supervisory Commission of the Executive Yuan.</p>	<p>The company has 5 to 9 directors and 2 to 3 supervisors, all to be elected from among persons with legal capacities by the shareholder meeting for terms of 3 years. The same person may be elected again upon expiry of the term.</p> <p>The directors and supervisors of the company shall be elected by single selection, registered and accumulated election method. Each share is entitled to the same number of voting rights as the number of directors or supervisors to be elected. The votes may be cast to one single candidate or be distributed among several candidates. The candidates receiving more votes shall be elected directors or supervisors. If this method requires amendment, it shall be carried out in accordance with Article 172 of the Company Law and a table of comparison for such method shall be included in the agenda for convening the meeting.</p> <p>The total number of registered shares of the company that may be held by all directors and supervisors shall be determined by the standard established in accordance with the “Guidelines for Shareholding Percentage by Directors and Supervisors of Publicly Traded Companies and Audit Practice” promulgated by the Financial Supervisory Commission of the Executive Yuan.</p>
Article 16-1	<p>The company may purchase liability insurance during the terms of directors and supervisors to cover the liability for compensation borne by them in accordance with the law within the scope of their duties.</p>	<p>The company may purchase liability insurance during the terms of directors and supervisors to cover the liability for compensation borne by them in accordance with the law within the scope of their duties.</p>
Article 16-2	<p>The company may have 2 to 4 independent directors among the above-mentioned number of directors and supervisors in accordance with Article 14-2 of the Securities Transaction Act. <u>The number of independent directors will not less than three in number and not less than one-fifth of the total number of directors.</u> They shall be elected under the candidate nomination system under Article 192-1 of the Company Law. The professional qualifications, shareholding, restrictions on</p>	<p>The company may have 2 to 4 independent directors among the above-mentioned number of directors and supervisors in accordance with Article 14-2 of the Securities Transaction Act. They shall be elected under the candidate nomination system under Article 192-1 of the Company Law. The professional qualifications, shareholding, restrictions on serving other functions, determination of independence and other compliance matters with regard to independent directors shall</p>

Article	After The Revision	Before The Revision
	serving other functions, determination of independence and other compliance matters with regard to independent directors shall be in accordance with relevant rules of the securities competent authority.	be in accordance with relevant rules of the securities competent authority.
Article 17	If one-third or more of the director's seats are vacant, or if all independent directors or all supervisors are dismissed, the board of directors shall convene a special shareholder meeting within 60 days to fill the vacancies.	If one-third or more of the director's seats are vacant, or if all independent directors or all supervisors are dismissed, the board of directors shall convene a special shareholder meeting within 60 days to fill the vacancies.
Article 19-1	The agenda of the board meeting shall be included in the convening notice and sent to all directors and supervisors 7 days in advance. However, a meeting may be convened at any time in case of an emergency. The notice may be sent in writing, by email or fax.	The agenda of the board meeting shall be included in the convening notice and sent to all directors and supervisors 7 days in advance. However, a meeting may be convened at any time in case of an emergency. The notice may be sent in writing, by email or fax.
Article 20	Unless otherwise provided by law, board resolutions shall be approved by the majority of directors attending a meeting that is attended by the majority of directors. Any director who cannot attend a meeting may issue a proxy to designate another director as a representative to attend the meeting on his behalf. The proxy shall indicate the scope of authorization. Each proxy holder shall represent no more than one person. Board meetings may be held by video conference. Directors participating in meetings through video conference shall be deemed to have participated in these meetings in person. <u>The company is configured with an audit committee in compliance with the requirements established under Article 14-4 of the Securities and Exchange Act. The Audit Committee shall consist of all independent directors. The Committee or its members are in charge of exercising functions as supervisors indicated in the Company Act, the Securities and Exchange Act, and other laws and regulations.</u>	Unless otherwise provided by law, board resolutions shall be approved by the majority of directors attending a meeting that is attended by the majority of directors. Any director who cannot attend a meeting may issue a proxy to designate another director as a representative to attend the meeting on his behalf. The proxy shall indicate the scope of authorization. Each proxy holder shall represent no more than one person. Board meetings may be held by video conference. Directors participating in meetings through video conference shall be deemed to have participated in these meetings in person.
Article 23	The expenses entailed through exercising their duties by the directors and supervisors of the company shall be determined by the board of directors based on the common standard of the industry. The remuneration of all directors and supervisors shall be in accordance with Article 27 of the	The expenses entailed through exercising their duties by the directors and supervisors of the company shall be determined by the board of directors based on the common standard of the industry. The remuneration of all directors and supervisors shall be in accordance with Article 27 of the

Article	After The Revision	Before The Revision
	company's articles of association.	company's articles of association.
Article 26	<p>The board of directors shall prepare the following statements at the end of the company's accounting year, submit them to the Audit Committee^{supervisors} for inspection 30 days prior to the general shareholder meeting and then submit them to the general shareholder meeting for recognition:</p> <p>(1) Business report, (2) financial statements, (3) profit distribution or loss compensation proposal.</p>	<p>The board of directors shall prepare the following statements at the end of the company's accounting year, submit them to the supervisors for inspection 30 days prior to the general shareholder meeting and then submit them to the general shareholder meeting for recognition:</p> <p>(1) Business report, (2) financial statements, (3) profit distribution or loss compensation proposal.</p>
Article 27	<p>The company's profit following annual closing, if any, shall be distributed in the following order:</p> <ol style="list-style-type: none"> 1. Omitted. 2. Omitted. 3. Omitted. 4. Omitted. 5. Director and supervisor remuneration in the amount not exceeding 3% of the balance following reserves under subsections 1 to 4 above; 6. Omitted. 7. Omitted. 	<p>The company's profit following annual closing, if any, shall be distributed in the following order:</p> <ol style="list-style-type: none"> 1. Omitted. 2. Omitted. 3. Omitted. 4. Omitted. 5. Director and supervisor remuneration in the amount not exceeding 3% of the balance following reserves under subsections 1 to 4 above; 6. Omitted. 7. Omitted.
Article 30	<p>These articles of association were established on 10 February 1979..... Twenty second amendment was made on 18 June 2012. Twenty third amendment was made on 28 May 2015.</p>	<p>These articles of association were established on 10 February 1979..... Twenty second amendment was made on 18 June 2012.</p>

Attachment 5: Comparison Table of the Rules of Procedure for Shareholder Meetings

Article	After The Revision	Before The Revision
Article 5	<ol style="list-style-type: none"> 1. Omitted. 2. The company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the company and its shareholder services agent as well as being distributed on-site at the meeting place. 3. Omitted. 4. Election or dismissal of directors or supervisors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act or Articles 26-1 and 43-6 of the Securities and Exchange Act <u>or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by</u> 	<ol style="list-style-type: none"> 1. Omitted. 2. The company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the company and its shareholder services agent as well as being distributed on-site at the meeting place. 3. Omitted. 4. Election or dismissal of directors or supervisors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act or Articles 26-1 and 43-6 of the Securities and Exchange Act shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters

Article	After The Revision	Before The Revision
	<p><u>Securities Issuers</u> shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p>	<p>may be raised by an extraordinary motion.</p>
Article 8	<ol style="list-style-type: none"> 1. Omitted. 2. Omitted. 3. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. <u>The company may not freely add other supporting documents that shareholders attending meetings should present.</u> Solicitors soliciting proxy forms shall also bring identification documents for verification. 4. Omitted. 5. The company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished. 	<ol style="list-style-type: none"> 1. Omitted. 2. Omitted. 3. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification. 4. Omitted. 5. The company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.
Article 9	<ol style="list-style-type: none"> 1. Omitted. 2. Omitted. 3. It is advisable that shareholders meetings convened by the board of directors be attended by a majority of the directors. <u>The Chairman shall preside over shareholders' meetings called for by the Board of Directors in person and more than half of all Board directors plus at least one member from respective functional committees shall attend the meetings and document their attendance in shareholders' meeting minutes.</u> 	<ol style="list-style-type: none"> 1. Omitted. 2. Omitted. 3. It is advisable that shareholders meetings convened by the board of directors be attended by a majority of the directors.
Article 15	<ol style="list-style-type: none"> 1. Omitted. 2. Omitted. 3. Omitted. 4. Omitted. 5. Except as otherwise provided in the Company Act and in the company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending 	<ol style="list-style-type: none"> 1. Omitted. 2. Omitted. 3. Omitted. 4. Omitted. 5. Except as otherwise provided in the Company Act and in the company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending

Article	After The Revision	Before The Revision
	<p>shareholders. <u>The results of approval, rejection, and abstention votes among the shareholders shall be released on the public information observatory on the day the shareholders' meeting is completed. If voting is done on a case-by-case basis for proposals,</u> at the time of a vote, for each proposal, the chairman or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders.</p>	<p>shareholders. At the time of a vote, for each proposal, the chairman or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders.</p>
Article 16	<p>1. The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.</p>	<p>1. The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.</p>
Article 22	<p>These rules were established on 3 May 2005.....These rules were amended on 19 June 2013. <u>These rules were amended on 28 May 2015.</u></p>	<p>These rules were established on 3 May 2005.....These rules were amended on 19 June 2013.</p>

Attachment 6: Comparison Table of the Procedure for Acquisition or Disposal of Assets

Article	After The Revision	Before The Revision
Article 8	<p>1. Omitted.</p> <p>2. When a public 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 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 may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by <u>more than half of all audit committee members and submitted to</u> the board of directors <u>for further approval</u> and recognized by the supervisors:</p> <p>(1) Omitted.</p> <p>(2) Omitted.</p> <p>(3) Omitted.</p> <p>(4) Omitted.</p> <p>(5) Omitted.</p> <p>(6) Omitted.</p> <p>(7) Omitted.</p> <p>(8) Omitted.</p> <p>(9) The calculation of the transaction amounts shall be made in accordance with Article 13-2, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by <u>more than half of all audit committee members and submitted to the board of directors for further approval</u> the board of directors and recognized by the supervisors need not be counted toward the transaction amount.</p> <p>(10) Omitted.</p> <p>3. Omitted.</p>	<p>1. Omitted.</p> <p>2. When a public 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 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 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 and recognized by the supervisors:</p> <p>(1) Omitted.</p> <p>(2) Omitted.</p> <p>(3) Omitted.</p> <p>(4) Omitted.</p> <p>(5) Omitted.</p> <p>(6) Omitted.</p> <p>(7) Omitted.</p> <p>(8) Omitted.</p> <p>(9) The calculation of the transaction amounts shall be made in accordance with Article 13-2, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.</p> <p>(10) Omitted.</p> <p>3. Omitted.</p>

Article	After The Revision	Before The Revision
	<p>4. Omitted.</p> <p>5. For any acquisition of real property from a related party, if the result of evaluation under sections 3 and 4 is lower than the transaction price, the following matters shall be carried out:</p> <p>(1) Omitted.</p> <p>(2) The supervisors <u>independent directors of the audit committee</u> shall proceed in accordance with Article 281 of the Company Law.</p>	<p>4. Omitted.</p> <p>5. For any acquisition of real property from a related party, if the result of evaluation under sections 3 and 4 is lower than the transaction price, the following matters shall be carried out:</p> <p>(1) Omitted.</p> <p>(2) The supervisors shall proceed in accordance with Article 281 of the Company Law.</p>
Article 11	<p>In order to effectively manage the company's income, expenses, assets, debts and risks arising out of foreign exchange and the company's transactions of derivative products.</p> <p>1. Operational or Hedging Strategy</p> <p>The company engages in transactions of derivative products for the purpose of avoiding risks arising out of fluctuation of foreign exchange rate, interest rate or asset price. Hedging is limited to foreign currency positions payable/receivable arising out of the company's business for the future six months. Before engaging in the transaction, it shall be verified that it is a hedging operation.</p>	<p>In order to effectively manage the company's income, expenses, assets, debts and risks arising out of foreign exchange and the company's transactions of derivative products.</p> <p>1. Operational or Hedging Strategy</p> <p>The company engages in transactions of derivative products for the purpose of avoiding risks arising out of fluctuation of foreign exchange rate, interest rate or asset price. Hedging is limited to foreign currency positions payable/receivable arising out of the company's business for the future six months. Before engaging in the transaction, it shall be verified that it is a hedging operation.</p>
Article 19	<p><u>"Acknowledgement by the Audit Committee shall be obtained" in this procedure means that approval by more than half of all members of the Audit Committee shall be obtained before submission to the Board of Directors for a final decision.</u></p> <p><u>If approval by more than half of all members of the Audit Committee is not obtained as mentioned above, as long as approval from more than two-thirds of all members of the Board of Directors is obtained, it may be implemented and resolution reached by the Audit Committee shall be indicated in the Board of Director meeting minutes.</u></p> <p><u>"All members of the Audit Committee" indicated in Paragraph 1 and "all members of the Board of Directors" indicated in the foregoing paragraph refer to the actual number of incumbent members.</u></p>	
Article 20	<p><u>The Procedure for Acquisition or Disposal of Assets shall be implemented after more than half of all audit committee members</u></p>	

Article	After The Revision	Before The Revision
	<p><u>grants the approval, and shall be sent to the board of directors for further approval and reported at a shareholders' meeting. If any director voices any objection by record or written statement, the company shall send such director's objection information to the audit committee and submit them for approval by the shareholders' meeting. The same procedure shall be followed when the procedure have been amended.</u></p> <p>For any matter requiring approval by the board of directors in accordance with this procedure or other legislations, if any director voices any objection by record or written statement, the company shall send such director's objection information to each supervisor.</p> <p>If the company has independent directors,</p> <p>wWhen the <u>procedure for</u> acquisition or disposal of asset transaction is submitted to the board of directors for discussion in accordance with the above rule, opinions of the independent directors shall be fully taken into consideration and their opinions and reasons for approval or objection shall be included in the minutes of the meeting. The establishment of this procedure shall be published as significant information on the Market Observation Post System and a letter shall be sent to the Gre-Tai Securities Market for reference.</p>	<p>For any matter requiring approval by the board of directors in accordance with this procedure or other legislations, if any director voices any objection by record or written statement, the company shall send such director's objection information to each supervisor.</p> <p>If the company has independent directors, when the acquisition or disposal of asset transaction is submitted to the board of directors for discussion in accordance with the above rule, opinions of the independent directors shall be fully taken into consideration and their opinions and reasons for approval or objection shall be included in the minutes of the meeting. The establishment of this procedure shall be published as significant information on the Market Observation Post System and a letter shall be sent to the Gre-Tai Securities Market for reference.</p>
Article 21	This procedure was established on 3 May 2005.....This procedure was amended on 18 June 2014. <u>This procedure was amended on 28 May 2015.</u>	This procedure was established on 3 May 2005.....This procedure was amended on 18 June 2014.

Attachment 7: Comparison Table of the Endorsement and Guarantee Procedure

Article	After The Revision	Before The Revision
Article 4	<p>1. The total amount of liability, standard of amount limit and amount for the company's external endorsement and guarantee are as follows:</p> <p>(1) Omitted.</p> <p>(2) Omitted.</p> <p>(3) The <u>total</u> amount of an endorsement and guarantee for companies of which 50% or more of the shares are held directly or indirectly by the company shall not be subject to the restrictions under the previous two subsections. <u>exceed 8 times the net value of the company. The amount of an endorsement and guarantee to any single enterprise shall not exceed 5 times the company's net value.</u></p>	<p>1. The total amount of liability, standard of amount limit and amount for the company's external endorsement and guarantee are as follows:</p> <p>(1) Omitted.</p> <p>(2) Omitted.</p> <p>(3) The amount of an endorsement and guarantee for companies of which 50% or more of the shares are held directly or indirectly by the company shall not be subject to the restrictions under the previous two subsections.</p>
Article 5	<p>1. When the company provides an endorsement and guarantee, approval procedures shall be carried out in accordance with Article 6 of this procedure and the endorsement and guarantee shall only be provided after board resolution. However, to meet timing requirements, execution may be done in accordance with the following rules:</p> <p>(1) Any <u>single</u> endorsement and guarantee for project contracting with total amount below NT\$600 Million <u>NT\$1 Billion</u> (inclusive) may be executed by the chairman first with the authorization from the board of directors and then submitted to the board of directors for ratification.</p>	<p>1. When the company provides an endorsement and guarantee, approval procedures shall be carried out in accordance with Article 6 of this procedure and the endorsement and guarantee shall only be provided after board resolution. However, to meet timing requirements, execution may be done in accordance with the following rules:</p> <p>(1) Any endorsement and guarantee for project contracting with total amount below NT\$600 Million (inclusive) may be executed by the chairman first with the authorization from the board of directors and then submitted to the board of directors for ratification.</p>
Article 10	<p>The internal audit staff of the company shall perform at least quarterly audit on the procedure of endorsements and guarantees and the execution. Written records shall be made. If any significant violation is discovered, each supervisor <u>audit committee</u> shall be informed in writing immediately.</p>	<p>The internal audit staff of the company shall perform at least quarterly audit on the procedure of endorsements and guarantees and the execution. Written records shall be made. If any significant violation is discovered, each supervisor shall be informed in writing immediately.</p>
Article 13	<p>1. If the beneficiary of the company's</p>	<p>1. If the beneficiary of the company's</p>

Article	After The Revision	Before The Revision
	<p>endorsement and guarantee is consistent with this procedure but subsequently becomes inconsistent, or if the amount of endorsement and guarantee exceeds the regulated amount due to change of amount limit calculation basis, an improvement plan shall be established for the amount of the endorsement and guarantee for such beneficiary or the portion exceeding the limit to eliminate the inconsistencies. The relevant improvement plan shall be sent to each supervisor <u>audit committee</u>.</p>	<p>endorsement and guarantee is consistent with this procedure but subsequently becomes inconsistent, or if the amount of endorsement and guarantee exceeds the regulated amount due to change of amount limit calculation basis, an improvement plan shall be established for the amount of the endorsement and guarantee for such beneficiary or the portion exceeding the limit to eliminate the inconsistencies. The relevant improvement plan shall be sent to each supervisor.</p>
Article 15	<p>1. This procedure shall be implemented following approval by <u>more than half of all audit committee members, submission to the board of directors for further approval, and distribution to each supervisor and</u> submission to the shareholder meeting for approval. If any director voices any objection by recording or written statement, the company shall also submit the objection to each supervisor <u>audit committee</u> and shareholder meeting for discussion. The procedure shall be applicable to any amendment hereof.</p>	<p>1. This procedure shall be implemented following approval by the board of directors, distribution to each supervisor and submission to the shareholder meeting for approval. If any director voices any objection by recording or written statement, the company shall also submit the objection to each supervisor and shareholder meeting for discussion. The procedure shall be applicable to any amendment hereof.</p>
Article 16	<p>This procedure was made on 3 May 2005. The fourth amendment to this procedure was made on 19 June 2013. <u>The fifth amendment to this procedure was made on 28 May 2015.</u></p>	<p>This procedure was made on 3 May 2005. The fourth amendment to this procedure was made on 19 June 2013.</p>

Attachment 8: Comparison Table of the Procedures for Loaning of Company Funds

Article	After The Revision	Before The Revision
Article 19	<p>1. The management activities under this procedure shall be included in the internal control system and duly implemented. The internal audit shall perform at least quarterly inspection and evaluation of the performance of the above provisions and written records shall be prepared. In case of any significant violation, all supervisors <u>audit committee</u> shall be notified in writing.</p> <p>2. If the company exceeds the limit of lending balance due to any change of circumstances, a correction plan shall be established and sent to each supervisor <u>audit committee</u>.</p>	<p>1. The management activities under this procedure shall be included in the internal control system and duly implemented. The internal audit shall perform at least quarterly inspection and evaluation of the performance of the above provisions and written records shall be prepared. In case of any significant violation, all supervisors shall be notified in writing.</p> <p>2. If the company exceeds the limit of lending balance due to any change of circumstances, a correction plan shall be established and sent to each supervisor.</p>
Article 22	<p>1. This procedure shall be implemented after it is approved by <u>more than half of all audit committee members, submitted to</u> the board of directors <u>for further approval</u> , sent to each supervisor and submitted to the shareholder meeting for approval. If any director voices any objection by recording or written statement, the company shall submit the objection to the supervisors <u>audit committee</u> and shareholder meeting for discussion. The same procedure shall be applicable to any amendment hereof.</p>	<p>1. This procedure shall be implemented after it is approved by the board of directors, sent to each supervisor and submitted to the shareholder meeting for approval. If any director voices any objection by recording or written statement, the company shall submit the objection to the supervisors and shareholder meeting for discussion. The same procedure shall be applicable to any amendment hereof.</p>
Article 23	<p>This procedure was established on 3 May 2005.The fourth amendment to this procedure was made on 19 June 2013. <u>The fifth amendment to this procedure was made on 28 May 2015.</u></p>	<p>This procedure was established on 3 May 2005.The fourth amendment to this procedure was made on 19 June 2013.</p>

Attachment 9: Comparison Table of the Procedures for Election of Directors and Supervisors

Article	After The Revision	Before The 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. Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors and supervisors shall be conducted in accordance with these Procedures.	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. Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors and supervisors shall be conducted in accordance with these Procedures.
Article 2	<p>The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. <u>The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:</u></p> <ol style="list-style-type: none"> <u>1. Basic requirements and values: Gender, age, nationality, and culture.</u> <u>2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.</u> <p>Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:</p> <ol style="list-style-type: none"> 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. An international market perspective. 7. Leadership ability. 8. Decision-making ability. <p>More than half of the directors shall be persons who have neither a spousal</p>	<p>The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors.</p> <p>Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:</p> <ol style="list-style-type: none"> 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. An international market perspective. 7. Leadership ability. 8. Decision-making ability. <p>More than half of the directors shall be persons who have neither a spousal</p>

Article	After The Revision	Before The Revision
	<p>relationship nor a relationship within the second degree of kinship with any other director.</p> <p><u>The company's Board of Directors shall consider adjusting the composition of the Board of Directors based on the performance assessment results.</u></p>	<p>relationship nor a relationship within the second degree of kinship with any other director.</p>
Article 3	<p>1. Supervisors of this Corporation shall meet the following qualifications:</p> <p>(1) Integrity and a practical attitude.</p> <p>(2) Impartial judgment.</p> <p>(3) Professional knowledge.</p> <p>(4) Broad experience.</p> <p>(5) Ability to read financial statements.</p> <p>2.1. In addition to the requirements of the preceding paragraph, at least one among the supervisors of this Corporation must be an accounting or finance professional.</p> <p>Appointments of supervisors shall be made with reference to the provisions on 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 corporation's risk management and control of finance and operations.</p> <p>At least one supervisor 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.</p> <p>A supervisor may not serve concurrently as the director, managerial officer, or any other employee of this Corporation, and should ideally be domiciled in the Republic of China to be able to promptly fulfill the functions of supervisor.</p>	<p>1. Supervisors of this Corporation shall meet the following qualifications:</p> <p>(1) Integrity and a practical attitude.</p> <p>(2) Impartial judgment.</p> <p>(3) Professional knowledge.</p> <p>(4) Broad experience.</p> <p>(5) Ability to read financial statements.</p> <p>2. In addition to the requirements of the preceding paragraph, at least one among the supervisors of this Corporation must be an accounting or finance professional.</p> <p>Appointments of supervisors shall be made with reference to the provisions on 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 corporation's risk management and control of finance and operations.</p> <p>At least one supervisor 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.</p> <p>A supervisor may not serve concurrently as the director, managerial officer, or any other employee of this Corporation, and should ideally be domiciled in the Republic of China to be able to promptly fulfill the functions of supervisor.</p>
Article 5	<p>The open ballot, cumulative voting method will be used for election of the directors and supervisors at this Corporation. Each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single</p>	<p>The open-ballot, cumulative voting method will be used for election of the directors and supervisors at this Corporation. Each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single</p>

Article	After The Revision	Before The Revision
	<p>candidate or split among multiple candidates.</p> <p>Elections of independent directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. <u>Arbitrary addition of supporting documents for other eligibility requirements is disallowed while reviewing the eligibility, education and experience of prospective directors, and presence of individual conditions under Article 30 of the Company Act or not and review results shall be provided to shareholders for their reference in order to select competent directors.</u> Any shareholder holding 1% or more of the total number of outstanding shares issued by the company and the board of directors may submit a roster of independent director candidates to the company, and , and, upon evaluation by the board of directors that all candidates so nominated are qualified independent director candidates, submit it to the shareholders' meeting for elections. The shareholders shall elect independent directors from among the nominees listed in the roster of director candidates. Matters related to the acceptance and public announcement for the nomination of candidates of independent directors shall be in accordance with the relevant laws and regulations such as the Company Act and Securities and Exchange Act.</p>	<p>candidate or split among multiple candidates.</p> <p>Elections of independent directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. Any shareholder holding 1% or more of the total number of outstanding shares issued by the company and the board of directors may submit a roster of independent director candidates to the company, and , and, upon evaluation by the board of directors that all candidates so nominated are qualified independent director candidates, submit it to the shareholders' meeting for elections. The shareholders shall elect independent directors from among the nominees listed in the roster of director candidates. Matters related to the acceptance and public announcement for the nomination of candidates of independent directors shall be in accordance with the relevant laws and regulations such as the Company Act and Securities and Exchange Act.</p>
Article 6	<p>When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of</p>	<p>When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of</p>

Article	After The Revision	Before The Revision
	<p>listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, 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>When the number of supervisors falls below that prescribed in this Corporation's articles of incorporation due to the dismissal of a supervisor for any reason, a by-election to fill the vacancy should ideally be held at the next shareholders meeting. When the supervisors are dismissed en masse, 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>listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, 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>When the number of supervisors falls below that prescribed in this Corporation's articles of incorporation due to the dismissal of a supervisor for any reason, a by-election to fill the vacancy should ideally be held at the next shareholders meeting. When the supervisors are dismissed en masse, 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>
Article 7	<p>The board of directors shall prepare separate ballots for directors and supervisors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, 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.</p>	<p>The board of directors shall prepare separate ballots for directors and supervisors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, 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.</p>
Article 12	<p>The voting rights shall be calculated on site immediately after the end of the poll, and the chair shall announce on the site the list of persons elected as directors or supervisors. The ballot boxes shall be opened right after the voting session is completed. The Chair shall announce the voting result, including the list of elected directors and the number of votes in their favor.</p> <p><u>Ballot examiners shall seal and sign the ballot papers indicated under election information in the preceding paragraph and keep them properly for at least one year. If a shareholder makes a litigious claim against the Company according to Article</u></p>	<p>The voting rights shall be calculated on site immediately after the end of the poll, and the chair shall announce on the site the list of persons elected as directors or supervisors.</p>

Article	After The Revision	Before The Revision
	<u>189 of the Company Act, however, the abovementioned documents must be retained until the end of the litigation.</u>	
Article 13	The board of directors of this Corporation shall issue notifications to the persons elected as directors or supervisors .	The board of directors of this Corporation shall issue notifications to the persons elected as directors or supervisors.
Article 15	This procedure was established on 3 May 2005.This procedure was amended on 15 June 2011. <u>This procedure was amended on 28 May 2015.</u>	This procedure was established on 3 May 2005.This procedure was amended on 15 June 2011.

Attachment 10: The qualification of the 3 nominated independent directors

Independent Director Candidate	Education	Experience	Current Shareholding
Wang, Mao-Rong	Master, Institute of Management of Technology, National Chiao Tung University Refrigerating Air-conditioning Division, College of Mechanical & Electrical Engineering, National Taipei University of Technology	<p>Current Position</p> <ul style="list-style-type: none"> ● MJ Energy Master <u>Person in Charge</u> <p>Experience</p> <ul style="list-style-type: none"> ● Kun Shan University <u>Electrical and Mechanical Teaching Assistant</u> ● Taishan Training Center <u>Refrigerating Air-conditioning and Electrical/Mechanical Lecturer, Vice Career Trainer</u> ● Industrial Technology Research Institute <u>Laboratory Director, Vice Section Head, and Promotion Manager</u> ● Great United Technicians Firm <u>Person in Charge</u> ● Energy-saving Department, Delta Electronics, Inc. <u>Senior Manager</u> 	5,000 Shares
Yeh, Hui-Hsin	Bachelor Degree in Accounting, Tunghai University	<p>Current Position</p> <ul style="list-style-type: none"> ● Representative, Wei Chin CPAs & Co. ● Independent Director, Partner Tech. Corp. ● Independent Supervisor, Hyweb Technology Co., Ltd. <p>Experience</p> <ul style="list-style-type: none"> ● Partner CPA, Ernst & Young Global Limited 	3,000 Shares
Yang, Qian	Doctor of Computer Science, Washington University, USA Master of Computer Science, Georgia Institute of Technology, USA Master of Management Science, National Chiao Tung University Bachelor of Electronics Engineering, National Chiao Tung University	<p>Current Position</p> <ul style="list-style-type: none"> ● Institute of Business and Management, National Chiao Tung University <u>Adjunct Professor</u> ● Employee Complaint Deliberation Committee, Industrial Technology Research Institute <u>Member</u> ● Hermes Microvision, Inc. <u>Director</u> ● Chia Chang Co., Ltd. <u>Supervisor</u> ● ASPEED Technology Inc. <u>Independent Director</u> ● BestCom Infotech Corp. <u>Independent Director</u> <p>Experience</p> <ul style="list-style-type: none"> ● Institute of Business and Management, National Chiao Tung University <u>Professor and Dean</u> ● Institute of Business and Management, National Chiao Tung University <u>Professor and Acting Dean</u> ● Institute of Business and Management, National Chiao Tung University <u>Professor and EMBA Chief Executive Officer</u> ● Chairman Office, Hon Hai Precision Inc. Co., Ltd. <u>Consultant</u> ● Endowment Fund Committee, National Chiao Tung University <u>Member</u> ● Operation Fund Committee, National Chiao Tung University <u>Member</u> ● Personnel Review Committee, Judicial Yuan <u>Member</u> 	0 Share

IX. Appendices

Appendix 1:Articles of Incorporation< Before the revision >

Articles of Incorporation of Acter Co., Ltd.

Chapter 1 General

Article 1. The company is organized and incorporated as a company limited by stock in accordance with the Company Law and is named Acter Co., Ltd.

Article 2. The company operates the following businesses:

1. E501011 Water Pipe Construction
2. E599010 Pipe Lines Construction
3. E601010 Electric Appliance Construction
4. E601020 Electric Appliance Installation
5. E602011 Frozen and Air-conditioning Engineering
6. E603010 Cables Construction
7. E603040 Fire Fighting Equipments Construction
8. E603050 Cybernation Equipments Construction
9. E603090 Illumination Equipments Construction
- 10.E603100 Electric Welding Construction
- 11.E801010 Building Maintenance and Upholstery
- 12.E801020 Doors and Windows Construction
- 13.E801030 Interior Light Rigid Frame Construction
- 14.EZ05010 Apparatus Installation Construction
- 15.EZ09010 Static Electricity Protecting and Clearing Construction
- 16.EZ15010 Warming and Cooling Maintainance Construction
- 17.J101050 Sanitary and Pollution Controlling Services
- 18.J101060 Wastewater (Sewage) Treatment
- 19.IG03010 Energy Technical Services
- 20.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3. The company may provide guarantees to other persons and is not restricted by Article 16 of the Company Law. The rules for endorsement and guarantee shall be implemented

following approval by the shareholder meeting. The same procedures shall be applicable to any amendment thereof.

Article 4. The total amount of investment made by the company in other invested companies shall not be restricted by Section 1, Article 13 of the Company Law. The board of directors is authorized to make such investment.

Article 5. The company's headquarters is located in Taichung City, Taiwan. As required, the board of directors may pass a resolution to establish domestic and overseas branch offices following approval by the competent authority.

Article 6. The company shall make public announcements in accordance with the Company Law and other relevant laws and regulations.

Chapter 2 Shares

Article 7. The company's total capital is fixed at NT\$720,000,000, divided into 72 million shares, at NT\$10 per share, to be issued in several batches. The board of directors may pass resolutions to issue the unissued shares in accordance with actual needs.

Article 8. The company may issue shares without share certificates, provided that a securities depository institution shall be engaged for registration.

Article 9. Matters related to the shares of the company shall be handled in accordance with relevant legislations and rules of the competent authority.

Chapter 3 Shareholder Meetings

Article 10. Shareholder meetings are divided into regular meetings and special meetings. Regular meetings shall be convened once a year within 6 months from the end of each accounting year. Special meetings shall be convened in accordance with the law as required. The rules for convening shareholder meetings shall be in accordance with relevant legislations.

Article 11. Any shareholder who cannot attend a shareholder meeting may issue a proxy to designate a representative to attend the meeting on its behalf in accordance with Article 177 of the Company Law.

Article 12. The chairman shall serve as the chairman of shareholder meetings. If the chairman is absent, the chairman will designate one director to serve such duty. If no designation is made, one person shall be elected from among the directors to serve the duty.

Article 13. Shareholders of the company enjoy one vote per share, provided that no voting right shall be enjoyed under the circumstances as provided in Article 179 of the Company Law.

Article 14. Unless otherwise provided by law, shareholder resolutions shall be passed by the majority of shareholder voting rights in a meeting that is attended by shareholders representing the majority of total outstanding shares.

Article 15. Resolutions made in shareholder meetings shall be recorded in the minutes and signed and affixed thereon by the chairman. The minutes shall be sent to all shareholders within 20 days after the meeting. The minutes shall summarize the proceedings, and the results of the discussions shall be kept permanently. The shareholder attendance sheets and proxies shall be kept for at least one year.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

Article 15-1 Any proposal to cancel and publicly issue company shares shall be made to the shareholder meeting for resolution. This provision shall not be modified during the period when the company's shares are listed in the OTC market or stock exchange (Gre-Tai market).

Chapter 4 Directors and Supervisors

Article 16. The company has 5 to 9 directors and 2 to 3 supervisors, all to be elected from among persons with legal capacities by the shareholder meeting for terms of 3 years. The same person may be elected again upon expiry of the term.

The directors and supervisors of the company shall be elected by single selection, registered and accumulated election method. Each share is entitled to the same number of voting rights as the number of directors or supervisors to be elected. The votes may be cast to one single candidate or be distributed among several candidates. The candidates receiving more votes shall be elected directors or supervisors. If this method requires amendment, it shall be carried out in accordance with Article 172 of the Company Law and a table of comparison for such method shall be included in the agenda for convening the meeting.

The total number of registered shares of the company that may be held by all directors and supervisors shall be determined by the standard established in accordance with the “Guidelines for Shareholding Percentage by Directors and Supervisors of Publicly Traded Companies and Audit Practice” promulgated by the Financial Supervisory Commission of the Executive Yuan.

Article 16-1. The company may purchase liability insurance during the terms of directors and supervisors to cover the liability for compensation borne by them in accordance with the law within the scope of their duties.

Article 16-2. The company may have 2 to 4 independent directors among the above-mentioned number of directors and supervisors in accordance with Article 14-2 of the Securities Transaction Act. They shall be elected under the candidate nomination system under Article 192-1 of the Company Law. The professional qualifications, shareholding, restrictions on serving other functions, determination of independence and other compliance matters with regard to independent directors shall be in accordance with relevant rules of the securities competent authority.

Article 17. If one-third or more of the director’s seats are vacant, or if all independent directors or all supervisors are dismissed, the board of directors shall convene a special shareholder meeting within 60 days to fill the vacancies.

Article 18. The directors shall organize the board of directors. A chairman shall be elected from among the directors by majority of the directors attending a meeting that is attended by 2/3 or more of the directors to execute all matters of the company.

Article 18-1. The chairman of the board of directors shall internally preside the shareholders' meeting, the meeting of the board of directors, and the meeting of the managing directors; and shall externally represent the company. The chairman is authorized to handle all significant matter of the company, but chairman right still restrict by Company's Corporate Charter, resolution of shareholder's meeting and director meeting.

Article 19. Unless otherwise provided by Company Law, board meetings shall be convened by the chairman. If the chairman is on leave or cannot perform the duty due to any reason, the representative shall be in accordance with Article 208 of the Company Law.

Article 19-1. The agenda of the board meeting shall be included in the convening notice and sent to all directors and supervisors 7 days in advance. However, a meeting may be convened at any time in case of an emergency. The notice may be sent in writing, by email or fax.

Article 20. Unless otherwise provided by law, board resolutions shall be approved by the majority of directors attending a meeting that is attended by the majority of directors. Any director who cannot attend a meeting may issue a proxy to designate another director as a representative to attend the meeting on his behalf. The proxy shall indicate the scope of authorization. Each proxy holder shall represent no more than one person. Board meetings may be held by video conference. Directors participating in meetings through video conference shall be deemed to have participated in these meetings in person.

Article 21. Board meetings shall be recorded in the minutes and signed with a seal affixed by the chairman. The minutes shall be distributed to all directors within 20 days after the meeting. Minutes shall summarize the proceedings and results of the meeting and shall be kept permanently together with the attendance sheets and proxies by attending directors.

Article 22. Supervisors may exercise supervision right independently in accordance with law and may participate in board meetings and suggestion. However, supervisors shall not participate in any voting.

Article 23. The expenses entailed through exercising their duties by the directors and supervisors of the company shall be determined by the board of directors based on the common standard of the industry. The remuneration of all directors and supervisors shall be in accordance with Article 27 of the company's articles of association.

Chapter 5 Managers and Staff

Article 24. The company may have managers, whose hiring, dismissal and remuneration shall be in accordance with Article 29 of the Company Law.

Article 25. The company may hire consultants or important staff by board resolution.

Chapter 6 Closing

Article 26. The board of directors shall prepare the following statements at the end of the company's accounting year, submit them to the supervisors for inspection 30 days prior to the general shareholder meeting and then submit them to the general shareholder meeting for recognition:

(1) Business report, (2) financial statements, (3) profit distribution or loss compensation

proposal.

Article 27. The company's profit following annual closing, if any, shall be distributed in the following order:

1. Remit tax;
2. Compensate loss;
3. 10% legal reserve, unless the amount of legal reserve has reached the total capital amount;
4. Special reserve in accordance with law and the competent authority.
5. Director and supervisor remuneration in the amount not exceeding 3% of the balance following reserves under subsections 1 to 4 above;
6. Employee bonus in the amount not less than 2% of the balance following reserves under subsections 1 to 4 above; employee stock bonus may also be distributed to employees of subsidiaries;
7. Certain parts of the balance shall be included into accumulated undistributed profit from previous year based on the company's current environment, growth stage and long term financial planning. The board of directors will distribute the remaining amount as shareholder dividend based on the capital situation and economic development of the current year. Cash dividend shall account for 10% or more of the total shareholder dividend and shall be proposed by the board of directors and submitted to the shareholder meeting for resolution.

Chapter 7 Miscellaneous

Article 28. The enforcement rules of the company's articles of association shall be further determined by the board of directors.

Article 29. Any matter not provided for under these articles of association shall be in accordance with the Company Law or other legislations.

Article 30. These articles of association were established on 10 February 1979.

First amendment was made on 23 July 1981.

Second amendment was made on 7 February 1983.

Third amendment was made on 8 September 1994.

Fourth amendment was made on 29 July 1991.

Fifth amendment was made on 15 December 1993.

Sixth amendment was made on 21 January 1994.

Seventh amendment was made on 27 July 1995.

Eighth amendment was made on 28 March 1997.
Ninth amendment was made on 15 November 1999.
Tenth amendment was made on 1 December 2001.
Eleventh amendment was made on 12 March 2002.
Twelfth amendment was made on 5 April 2002.
Thirteenth amendment was made on 20 June 2002.
Fourteenth amendment was made on 3 May 2004.
Fifteenth amendment was made on 29 October 2004.
Sixteenth amendment was made on 3 May 2005.
Seventeenth amendment was made on 28 November 2008.
Eighteenth amendment was made on 16 June 2009.
Nineteenth amendment was made on 4 November 2009.
Twentieth amendment was made on 10 June 2010.
Twenty first amendment was made on 15 June 2011.
Twenty second amendment was made on 18 June 2012.

Acter Co., Ltd.

Chairman: Liang, Chin-Li

Appendix 2: Rules of Procedure for Shareholder Meetings < Before the revision >

Rules of Procedure for Shareholder Meetings

Article 1. Basis and Purpose of Establishment

To establish a strong governance system and sound supervisory capabilities for the company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2. Scope

The company's shareholder meetings shall be carried out in accordance with these rules.

Article 3. Definition

Shareholders referred to in these rules mean the shareholders themselves and the holders of proxies issued by shareholders.

Article 4. The rules of procedures for the company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 5. Convening Shareholder Meetings and Meeting Notices

1. Unless otherwise provided by law, the company's shareholder meetings shall be convened by the board of directors.
2. The company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting,

the company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the company and its shareholder services agent as well as being distributed on-site at the meeting place.

3. The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement.
4. Election or dismissal of directors or supervisors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act or Articles 26-1 and 43-6 of the Securities and Exchange Act shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.
5. A shareholder holding 1 percent or more of the total number of issued shares may submit to the company a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.
6. Prior to the book closure date before a regular shareholders meeting is held, the company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.
7. Prior to the date for issuance of notice of a shareholders meeting, the company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 6. Attending Shareholder Meetings by Proxy and Authorization

1. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the company and stating the scope of the proxy's authorization.
2. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received

earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

3. After a proxy form has been delivered to the company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 7. Principles determining the time and place of a shareholders meeting

The venue for a shareholders meeting shall be the premises of the company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 8. Preparation of Documents such as Attendance Book

1. The company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
2. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
3. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.
4. The company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
5. The company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.
6. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 9. The chairman and non-voting participants of a shareholders meeting

1. If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chairman, or, if there are no managing directors, one of the directors shall be appointed to act as chairman. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chairman.
2. When a managing director or a director serves as chairman, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chairman.
3. It is advisable that shareholders meetings convened by the board of directors be attended by a majority of the directors.
4. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairman from among themselves.
5. The company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.
6. The tasks of the chairman are as follows:
 - (1) Calling the general meeting to order at the time scheduled and adjourning or recessing the meeting, and presiding over the meeting in accordance with the procedure.
 - (2) Maintaining the order at the meeting place and ensuring the compliance with the Rules of Procedure.
 - (3) Admitting the status of spokesman.
 - (4) Referring the motions.
 - (5) Calling to discuss and vote of proposals in order and announcing the voting results.
 - (6) Signing the meeting minutes and relevant documents.
 - (7) Replying to all the parliamentary inquiries and determining the question of privilege and point of order.

Article 10. Audio or Video Recording of Shareholder Meetings Proceedings

The company shall make full audio or video recordings of the proceedings of the shareholders' meetings and retain them for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the

litigation.

Article 11. Calculation of Shares Represented in Shareholder Meeting and Proceeding with the Meeting

1. Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards.
2. The chairman shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned.
3. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.
4. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 12. Discussions of Proposals

1. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
2. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.
3. The chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chairman declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
4. The chairman shall allow ample opportunity during the meeting for explanation and discussion of

proposals and of amendments or extraordinary motions put forward by the shareholders; when the chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairman may announce the discussion closed and call for a vote.

Article 13.Shareholder speech

1. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman.
2. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
3. Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech.
4. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairman and the shareholder that has the floor; the chairman shall stop any violation.
5. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
6. After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.

Article 14.Calculation of voting shares and recusal system

1. Voting at a shareholders meeting shall be calculated based the number of shares.
2. With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
3. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
4. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
5. With the exception of a trust enterprise or a shareholder services agent approved by the

competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 15. Voting of Resolution, Voting Supervision and Vote Counting

1. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares.
2. When this Corporation holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.
3. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.
4. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.
5. Except as otherwise provided in the Company Act and in the company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chairman or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders.
6. An agenda item shall be deemed approved and shall have the same effect as if it was voted by casting ballots if no objection is voiced by all attending shareholders after solicitation by the chairman. If there is any objection, the agenda item shall be put to a vote by casting ballots in accordance with the foregoing paragraph.

7. If a shareholder of a company whose shares have been issued in public holds shares for others, such shareholder may exercise his/her/its voting power separately.
8. When there is an amendment or an alternative to a proposal, the chairman shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
9. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairman, provided that all monitoring personnel shall be shareholders of the company.
10. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 16. Election Matters

1. The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.
2. Where re-election of all directors is effected, by a resolution adopted by a shareholders' meeting, prior to the expiration of the term of office of existing directors, and in the absence of a resolution that existing directors will not be discharged until the expiry of their present term of office, all existing directors shall be deemed discharged in advance. The aforesaid resolution of re-election shall be attended by shareholders who represent more than one-half of the total number of issued and outstanding shares
3. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 17. Meeting Records and Signature Matters

1. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairman of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
2. The company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the Market Observation Post System.

3. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairman's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of the company.

Article 18.Public Disclosure

1. On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.
2. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, this Corporation shall upload the content of such resolution to the Market Observation Post System within the prescribed time period.

Article 19.Maintaining order at the meeting place

1. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
2. The chairman may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
3. At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chairman may prevent the shareholder from so doing.
4. When a shareholder violates the rules of procedure and defies the chairman's correction, obstructing the proceedings and refusing to heed calls to stop, the chairman may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 20.Recess and resumption of a shareholders meeting

1. When a meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
2. If the meeting venue is no longer available for continued use and not all of the items on the

meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

3. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.
4. When a shareholder meeting is ended, no shareholder shall elect another chairman to continue the meeting either in the same location or in a different location.

Article 21.Implementation

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Article 22.Establishment and Amendment Dates

These rules were established on 3 May 2005.

These rules were amended on 16 June 2009.

These rules were amended on 15 June 2011.

These rules were amended on 18 June 2012.

These rules were amended on 19 June 2013.

Appendix 3:Acquisition and Disposal of Assets < Before the revision >

Procedure for Acquisition or Disposal of Assets

Article 1. Purpose and Legislative Basis

The company has established this procedure in accordance with Article 36-1 of the Securities Transaction Act and the “Guidelines for Acquisition and Disposal of Assets by Publicly Traded Companies” for the purpose of reinforcing asset management, protecting investment and executing information disclosure. Any matter related to the acquisition or disposal of assets by the company shall be in accordance with this procedure.

Article 2. Scope of Assets

The term “assets” as used in this procedure includes the following:

1. Investment in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depository receipts, call(put) warrants, beneficiary interest securities and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, rights to use land, and inventories of construction enterprises) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights and other intangible assets.
5. Claims of financial institutions (including receivable, bill purchased and discounted, loans, and overdue receivables).
6. Derivatives.
7. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
8. Other major assets.

Article 3. Definitions of Relevant Terms

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.

2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, paragraph 8 of the Company Act.
3. Related party or subsidiary : As defined in Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or other fixed assets.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. The term "latest financial statements" means the financial statements publicly certified or audited by accountants in accordance with law before the company acquires or disposes of assets.

Article 4. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of the company to the transaction.

Article 5. The limits on real property and securities acquired by the company for non-business use.

1. The company's acquisition of non-business real property or securities is limited to the following amount limits:
 - (1) The total amount of real property acquired for non-business use shall not exceed 50% of the net value according to the latest financial statements of the company.
 - (2) The total amount of investment in securities shall not exceed 50% of the net value according to the latest financial statements of the company. The amount of investment in any individual security shall not exceed 30% of the net value according to the latest financial statements of

the company. Securities with guaranteed principal shall not be included in the calculation of the amount of investment in securities.

2. The company's investment in subsidiaries shall be done in accordance with resolutions of the board of directors as authorized by the company's articles of association and shall not be subject to the limit of not exceeding 40% of the paid-in capital under Article 13 of the Company Law.

Article 6. Evaluation and Procedure for Acquisition or Disposal of Securities

1. The means of price determination and supporting reference materials

In acquiring or disposing of securities, prior to the date of occurrence of the event, the latest financial statements of the target company that has been certified or audited by accountants shall serve as reference for evaluating the transaction price:

2. Expert Opinions

In acquiring or disposing of securities, and if the transaction amount reaches 20% of the company's paid-in capital or NT\$300 Million and above, an accountant shall be engaged to provide an opinion about the reasonableness of the transaction price prior to the date of occurrence of the event. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

3. The calculation of the transaction amounts shall be done in accordance with Article 30, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

4. The degree of authority delegated, the levels to which authority is delegated

(1) Any investment in subsidiaries or disposal of shareholding thereof for operational purpose single transaction amount reaching NT\$30 Million or above shall be submitted to the board of directors for approval. The chairman is authorized to approval transactions less than NT\$30 Million. Transactions amount exceeding NT\$30 Million shall be ratified at the next board of directors meeting.

(2) Any acquisition or disposal of government bond, corporate bond, financial bond, domestic or overseas bond type fund, domestic or overseas currency type fund for financing purpose with single transaction amount reaching NT\$100 Million or above shall be submitted to the board of directors for approval. The chairman is authorized to approval transactions less than NT\$100 Million. Transactions amount exceeding NT\$70 Million shall be ratified at the next

the board of directors meeting.

- (3) Any acquisition or disposal of other securities for financing purpose with a single transaction amount reaching NT\$70 Million or above shall be submitted to the board of directors for approval. The chairman is authorized to approval transactions less than NT\$70 Million. Transaction amount exceeding NT\$50 Million may be ratified at the next board of directors meeting.
- (4) Any acquisition or disposal not for investment in subsidiaries and not for financing purpose with single transaction amount reaching NT\$30 Million or above shall be submitted to the board of directors for approval. The chairman is authorized to approval transactions less than NT\$30 Million. Transactions amount exceeding NT\$30 Million shall be ratified at the next the board of directors meeting.
- (5) Negotiable term deposit certificates, short term commercial papers and bank endorsed drafts, sale and purchase with back-back option and bonds with sell-back condition are not covered by the above and may be approved by the chairman.

5. The units responsible for implementation

The company's procedure related to the acquisition and disposal of long and short term securities investment shall be executed under the responsibility of the finance department following approval in accordance with the authority provided in the previous section.

6. Transaction Process

The transaction process flow for the company's acquisition or disposal of securities shall be carried out in accordance with the company's rules about investment cycles under the internal control system.

Article 7. Evaluation and Procedure for Acquisition or Disposal of Real Property or Equipment

1. The means of price determination and supporting reference materials

For acquisition or disposal of real property or equipment, reference shall be made to published current value, appraisal value and actual transaction price of neighboring real property. Transaction conditions, transaction price and analysis report shall be prepared through the procedure of price consultation, price comparison, price negotiation or public tender and submitted to the chairman.

2. Expert Appraisal Report

For any acquisition or disposal of real property or equipment, other than a transaction with government agencies, delegated construction on self-owned land, delegated construction on leased land or acquisition or disposal of equipment for operational purpose, if the transaction

amount reaches 20% of the company's paid-in capital or NT\$300 Million or above, an appraisal report issued prior to the date of occurrence of the event by a professional appraiser shall first be obtained and the following rules shall be complied with:

- (1) If there is any special reason requiring any fixed price, specific price, or special price to serve as reference benchmarks for the transaction price, such transaction shall first be submitted to the board of directors for resolution, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.
- (2) If the transaction amount is NT\$1 Billion or above, at least 2 professional price appraisers shall be engaged to perform appraisal.
- (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - i. The appraisal result deviates from the transaction amount by 20% or more.
 - ii. The appraisal results by two or more professional appraisers deviate from the transaction price by 20% or more.
- (4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

(5) Application in Construction Industry

Unless any fixed price, specific price, or special price is used as reference benchmark for the transaction price, if there is a justifiable reason for not obtaining the appraisal report in time, the appraisal report and the accountant's opinion under section (3) above shall be obtained within 2 weeks commencing immediately from the date of occurrence.

- (6) For assets acquired or disposed of through court auction procedure, documents of proof issued by the court may be used in lieu of price appraisal report or accountant's opinion.

- (7) The calculation of the transaction amounts shall be done in accordance with Article 6-3..

3. The degree of authority delegated, the levels to which authority is delegated

Any acquisition or disposal of real property or equipment with transaction amount of NT\$10 Million (inclusive) or below shall be submitted to the chairman for approval. Any transaction exceeding NT\$10 Million shall only be carried out after approval by the board of directors.

4. The units responsible for implementation

Any acquisition or disposal of real property or equipment by the company shall be executed

under the responsibility of the user department and relevant responsible department after approval in accordance with the authority provided under the previous section.

5. Transaction Process

The transaction flow for the acquisition or disposal of equipment by the company shall be carried out in accordance with the procedure related to fixed asset cycles under the company's internal control system.

Article 8. Evaluation and Procedure for Acquisition of Real Property from a Related Party

1. When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section.

The calculation of the transaction amount shall be made in accordance with Article 6-3 herein. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

2. When a public 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 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 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 and recognized by the supervisors:

- (1) The purpose, necessity and expected effect of acquisition or disposal of assets.
- (2) Reason for selecting a related party as the transaction counterparty.
- (3) With respect to the acquisition of real property from a related party, information relating to the evaluation of reasonableness of contemplated transaction conditions in accordance with sections 2 and 3 of this article.
- (4) The date, price and transaction party in the previous transaction engaged by the related party and the relationship between the company and the related party.
- (5) Cash income and expense forecast table for each of the 12 months following the month on which the contract is contemplated to be signed and evaluation of the necessity of the transaction and reasonableness of the utilization of capital.
- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the article 1.

- (7) Restrictive conditions and other important agreements under this transaction.
- (8) When submission is made to the board of directors for discussion in accordance, opinions of independent directors shall be fully taken into consideration. Any objection or reservation by any independent director shall be recorded in the minutes of the board meeting.
- (9) The calculation of the transaction amounts shall be made in accordance with Article 13-2, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.
- (10) With respect to the acquisition or disposal of business-use equipment between a the company and its parent or subsidiaries, the company's board of directors may pursuant to Article 7, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.

3. Evaluation of Reasonableness of Transaction Cost

- (1) For any real property to be acquired from a related party, the following method should be used to evaluate the reasonableness of the transaction cost:
 - i. Transaction price with the related party plus required capital interest and cost to be borne by the buyer in accordance with law. Required capital interest cost shall be calculated based on the weighted average interest rate of the loan taken out by the company during the year of asset acquisition, provided that it shall not be higher than the highest lending rate for non-financial industry published by the Ministry of Finance.
 - ii. If the related party has taken out a mortgaged loan from any financial institution based on the target, the total lending assessment value of the target by such financial institution, provided that the accumulated value of actual lending by such financial institution for the target shall be at least 70% of the total lending assessment value and the loan period must have exceeded one year. However, this shall not be applicable if the financial institution is a related party to either party to the transaction.
- (2) If the land and housing under the same target is purchased at the same time, the transaction cost for the land and the housing may be evaluated under any method under subsection (1) above.
- (3) For any real property to be acquired from a related party, the real property cost shall be evaluated in accordance with subsections (1) and (2) above and an accountant shall be engaged to perform re-assessment and provide substantial opinion.
- (4) For real property to be acquired from a related party, if there is any of the following events, only section 2 of this article about evaluation and procedure shall be applicable. Provisions about the evaluation of reasonableness of transaction cost under subsections (1) to (3) above

shall not be applicable.

- i. The related party acquired the real property through succession or gift.
- ii. The contract by which the related party acquired the real property was signed more than 5 years preceding the contract signature date for this transaction.
- iii. The real property was acquired through signature of a co-construction contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.

4. If the result of evaluation under subsections (1) and (2) above is lower than the transaction price, section 5 of this article shall be applicable. However, this shall not be applicable if it is due to any of the following reasons and if objective evidence is submitted and substantial opinions about reasonableness from real property professional appraiser and accountant are received:

(1) The related party re-constructed following the acquisition of undeveloped land or leased land and evidence is provided to show that one of the following conditions are satisfied:

- i. The combined value of evaluation of the undeveloped land in the method provided under section 3 and the construction cost of the housing by the related party plus reasonable construction profit exceeds the actual transaction price. Reasonable construction profit shall be based on the average business gross interest rate of the related party's construction department for the past three years or the latest construction industry gross interest rate published by the Ministry of Finance, whichever is lower.
- ii. Closing cases of other floors of the same targeted housing/land or in the vicinity within the past year and not involving related parties, with similar surface, which transaction conditions are equivalent after evaluation of reasonable price difference for the floor or area based on real property sale and purchase practice.
- iii. Cases of leases of the same targeted housing/land within the past year and not involving related parties, which transaction conditions are equivalent after evaluation of reasonable price difference for the floor based on real property lease practice.

(2) Evidence is provided showing that the transaction conditions of the real property to be acquired from the related party is equivalent to closing cases in the vicinity within the past year, not involving related parties and with a similar surface.

In principle, a closing case in the vicinity means the same or neighboring block within 500 meters diameter from the transaction target or similar published current value. Similar surface means the surface of the transaction case of non-related parties is not less than 50% of the surface of the transaction target. Within one year means one year preceding the date of occurrence of the current acquisition of real property.

5. For any acquisition of real property from a related party, if the result of evaluation under sections 3 and 4 is lower than the transaction price, the following matters shall be carried out:

- (1) The difference between the real property transaction price and the evaluation cost shall be provided as special reserve in accordance with Section 1, Article 41 of the Securities Transaction Act and shall not be distributed in cash or in share through capital increase. If the investor evaluating the company's investment under the equity method is a publicly traded company, special reserve shall be provided based on the provided amount and the shareholding percentage in accordance with Section 1, Article 41 of the Securities Transaction Act.
- (2) The supervisors shall proceed in accordance with Article 281 of the Company Law.
- (3) The situations under subsections (1) and (2) above shall be reported to the shareholder meeting and the details of the transaction shall be disclosed in the annual report and the prospectus.

If the company and the publicly traded company that evaluated the company's investment under the equity method have provided special reserve in accordance with the above, the special reserve may only be used when the asset purchased at the high price has devalued or disposed of or compensated appropriated or reinstated to its original status, or if there is any other evidence showing that there is no issue of reasonableness and the Securities and Futures Bureau of the Financial Supervisory Commission has given consent.

6. For any real property acquired by the company from a related party, if there is any other evidence showing that the transaction is inconsistent with operational norms, section 2 and 3 shall be followed.

Article 9. Evaluation and Procedure for Acquisition or Disposal of Membership and Intangible Assets

1. The means of price determination and supporting reference materials

For the acquisition or disposal of any membership or intangible asset, the future possible proceeds from such asset and market fair value should be taken into consideration. If required, expert opinions should be referred to. Negotiation and determination shall be made with the transaction counterparty.

2. Expert Opinions

Any acquisition or disposal of membership or intangible asset with the transaction amount reaching 20% of the company's paid-in capital or NT\$300 Million or above, except in transactions with a government agency, an accountant shall be engaged to provide an opinion about the reasonableness of the transaction price prior to the date of occurrence of the event. The accountant shall proceed in accordance with Audit Standard No. 20 published by the Accounting Research and Development Foundation. Calculation of the transaction amounts referred to in the

preceding three articles shall be done in accordance with Article 6-3.

3. The degree of authority delegated, the levels to which authority is delegated

(1) Any acquisition or disposal of membership with the transaction amount of NT\$1 Million or below shall be approved internally by the company and submitted to the chairman for approval. If the transaction amount exceeds NT\$1 Million, it may only be carried out after approval by the board of directors.

(2) Any acquisition or disposal of an intangible asset with the transaction amount of NT\$1 Million or below shall be approved internally by the company, may only be carried out after approval by the chairman, and shall be submitted to the following board meeting. If the transaction amount exceeds NT\$1 Million, it may only be carried out after approval by the board of directors.

4. The units responsible for implementation

The company's acquisition or disposal of a membership and intangible asset shall be executed under the responsibility of the user department and the relevant responsible department after approval in accordance with the previous section.

5. Transaction Process

The transaction process flow for the company's acquisition or disposal of a membership or intangible asset shall be carried out in accordance with the company's rules about investment cycles under the internal control system.

Article 10. Evaluation and Procedure for Acquisition or Disposal of Creditor's Right Against a Financial Institution

In principle, the company does not engage in any transaction for acquisition or disposal of creditor's right against financial institution. If it wishes to engage in any transaction for acquisition or disposal of creditor's right against financial institution, it shall establish relevant evaluation and processing procedure after submission to and approval from the board of directors.

Article 11. Evaluation and Procedure for Acquisition or Disposal of Derivative Products

In order to effectively manage the company's income, expenses, assets, debts and risks arising out of foreign exchange and the company's transactions of derivative products.

1. Operational or Hedging Strategy

The company engages in transactions of derivative products for the purpose of avoiding risks

arising out of fluctuation of foreign exchange rate, interest rate or asset price. Hedging is limited to foreign currency positions payable/receivable arising out of the company's business for the future six months. Before engaging in the transaction, it shall be verified that it is a hedging operation.

2. Segregation of Duty

The finance manager shall designate the staff of the finance department who may engage in derivative product transactions and confirmations.

There shall be transaction confirmation and settlement staff. The confirmation staff shall be responsible for confirming the transaction with the transaction counterparty. The settlement staff shall be responsible for arranging settlement due. The transaction confirmation staff shall not be the same person as the settlement staff.

3. Determination of Limit on Total Transaction Contract Amount and Loss Limit

(1) Total Transaction Contract Amount

Hedging Operation

The company's total hedging contract amount shall be limited to the foreign currency positions receivable/payable arising out of the company's business for the future six months.

Transactional Operation

Except Convertible Bonds and Bond with attached warrant and structured product with principal guaranteed, the company does not engage in transactional operations.

(2) Loss Limits

Hedging Operations

If the company's individual (combined) contract losses represent 5% or more loss from the market value, a report shall be filed with the chairman for approval as to whether the positions should be closed.

The individual (combined) contract losses shall not exceed a maximum of 10% of contract amount of each individual (combined) transaction. If this loss limit is exceeded, a public announcement shall be made in accordance with Article 13 of this procedure.

Transactional Operations

Except Convertible Bonds and Bond with attached warrant and structured product with principal guaranteed, the company does not engage in transactional operations.

4. Performance Review

Hedging Operations

The performance of hedging operations shall be evaluated based on the hedging strategies.

5. The degree of authority delegated, the levels to which authority is delegated

The authorization amount and level for hedging operations are as follows:

The transaction staff authorized by the company shall carry out transactions in accordance with the total transaction contract amount limit under Subsection 3, Section 1, Article 11 and the transaction may only be carried out following evaluation by the finance manager and approval by the responsible supervisor.

Each transaction shall be subject to internal written approval based on the amount. The authorization amount, transaction approval and level are as follows:

Amount(NT\$)	Department Supervisor	General Manager	Chairman	Board of Directors
Below 100 Million	Review	Review	Approval	
100Million and above(inclusive)	Review	Review	Review	Resolution

To ensure that the transaction counterparty complies with the company's supervision and management, the transaction authorization amount and level provided under this article shall be notified to the transaction counterparty in writing. However, if the written confirmation with the transaction counterparty does not indicate the authorization amount, then the supervisor of the finance department will approve the transaction.

6. Significant Derivative Product Transaction

Significant derivative product transactions shall be carried out in accordance with relevant rules and submitted to the board of directors for resolution.

7. The units responsible for implementation and Process

- (1) Confirm transaction position.
- (2) Analysis and judgment about relevant trend.
- (3) Determine specific hedging method:
 - i. Transaction target.
 - ii. Transaction position.
 - iii. Target price and range.
 - iv. Transaction strategy and type.
 - v. Price reference based on public quoting system.
- (4) Obtain approval for transaction.
- (5) Execute transaction.

- i. Transaction Counterparty: Transaction counterparties shall be selected with priority consideration for credit risk.
- ii. Transaction Staff: The company's staff who may execute derivative product transactions shall first be approved by the highest decision making supervisor of the finance department, general manager and chairman and then notified to the financial institution dealing with the company. No other staff may engage in the transactions.

8. Risk Management

- (1) Credit Risk: In principle, the company's transaction counterparties are limited to banks or renowned financial institutions dealing with the company and those who can provide professional information. Otherwise, approval shall be required from the highest decision making supervisor of the finance department.
- (2) Market Risk: The company's derivative financial products shall be focused on hedging transactions against market price fluctuations due to change of foreign exchange or other reasons and shall be monitored at all times.
- (3) Liquidity Risk: In order to ensure liquidity, it shall be confirmed with the capital staff prior to the transaction that the transaction amount will not cause any insufficiency of liquidity.
- (4) Cash Risk: The company shall maintain sufficient liquid assets and credit facilities to satisfy settlement capital requirements.
- (5) Process Risk: The company shall have clear authorization amounts and process flows to avoid process risks.
- (6) Legal Risk: The documents between the company and the transaction counterparties shall be reviewed by the internal legal staff or legal consultants before they are officially signed to avoid legal risks.

9. Internal Control

- (1) The transaction staff of the company may not also serve as confirmation staff or settlement staff.
- (2) Upon occurrence of a transaction, the transaction staff shall immediately complete the transaction closing form and confirm with the confirmation staff. The confirmation staff shall confirm with the transaction counterparty based on the closing form and make records in the general positions chart for reference.
- (3) When the company engages in derivative product transactions, the evaluation, supervision and control of relevant risks shall be under the responsibility of internal audit staff independent from the finance department who reports to the board of directors and the chairman.

10. Regular Evaluation Method and Anomaly Handling

The finance department shall perform derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. The evaluation report shall be submitted to the senior staff authorized by the board of directors. Any anomaly shall be immediately reported to the board of directors and necessary corresponding measures shall be taken.

The evaluation shall include the following:

- (1) Regularly evaluate whether the performance of derivative product transactions engaged are consistent with the existing operational strategy.
- (2) Whether the risks undertaken are within the company's scope of tolerance.
- (3) Monthly evaluation of risk management measures: Regularly evaluate whether the risk management measures currently used are suitable and duly compliant with the Derivative Product Transaction procedure established by the company.
- (4) The finance department shall proceed in accordance with the Commercial Accounting Act, the Financial Accounting Standards and letters and orders from relevant competent authorities. If there is no relevant rules, details shall be recorded and calculations shall be made on monthly basis under statements of realized and unrealized profit and loss.

11. Where a public company engaging in derivatives trading, its board of directors shall faithfully supervise and manage such trading in accordance with the following principles:

- (1) Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
- (2) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.

12. Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:

- (1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the company.
- (2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.

A company shall report to the soonest board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading.

13. The internal audit staff shall regularly understand the suitability of internal control of derivative product transaction and shall audit the compliance of transaction related departments with relevant provisions under this procedure on monthly basis. The transaction cycles shall also be analyzed and recorded into audit reports. If any significant violation is discovered, the board of directors shall be informed in writing.
14. The company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 11-2 of Article 12-1 and subparagraph 2 of paragraph 1, and subparagraph 1 of paragraph 2, of Article 20 shall be recorded in detail in the log book.
15. Any of the company's managers or responsible staff who engages in any derivative product transaction shall comply with the provisions under this procedure in order to avoid any inappropriate operational loss suffered by the company. In case of any violation of any relevant legislation or this procedure, the sanctions shall be imposed in accordance with relevant human resource regulations.
16. If any subsidiary of the company contemplates to engage in derivative product transactions, the company shall ensure that it establishes a procedure for derivative product transactions and implement such procedure after it is submitted to the board of directors for resolution in accordance with relevant rules. Any subsidiary of the company that engages in any derivative product transaction shall provide relevant information to the company for review on a regular basis.

Article 12. Evaluation and Procedure for Merger, Division, Acquisition or Share Transfer

1. Evaluation and Procedure

If the company engages in any merger, division, acquisition or share transfer, it shall engage attorneys, accountants and underwriters to jointly study and discuss the legal procedure and estimated timetable. A project team shall be organized for execution in accordance with the legal procedure.

2. Transaction Consideration Determination Method and Reference Benchmark

If the company engages in any merger, division, acquisition or share transfer, it shall consider the past and future financial and operational status of the participating companies, estimate proceeds that may occur in the future and fair method for transaction price determined by the market. Professional opinions from accountants, attorneys or securities underwriters shall be referred to

as well as the negotiated price by the counterparty participating in the merger, division, acquisition or share transfer.

3. Expert Opinions

If the company engages in any merger, division, acquisition or share transfer, accountants, attorneys or securities underwriters shall be engaged before a board meeting is convened for resolution to provide opinions about the reasonableness of the share swap ratio, acquisition price or cash and other properties distributed to the shareholders. The opinions shall be submitted to the board of directors for discussion and approval.

4. Decision Level

If the company engages in any merger, division, acquisition or share transfer, the resolutions shall be in accordance with the Company Law and relevant legislations.

5. Submission of Relevant Information and Disclosure of Information when Approval by Shareholder Meeting Cannot be Obtained

(1) If the company engages in any merger, division, acquisition or share transfer, important agreed provisions and relevant matters about the merger, division or acquisition shall be included into a public document brought to the attention of the shareholders before the shareholder meeting and sent to the shareholders together with expert opinions under Section 3 of this Article and notice for shareholder meetings to serve as reference as to whether the merger, division or acquisition proposal should be approved, except other merger, division or acquisition matters that do not require shareholder resolutions in accordance with laws.

(2) If the shareholder meeting of any company participating in the merger, division or acquisition cannot be held due to insufficient quorum or voting rights or other legal restrictions or if the proposal is rejected by the shareholder meeting, the companies participating in the merger, division or acquisition shall immediately make a public announcement about the reasons, subsequent steps and expected dates to convene their shareholder meetings.

6. Dates of Board Meeting and Shareholder Meeting

(1) Unless otherwise provided by law or in case of any special reason that is reported to and approved by the Financial Supervisory Commission in advance, companies participating in the merger, division or acquisition shall hold board meetings and shareholder meetings on the same day to resolve matters related to the merger, division or acquisition.

(2) Unless otherwise provided by law or in case of any special reason that is reported to and approved by the Financial Supervisory Commission in advance, companies participating in share transfer shall hold board meetings on the same day.

(3) Companies participating in the merger, division or acquisition whose are listed on stock exchange or whose shares are traded in securities dealers' premises shall make complete written records of the following information and keep them for five years for reference.

- i. Basic staff information: Including persons who participated in the merger, division, acquisition or share transfer project or execution of the project prior to the disclosure of the news, their titles, names and ID numbers (passport numbers for foreigners).
- ii. Dates of important events: Including dates of signing of letters of intent, memorandums of understanding, engagement of financial or legal advisors, signature of contracts and board of directors.
- iii. Important documents and minutes: Including merger, division, acquisition or share transfer plan, letters of intent, memorandums of understanding, important contracts and minutes of the board meetings.

Companies participating in the merger, division or acquisition who are listed on stock exchange or whose shares are traded in securities dealers' premises shall, within 2 days commencing immediately from board resolution, submit the information under subsections (1) and (2) above in the regulated format through the Internet information system to the Financial Supervisory Commission for reference.

If any company participating in the merger, division or acquisition is not a company listed on any stock exchange or whose shares traded in securities dealers' premises, the companies who are listed on stock exchanges or whose shares are traded in securities dealers' premises shall sign an agreement with such company and proceed in accordance sections 3 and 4.

7. Confidentiality Obligation and Avoidance of Insider Trading

All persons participating or that know about the company's merger, division, acquisition or share transfer plan shall issue a written confidentiality undertaking and shall not disclose the plan before the publication of the news, nor shall they purchase or sell any stock or any security in the nature of stock entitlement of any company that is related to the merger, division, acquisition or share transfer plan either in their own name or in the name of any other person.

8. Principle for Change of Share Swap Percentage or Acquisition Price

Companies participating in a merger, division, acquisition or share transfer shall not make any change to the share swap percentage or acquisition price in principle, unless the contract has already provided for the conditions for change or if public disclosure has been made. Conditions that may be changed in relation to share swap percentage or acquisition price are as follows:

- (1) Capital increase, issuance of convertible corporate bonds, issuance of shares without consideration, issuance of corporate bonds with warrants, special shares with warrants, options and other securities in the nature of share entitlement.
- (2) Important acts that affect the company's finance or business such as disposal of the

company's material asset.

- (3) Occurrence of a significant disaster, significant technical change affecting the interest of the company's shareholders or securities price.
- (4) Any company participating in the merger, division, acquisition or share transfer makes adjustment pursuant to repurchase of treasury shares in accordance with law.
- (5) Any increase, decrease or change of any entity or number of entities participating in the merger, division, acquisition or share transfer.
- (6) Any condition that may be changed as provided under the contract, and which has been publicly disclosed.

9. Matters to be Provided in Contract

In relation to any merger, division, acquisition or share transfer to which the company participates, in addition to the provisions under Company Law and Enterprise Acquisition Act, the contract shall also specify the rights and obligations of the companies participating in the merger, division, acquisition or share transfer and specify the following matters:

- (1) Breach consequence.
- (2) Principle for handling securities in the nature of share entitlement previously issued or treasury shares repurchased by companies that will disappear or be divided following the merger.
- (3) The quantity of treasury shares that the participating company may repurchase in accordance with law after the record date for share swap percentage calculation and the principle for handling such treasury shares.
- (4) The method to handle increase, decrease or change of participating entities or the number of entities.
- (5) Expected execution progress and expected completion date of the plan.
- (6) If the plan is not completed within the deadline, relevant handling procedures such as the expected date of shareholder meeting to be convened in accordance with law.

10. Change of Number of Companies Participating in Merger, Division, Acquisition or Share Transfer

After any company participating in the merger, division, acquisition or share transfer publicly discloses the information, if it wishes to perform a merger, division, acquisition or share transfer with any other company, other than when the number of participants is decreased and when the shareholder meetings has resolved and authorized the board of directors to change the authority, in which circumstances the participating company does not need to convene a new shareholder meeting to pass a new resolution, all participating companies shall pass once again through the procedure or legal act that has been completed during the original plan, merger, acquisition or

share transfer plan.

11. If any company participating in the merger, division, acquisition or share transfer is not a publicly traded company, the company shall sign an agreement with such company and proceed in accordance with the provisions under section 6 of this article about board meeting and shareholder meeting date, section 7 about confidentiality obligation and avoidance of insider trading and section 10 about change of number of companies participating in the merger, division, acquisition or share transfer.

Article 13. Procedure of Public Announcement

1. Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the Securities and Futures Bureau of the Financial Supervisory Commission 's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:
 - (1) Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property 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 trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds.
 - (2) Merger, demerger, acquisition, or transfer of shares.
 - (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
 - (4) Where an asset transaction other than any of those referred to in the preceding three 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:
 - i. Trading of government bonds.
 - ii. 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, except if the sale and purchase relates to securities of parent company, subsidiary or affiliate.
 - iii. Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds.
 - iv. Where the type of asset acquired or disposed is equipment for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.

- v. 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.
 - vi. 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.
2. The amount of transactions above shall be calculated as follows:
 - (1) The amount of any individual transaction.
 - (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.
 - (3) The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.
 - (4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
 - (5) "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.
 3. 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 Securities and Futures Bureau of the Financial Supervisory Commission by the 10th day of each month.
 4. 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.
 5. 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.
 6. Where any of the following circumstances occurs with respect to a transaction that the company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the Securities and Futures Bureau within 2 days commencing immediately from the date of occurrence of the event:
 - (1) Change, termination, or rescission of a contract signed in regard to the original transaction.

- (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - (3) Change to the originally publicly announced and reported information.
7. If any subsidiary of the company is not a publicly traded company and its acquisition or disposal of asset reaches the threshold of public announcement under Articles 30 and 31 of the “Guidelines for Acquisition and Disposal of Asset by Publicly Traded Companies”, the company shall make public announcements on behalf of the subsidiary. The rule about 20% of the paid-in capital as a threshold for public announcement to be applied or 10 percent of the total assets by the subsidiary shall be based on the paid-in capital of the company or total assets.

Article 14. Control Procedure for Acquisition or Disposal of Asset by Subsidiary

1. The company shall see that each subsidiary establishes and executes the procedure for acquisition or disposal of asset in accordance with the “Guidelines for Acquisition and Disposal of Asset by Publicly Traded Companies” by the Financial Supervisory Commission.
2. Any acquisition or disposal of an asset by any subsidiary which is subject to approval by the board of directors in accordance with the “Procedure for Acquisition or Disposal of Assets” it established or other legislations shall be reported to the company before the occurrence of the fact. The responsible department of the company shall evaluate the feasibility, necessity and reasonableness of such acquisition or disposal of asset, follow up on its execution afterwards and perform analysis and review.
3. The company’s internal audit staff shall regularly audit the subsidiary’s compliance with the “Procedure for Acquisition or Disposal of Assets” and prepare an audit report. After submission of the discoveries and suggestions in the audit report, the audited subsidiary shall be informed to make improvements. Regular follow up reports shall be prepared to ensure that timely and appropriate improvement measures have been undertaken.

Article 15. For the calculation of 10 percent of total assets under these procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

Article 16. The company shall not give up capital increase in any future year for Sheng Hwei International Co., Ltd., Nova Technology Corp., Ho Shou Engineering Co., Ltd. or Nova Technology Singapore Pte., Ltd. If the company must abandon the capital increase for the above companies or disposes of the above companies due to consideration for strategic alliance or other consideration with the approval of the Gre-Tai Securities Market, approval shall be required by special resolution of the board

of directors of the company.

Article 17. Penalty

If any relevant staff of the company violates the “Guidelines for Acquisition or Disposal of Assets by Publicly Traded Companies” by the Financial Supervisory Commission or the “Procedure for Acquisition or Disposal of Assets” of the company, regular report shall be made and sanction shall be imposed based on the gravity of the matter in accordance with the human resource management rules of the company and the work rules.

Article 18. Relevant Legislations

Any matter that is not fully provided for hereunder shall be subject to relevant legislations.

Article 19. Implementation and Amendment

For any matter requiring approval by the board of directors in accordance with this procedure or other legislations, if any director voices any objection by record or written statement, the company shall send such director’s objection information to each supervisor.

If the company has independent directors, when the acquisition or disposal of asset transaction is submitted to the board of directors for discussion in accordance with the above rule, opinions of the independent directors shall be fully taken into consideration and their opinions and reasons for approval or objection shall be included in the minutes of the meeting.

The establishment of this procedure shall be published as significant information on the Market Observation Post System and a letter shall be sent to the Gre-Tai Securities Market for reference.

Article 20. Date of Establishment and Amendment

This procedure was established on 3 May 2005.

This procedure was amended on 4 October 2005.

This procedure was amended on 16 June 2009.

This procedure was amended on 10 June 2010.

This procedure was amended on 15 June 2011.

This procedure was amended on 19 June 2013.

This procedure was amended on 18 June 2014.

Appendix 4:Endorsement and Guarantee Procedure< Before the revision >

Endorsement and Guarantee Procedure

Article 1.Purpose and Legal Basis

This procedure is established in accordance with Article 36-1 of the Securities Transaction Act and the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” by the Securities and Futures Bureau of the Financial Supervisory Commission by order (91) Tai-Cai-Zhen (6) Zhi No. 0910161919 for the purpose of ensuring shareholder interest, sound financial management and reduction of operational risk. Any endorsement or guarantee by the company shall be done in accordance with this procedure.

Article 2.Scope of Application

Endorsement and guarantee referred to in this procedure include:

1. Financing endorsement and guarantee include:
 - (1) Client voucher factoring financing.
 - (2) Endorsement or guarantee for the purpose of obtaining financing for another company.
 - (3) Issuance of instrument to a non-financial institution as guarantee by the company for financing purpose.
2. Customs endorsement and guarantee mean endorsement and guarantee performed for customs-related matters of the company or another company.
3. Other endorsement and guarantee mean endorsement or guarantee that cannot be categorized under the previous two sections.
4. Any chattel or real estate provided by the company with pledge or mortgage created as guarantee for borrowing by another company shall be done in accordance with this procedure.

Article 3.Applicable Entities

The company may only provide endorsement and guarantee to the following companies, except reciprocal guarantee in accordance with contract among companies of the same industry or co-constructors due to project contracting requirements or endorsement and guarantee undertaken by investing shareholders to their invested company in accordance with their shareholding ratios.

- (1) Companies with business dealings with the company.
- (2) Companies of which 50% or more voting shares are directly or indirectly held by the company.
- (3) Companies directly or indirectly holding 50% or more voting shares of the company.

Companies of which 90% or more voting shares are directly or indirectly held by the company may provide endorsement and guarantee for each other.

Article 4.Amount Limit and Evaluation Standard of Endorsement and Guarantee

1. The total amount of liability, standard of amount limit and amount for the company’s external endorsement and guarantee are as follows:
 - (1) The total amount of a reciprocal guarantee among companies of the same industry in accordance with contract for project contracting requirement shall not exceed 5 times the net value of the company. The amount of endorsement and guarantee to any single enterprise shall not exceed 3 times the company’s net value.
 - (2) Other than a guarantee for project contracting, the accumulated amount of liability under external endorsement and guarantee shall not exceed 20% of the net value of the

company. The amount of endorsement and guarantee for any single enterprise shall not exceed 10% of the company's net value.

- (3) The amount of an endorsement and guarantee for companies of which 50% or more of the shares are held directly or indirectly by the company shall not be subject to the restrictions under the previous two subsections.
 - (4) The amount of an endorsement and guarantee among companies of which 90% or more voting shares are held directly or indirectly by the company shall not exceed 10% of the net value of the company.
 - (5) The endorsement and guarantee by the company for companies whose 100% voting shares are directly or indirectly held by the company are not limited to the restriction of the previous subsection.
 - (6) The amount of an endorsement and guarantee provided for business dealings shall not exceed the amount of such business dealings. Amount of business dealing means the amount of product purchase or product sale between the companies during one year, whichever is higher, based on the latest accountant certified financial statements.
2. The total amount of liability, amount limit standard and amount for external endorsement and guarantee by the company and its subsidiaries are as follows:
 - (1) For a reciprocal guarantee in accordance with a contract by the company and its subsidiaries based on project contracting requirements, and endorsement and guarantee among the company and its parent and subsidiaries or among companies whose 100% voting shares are held directly or indirectly held by the company, the total amount shall not exceed 8 times the net value of the company. The amount of an endorsement and guarantee to any single enterprise shall not exceed 5 times the company's net value.
 - (2) Other than the endorsement and guarantee under the previous subsection, the accumulated total amount of liability under external endorsement and guarantee shall not exceed 50% of the net value of the company. The amount of endorsement and guarantee to any single enterprise shall not exceed 20% of the company's net value.
 3. The above company net value shall be based on the latest accountant certified or audited financial statements.

Parent and subsidiary shall be determined in accordance with in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers

"net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers..

Article 5. Decision and Authorization Level

1. When the company provides an endorsement and guarantee, approval procedures shall be carried out in accordance with Article 6 of this procedure and the endorsement and guarantee shall only be provided after board resolution. However, to meet timing requirements, execution may be done in accordance with the following rules:
 - (1) Any endorsement and guarantee for project contracting with total amount below NT\$600 Million (inclusive) may be executed by the chairman first with the authorization from the board of directors and then submitted to the board of directors for ratification.
 - (2) Any single endorsement and guarantee between parent companies and subsidiaries below NT\$1 Billion (inclusive) may be executed by the chairman first with the authorization from the board of directors and then submitted to the board of directors for ratification.
 - (3) Any endorsement and guarantee other than the previous two subsections within the total endorsement and guarantee amount below NT\$200 Million (inclusive) may be executed by the chairman first with the authorization from the board of directors and then submitted to the board of directors for ratification.

2. Any subsidiary of which 90% or more voting shares are directly or indirectly held by the company can only provide endorsement and guarantee in accordance with Section 2, Article 3 after submission to and resolution by the board of directors of the company, except endorsement and guarantee among companies whose 100% voting shares are directly or indirectly held by the company.
3. If the company provides any endorsement and guarantee exceeding the amount limit provided under the previous article due to business requirements and if the conditions under the endorsement and guarantee procedure of the company are complied with, approval from the board of directors shall be required and the majority of directors shall provide a joint guarantee for the loss that may arise out of the company's exceeding the limit. This procedure shall also be amended and submitted to the shareholder meeting for ratification. If the shareholder meeting does not approve, a plan shall be established with a certain deadline to remove the exceeding portion.
4. When this procedure is submitted to the board of directors for discussion in accordance with the previous section, opinions of each independent directors shall be fully taken into consideration and their specific opinions for approval or objection and the reasons for objection shall be included in the minutes of the board meeting.

Article 6. Procedure for Endorsement and Guarantee

1. In processing an endorsement and guarantee, the relevant department shall submit an endorsement and guarantee application form, specifying the beneficiary of the endorsement and guarantee, type, reason and amount. The application shall be filed with the finance department of the company.
The finance department shall review the application under the endorsement and guarantee application form item by item and make records.
The following shall be included:
 - i. Necessity and reasonableness of the endorsement and guarantee.
 - ii. Credit and risk evaluation of the beneficiary of endorsement and guarantee.
 - iii. Impact on the company's operational risk financial status and shareholder interest.
 - iv. Whether collateral should be required and the evaluation value of the collateral.
2. The finance department shall submit the endorsement and guarantee application stating the relevant scope of endorsement and guarantee, reason and risk evaluation to the chairman for approval. Then a board resolution shall be required. If the proposal is within the authorized amount, the chairman may decide based on the credit level and financial status of the beneficiary of the endorsement and guarantee.

Article 7. Establishment of Reference Book

The finance department shall establish a reference book for endorsement and guarantee matters. After the endorsement and guarantee are approved by the board of directors or decided by the chairman, in addition to filing a request for use of seal, the beneficiary and amount of the endorsement and guarantee, the date of board approval or chairman's decision and the date of the endorsement and guarantee shall be recorded in detail for future reference.

Article 8. Procedure for Use and Custody of Sample Seal

1. The company shall use the company seal registered with the Ministry of Economic Affairs to be the dedicated seal for endorsements and guarantees. Such seal and relevant instruments shall be kept by dedicated staff designated by the chairman under the authorization of the board of directors. Any change of seal safe-keeper shall be reported to and approved by the board of directors and the seal under the custody shall be handed over. The seal may only be

used and an instrument may only be signed and issued in accordance with the seal management rules established by the company.

2. If the company provides any guarantee for any overseas company, the guarantee letter issued shall be signed by the chairman under the authorization of the board of directors.

Article 9. Procedure for Public Announcement

1. After the company becomes a publicly traded company, the company shall make a public announcement about the balance amount of endorsement and guarantee by the company and its subsidiaries for the previous month within the 10th day of every month.
2. After the company becomes a publicly traded company, when the balance amount of endorsement and guarantee reaches one of the following thresholds, a public announcement shall be made within 2 days commencing immediately from the date of occurrence:
 - (1) Balance amount of any endorsement and guarantee by the company and its subsidiaries reaches 50% or more of the net value based on the latest financial statements of the company.
 - (2) Balance amount of any endorsement and guarantee by the company and its subsidiaries for any single enterprise reaches 20% or more of the net value based on the latest financial statements of the company.
Balance amount of any endorsement and guarantee by the company and its subsidiaries to any single enterprise reaches NT\$10 Million and the combined balance amount of endorsement and guarantee, long term investment and funds lending to such enterprise reaches 30% of the net value on the company's latest financial statements.
 - (3) The amount of new endorsements and guarantees by the company and its subsidiaries reaches NT\$30 Million and 5% of the net value on the company's latest financial statements.
3. If any subsidiary of the company is not a domestic publicly traded company and if such subsidiary has any matter subject to public announcement under any subsection Section 2 of this article, the company shall make a public announcement.
4. The percentage of balance amount of an endorsement and guarantee by the subsidiary under the previous section as a percentage of the net value shall be calculated as the balance amount of the endorsement and guarantee of such subsidiary as a percentage to the net value of the company.
5. "Date of occurrence" in these Regulations means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.

Article 10. Internal Audit

The internal audit staff of the company shall perform at least quarterly audit on the procedure of endorsements and guarantees and the execution. Written records shall be made. If any significant violation is discovered, each supervisor shall be informed in writing immediately.

Article 11. Control Procedure for Endorsement and Guarantee by Subsidiary

1. If any subsidiary of the company contemplates to provide an endorsement or guarantee for any other person, the company shall ensure that such subsidiary proceed in accordance with the endorsement and guarantee procedure established in accordance with the "Guidelines for Funds Lending and Endorsement and Guarantee by Publicly Traded Company" by the Securities and Futures Bureau, provided that the net value shall be calculated based on the net value of the subsidiary.
2. Any subsidiary of the company that contemplates to provide any endorsement or guarantee for

any other person shall only do so following report to and approval from the company. The finance department of the company shall make a substantial evaluation of the necessity, reasonableness and risk of such endorsement and guarantee and the impact on the operational risk, financial status and shareholder interest of the parent and subsidiary. A report shall be filed with the chairman for approval.

3. The subsidiary shall prepare an endorsement and guarantee detail table by the 8th day of each month and such table shall be submitted to the company according to Regulations on the Management of subsidiary.
4. The internal audit staff of the company shall perform regular audit on its subsidiaries about the compliance with their “Endorsement and Guarantee Procedure”. After the discoveries and suggestions of the audit report are submitted for approval, the audited subsidiary shall be informed for improvement. Regular follow-up reports shall also be prepared in order to ensure that appropriate and timely improvement measures have been undertaken.

Article 12. Penalty

If any manager or responsible staff of the company carrying out any endorsement or guarantee violates the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” of the Securities and Futures Bureau or the “Endorsement and Guarantee Procedure” of the company, sanctions shall be imposed based on the gravity of the matter in accordance with the company’s human resource management rules and work rules and regular audit reports shall be filed.

Article 13. Other Matters

1. If the beneficiary of the company’s endorsement and guarantee is consistent with this procedure but subsequently becomes inconsistent, or if the amount of endorsement and guarantee exceeds the regulated amount due to change of amount limit calculation basis, an improvement plan shall be established for the amount of the endorsement and guarantee for such beneficiary or the portion exceeding the limit to eliminate the inconsistencies. The relevant improvement plan shall be sent to each supervisor.
2. The finance department shall prepare a detailed table about the guarantee matters that occurred or cancelled during each month to facilitate control, follow-up and public announcements. In addition, probable loss from the endorsement and guarantee shall be evaluated or recognized, and the endorsement and guarantee information shall be properly disclosed in the financial reports relevant information shall be provided to the certifying accountant to execute necessary audit procedure.
3. Prior to the expiry date of the endorsement and guarantee, the finance department shall take the initiative to inform the beneficiary enterprise of the guarantee to take back guarantee notes left with the bank or the creditor institution and cancel instruments related to the endorsement and guarantee.
4. Endorsements and guarantees undertaken by the company and its subsidiaries and related matters during each operational year shall be reported to the following year’s shareholder meeting for reference.
5. If the beneficiary of the endorsement and guarantee is a subsidiary with net value that is less than 1/2 of the paid-in capital, the subsequent relevant control measures shall be specified and the control measures shall be reported to the following board of directors.
In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under subparagraph 11 of the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.

Article 14. Relevant Legislation

Any matter that is not fully provided for hereunder shall be handled in accordance with relevant legislation.

Article 15.Implementation and Amendment

1. This procedure shall be implemented following approval by the board of directors, distribution to each supervisor and submission to the shareholder meeting for approval. If any director voices any objection by recording or written statement, the company shall also submit the objection to each supervisor and shareholder meeting for discussion. The procedure shall be applicable to any amendment hereof.
2. When the endorsement and guarantee procedure is submitted to the board of directors for discussion in accordance with the previous section, opinions from each independent director shall be fully taken into consideration and the specific opinions of approval or objection and the reasons for objection shall be included in the minutes of the board meeting.
3. This procedure is implemented after approval by the shareholder meeting on 3 May 2005.

Article 16.Date of Establishment and Amendment

This procedure was made on 3 May 2005. The first amendment to this procedure was made on 4 October 2005. The second amendment to this procedure was made on 16 June 2009. The third amendment to this procedure was made on 10 June 2010. The fourth amendment to this procedure was made on 19 June 2013.

Appendix 5: Procedures for Loaning of Company Funds < Before the revision >

Procedures for Loaning of Company Funds

Article 1. Purpose and Legal Basis

The company established this procedure in accordance with Article 36-1 of the Securities Transactions Act and the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” by the Securities and Futures Bureau of the Financial Supervisory Commission. Any capital lending by the company to any person shall be done in accordance with this procedure.

Article 2. Funds Borrower

1. Company or enterprise that has business transactions with the company (hereinafter the “borrower”).
2. Company requiring short term financing as recognized by the board of directors (hereinafter the “borrower”).

Article 3. Funds Lending Evaluation Standard

1. Any Funds lending by the company to any other company or enterprise under business relationship shall be in accordance with Subsection 2, Section 1, Article 4.
2. Funds lending to meet short term financing requirements as recognized by the board of directors shall be limited to the following:
 - (1) Company with parent and subsidiary relationship with the company that requires short term financing due to business needs.
 - (2) Company or enterprise invested by the company under the equity method that requires short term financing due to procurement of materials or operations.
 - (3) Funds lending may be conducted between among companies whose 100% voting shares are directly or indirectly held by the company.
Subsidiary and parent company referred to shall be determined in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.
"net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 4. Total Funds Lending Amount and Individual Amount Limit

1. The total amount of funds lending by the company shall not exceed 10% of the company’s net value.
2. For lending due to business dealings, the individual lending amount shall not exceed the amount of the business dealing. Amount of business dealing means the amount of product purchase or product sale, whichever is higher.
3. For lending of short term financing, the individual lending amount shall not exceed 10% of the company’s net value. The amount of short term financing means the accumulated balance of short term lending amount by the company.
“Net value” is as provided under the latest financial statements certified or audited by accountant.
4. Capital lending among overseas companies whose 100% voting shares are directly or indirectly held by the company is not subject to the restrictions under the previous three

sections. The aggregate amount of loans and the maximum amount permitted to a single borrower shall each be prescribed separately for business transactions and for short-term financing respectively.

Article 5.Term and Interest Calculation of Capital Financing

1. Short term financing requirement with the company means a term that is one year or one business cycle (whichever is longer) according to the above letter of interpretation by the Ministry of Economic Affairs.
2. The company may waive interest for funds lending to any company whose 100% voting shares are held directly or indirectly by the company. For other lending to companies or enterprises approved by the company, interest shall accrue at the basic lending rate of the Bank of Taiwan for the current month plus 2%. If the borrower fails to perform the financing contract, monthly interest shall accrue at the original interest rate times 1.1 starting from the date of violation of the financing contract.
3. In case of any special situation and subject to the approval of the board of directors, lending may be extended upon expiry based on the actual situation.

Article 6.Decision Level

1. When the company contemplates to lend funds, a resolution by the board of directors shall be required. No other person shall be authorized to make the decision.
2. For funds lending between the company and its parent or subsidiary or among the company's subsidiaries, the board of directors may authorize the chairman to approve several drawdowns or revolving drawdowns by the same borrower within a period of one year within a certain amount resolved by the board of directors. Other than overseas companies whose 100% voting shares are directly or indirectly held by the company, the authorized amount of funds lending from the company or the subsidiary to any single enterprise shall not exceed 10% of the net value on the company's latest financial statements.
3. When this procedure is submitted to the board of directors for discussion in accordance with the previous section, opinions of independent directors shall be fully taken into consideration and their specific opinions for approval or objection and the reasons for objection shall be included in the minutes of the board meeting.

Article 7.Application and Review Procedure

The relevant procedure for the company's funds lending shall be undertaken by the finance department. For funds lending within the amount limit under Article 4, the borrower shall complete an application form. The processing department shall prepare a substantial review and evaluation report and process following submission to and resolution by the board of directors. The evaluation report shall include the following:

1. Necessity and reasonableness of funds lending.
2. Credit and risk evaluation of the borrower.
3. Impact on the company's operational risk, financial status and shareholder interest.
4. Whether collateral should be obtained and evaluation of the collateral's value.

Article 8.Warranty and Guarantee

When the company performs funds lending, if the board of directors deems it necessary, the borrower shall be required to provide collateral equivalent to the lending amount and to carry out a pledge or mortgage creation procedure to ensure the company's creditor's right. If the borrower

provides a guarantee from an individual or company with equivalent financial status or credit in lieu of collateral, the board of directors may proceed in reference to the opinion of the finance department. If a corporate guarantee is provided, the corporate guarantor shall have provisions about the guarantee in its articles of association and the minutes showing relevant resolutions by the shareholder meeting or board of directors shall be submitted.

Article 9. Insurance

1. Other than land and securities, collateral shall be covered by fire insurance and other accident insurance. Boats and vehicles shall be covered by full risk insurance. The insurance amount shall not be lower than the collateral value in principle. The insurance policy shall specify the company as the beneficiary. The name, quantity, location of the object, insurance condition and insurance approval notes under the insurance policy shall be consistent with the conditions of lending originally approved by the company. If a building does not have a street number at the time of creation of collateral, the address shall be indicated by the land section and land number where it is located.
2. The insurance period shall cover the funds lending period. If approval is obtained to extend the lending period, the processing staff shall duly inform the borrower to continue the insurance prior to the expiry of the insurance period.

Article 10. Credit Verification

1. For first time borrowers, the borrower shall provide basic information and financial information so that the responsible department can carry out credit verification.
2. For any extended borrowing, in principle, the finance department shall perform credit verification once every year. In significant cases, credit verification shall be performed once every six months based on actual requirements.
3. For any extended borrowing, if the company has a sound financial system and good track records of repayment, and if the annual financial statements have been certified by an accountant, the financial reports between the past one to two years may continue to be used and lending may be approved following accountant's audit report.
4. If the borrower is a subsidiary whose 100% voting shares are held directly or indirectly by the company, the credit verification may be waived and the restriction under section 3 is not applicable.

Article 11. Loan Approval

1. Following credit verification or verification, if the lending will not be released because the borrower has bad credit or if the purpose for the loan is inappropriate, the processing staff shall seek approval for the reason for decline and inform the borrower timely.
2. Following review and evaluation, for cases with good credit, appropriate lending purpose and no negative impact on the company's finance, business and shareholder interest, the processing staff shall prepare the credit verification and evaluation report together with the contemplated lending amount, duration and interest rate for the responsible department's confirmation about feasibility and submit the information to the board of directors for decision.
3. After a lending case is approved, the processing staff shall inform the borrower by letter or telephone as soon as possible, detailing the company's lending conditions, including the amount, duration, interest rate, collateral, insurance and guarantor and require the borrower to sign a contract and carry out a collateral pledge and guarantor procedure within a deadline.

Article 12. Contract Signing and Guarantor

1. For any lending case, the processing staff shall draft the contract provisions for review and approval by the supervisor of the responsible department. If required, the provisions shall be submitted to the legal consultant for an opinion. The procedure for contract signing shall then be carried out.
2. The provisions of the contract shall be consistent with the lending conditions. Following signatures by the borrower and the joint liability guarantor on the contract, the processing staff shall carry out the guarantee procedure.

Article 13. Advance

After a lending proposal is approved, the finance department shall only release the amount after the borrower has signed the contract, submitted promissory note and completed registration of mortgage (pledge) creation on the collateral, with all procedures verified and confirmed by the responsible department.

Article 14. Subsequent Control Measures for Amount Advanced

1. After lending is advanced, the financial, business and credit situation of the borrower and the guarantor shall be monitored. Verifications shall be made as to whether the value of collateral (pledge) has been changed. Any significant change shall be immediately reported to the chairman and handled in accordance with the chairman's instructions.
2. Before the advance is due, the borrower shall be notified to repay the principal and interest when due or to carry out extension procedure.
3. When the borrower repays the loan on or before the due date, interest payable shall first be calculated and paid together with the principal. Then the promissory note shall be cancelled and returned to the borrower or the pledge shall be cancelled.
4. If the borrower wishes to extend the borrowing before the due date, a new application shall be filed in accordance with this procedure.
5. Every month, the processing staff shall prepare a funds lending details table for the previous month and submit it to the persons with due authority for review and approval.

Article 15. Overdue Debt

1. The borrower shall repay the principal and interest when the lending is due. If the borrower cannot repay and needs an extension, it shall file a request in advance for approval by the board of directors. Each extension of repayment shall not exceed one year and there shall be no more than one extension. In case of any violation, the company shall carry out disposal and claim in accordance with law on the collateral provided or against the guarantor.
2. The company shall evaluate the funds lending situation and make appropriate bad debt provision. Relevant information shall also be disclosed in the financial reports. Relevant information shall be provided to the certifying accountant to perform the necessary audit procedure.

Article 16. Public Announcement

1. After the company becomes a publicly traded company, a public announcement shall be made by the 10th day of each month about the balance of funds lending by the company and its subsidiaries for the previous month.
2. For publicly traded companies, if the balance of funds lending reaches any of the following thresholds, a public announcement shall be made within 2 days commencing immediately from the date of occurrence:
 - (1) The balance of funds lending by the company and its subsidiaries exceeds 20% of the net

value based on the company's latest financial statements.

- (2) The balance of funds lending by the company and its subsidiaries to any single enterprise reaches 10% of the net value based on the company's latest financial statements.
 - (3) The amount of new funds lending by the company or its subsidiaries exceeds NT\$10 Million and reaches 2% of the net value based on the company's latest financial statements.
3. If any subsidiary of the company that is not a domestic publicly traded company has any matter that is subject to public announcement in accordance with the previous section, the company shall make a public announcement on behalf of the subsidiary.
 4. The percentage of the subsidiary's funds lending balance over the net value shall be calculated based on the subsidiary's funds lending balance as a percentage to the company's net value.
 5. "Date of occurrence" in these Regulations means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.

Article 17. Control Procedure for Funds Lending by Subsidiary

1. When the subsidiary of the company contemplates to lend funds, the company shall ensure that the subsidiary performs in accordance with the funds lending procedure established in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" by the Securities and Futures Bureau, provided that the net value shall be calculated based on the net value of the company.
2. Any subsidiary of the company that contemplates to carry out funds lending shall only do so after reporting to and approval from the company. The company's finance department shall perform substantial evaluation of the necessity, reasonableness and risk of such funds lending, as well as its impact on the operations risk, financial status and shareholder interest of the parent company and the subsidiary, and submit such evaluation to the chairman for approval.
3. The finance department shall obtain the funds lending balance details table from each subsidiary in the beginning of each month.
4. The company's internal audit staff shall perform regular audit on the compliance by each subsidiary to its "Funds Lending Procedure" and make audit reports. The discoveries and suggestions of the audit report shall be explained and notified to each audited subsidiary for improvement. Regular follow-up reports shall be made to ensure that appropriate improvement measures have been undertaken in time.
5. The finance department of the company shall regularly evaluate whether the follow-up control measures over amount advanced and procedure for handling overdue debt of the subsidiary are appropriate.

Article 18. Establishment of Reference Book

The company shall establish a reference book for carrying out funds lending matters, recording in detail for future reference the funds borrower, amount, date of board approval, date of funds lending and matters requiring careful evaluation in accordance with Article 7.

Article 19. Other Matters

1. The management activities under this procedure shall be included in the internal control system and duly implemented. The internal audit shall perform at least quarterly inspection and evaluation of the performance of the above provisions and written records shall be prepared. In case of any significant violation, all supervisors shall be notified in writing.
2. If the company exceeds the limit of lending balance due to any change of circumstances, a correction plan shall be established and sent to each supervisor.

Article 20. Penalty

If any manager and responsible staff of the company violates the “Guidelines for Funds Lending and Endorsement and Guarantee Procedure for Publicly Traded Companies of the Securities and Futures Bureau” or the “Funds Lending Procedure” of the company, a sanction shall be imposed based on the gravity of the matter in accordance with the company’s human resource management rules and work rules, with regular report and audit.

Article 21. Relevant Legislations

Any matter that is not fully provided for hereunder shall be handled in accordance with relevant legislations.

Article 22. Implementation and Amendment

1. This procedure shall be implemented after it is approved by the board of directors, sent to each supervisor and submitted to the shareholder meeting for approval. If any director voices any objection by recording or written statement, the company shall submit the objection to the supervisors and shareholder meeting for discussion. The same procedure shall be applicable to any amendment hereof.
2. When the funds lending procedure is submitted to the board of directors for discussion in accordance with the previous section, opinions of independent directors shall be fully taken into consideration and their clear opinions for approval or objection and the reasons for objection shall be included in the minutes of the board meeting.
3. This procedure was approved by the shareholder meeting on 3 May 2005.

Article 23. Date of Establishment and Amendment

This procedure was established on 3 May 2005.

The first amendment to this procedure was made on 16 June 2009.

The second amendment to this procedure was made on 10 June 2010.

The third amendment to this procedure was made on 15 June 2011.

The fourth amendment to this procedure was made on 19 June 2013.

Appendix 6: Procedures for Election of Directors and Supervisors < Before the revision >

Procedures for Election of Directors and Supervisors

Article 1. Purpose and the basis

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. Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors and supervisors shall be conducted in accordance with these Procedures.

Article 2. The abilities that must be present in the board

The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

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. An international market perspective.
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 3. Qualifications for the supervisors

1. Supervisors of this Corporation 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.

2. In addition to the requirements of the preceding paragraph, at least one among the supervisors of this Corporation must be an accounting or finance professional.

Appointments of supervisors shall be made with reference to the provisions on 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 corporation's risk management and control of finance and operations.

At least one supervisor 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 this Corporation, and should ideally be domiciled in the Republic of China to be able to promptly fulfill the functions of supervisor.

Article 4.Qualifications for the independent directors

The qualifications for the independent directors of this Corporation 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 this Corporation 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 5.Electoral machinery of directors and supervisors

The open-ballot, cumulative voting method will be used for election of the directors and supervisors at this Corporation. 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.

Elections of independent directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. Any shareholder holding 1% or more of the total number of outstanding shares issued by the company and the board of directors may submit a roster of independent director candidates to the company, and , and, upon evaluation by the board of directors that all candidates so nominated are qualified independent director candidates, submit it to the shareholders' meeting for elections. The shareholders shall elect independent directors from among the nominees listed in the roster of director candidates.Matters related to the acceptance and public announcement for the nomination of candidates of independent directors shall be in accordance with the relevant laws and regulations

such as the Company Act and Securities and Exchange Act.

Article 6.By-election mode for the shortfall of directors and supervisors

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation 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, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of supervisors falls below that prescribed in this Corporation's articles of incorporation due to the dismissal of a supervisor for any reason, a by-election to fill the vacancy should ideally be held at the next shareholders meeting. When the supervisors are dismissed en masse, 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.Preparation for the ballots

The board of directors shall prepare separate ballots for directors and supervisors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, 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 8.Number of directors and supervisors and elected mode

The number of directors and supervisors will be as specified in this Corporation'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 chair drawing lots on behalf of any person not in attendance.

Article 9.Vote monitoring and counting

Before the election begins, the chair 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 10.Filling in the ballot

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 11.Invalid circumstances of the ballot

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 is 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 is 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 or shareholder account number (or 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 to identify such individual.

Article 12.Count of votes

The voting rights shall be calculated on site immediately after the end of the poll, and the chair shall announce on the site the list of persons elected as directors or supervisors.

Article 13.Elected notice

The board of directors of this Corporation shall issue notifications to the persons elected as directors or supervisors.

Article 14.Implementation

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Article 15.Date of Establishment and Amendment

This procedure was established on 3 May 2005.

This procedure was amended on 16 June 2009.

This procedure was amended on 15 June 2011.

Appendix 7: Shareholding of Directors and Supervisors

1. As of March 30, 2015, the company's registered capital is NT\$720,000,000, the issued capital of the Company is NT\$466,158,190, the issued 46,615,819 common shares.
2. The company has elected two independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors shall be decreased by 20 percent. The actual collective shareholding of directors is 3,729,265 common shares, and the actual collective shareholding of supervisors is 372,926 common shares.
3. As of March 30, 2015, the actual collective shareholdings of directors and supervisors were shown as below:

Position	Name	Date elected	Term (Years)	Directors		Supervisors	
				Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)
Chairman	Liang, Chin-Li	101.06.18	3	1,670,688	3.59%		
Directors	Yang, Jung-Tang	101.06.18	3	884,660	1.90%		
Directors	Kao, Hsin-Ming	101.06.18	3	1,240,662	2.66%		
Directors	Hsu, Chung-Cheng	101.06.18	3	247,286	0.53%		
Directors	Hu, Tai-Tsen	101.06.18	3	1,101,401	2.36%		
Independent Director	Chao, Rong-Shiang	101.06.18	3	0	0		
Independent Director	Wang, Pai-Lu	101.06.18	3	0	0		
combined shareholding of all directors				5,144,697	11.04%		
Supervisors	Wu, Pi-Huei	101.06.18	3			366,579	0.79%
Supervisors	Yeh, Hui-Hsin	101.06.18	3			3,000	0.01%
Supervisors	Winsite Co., Ltd. Legal Representative : Shih, Tung	103.06.18	1			300,491	0.64%
combined shareholding of all Supervisors						670,070	1.44%

Note : Supervisor Winsite Co., Ltd. Legal Representative : Shih, Tung was newly elected on June 18, 2014.

Appendix 8: Directors' Compensation and Employees' Profit Sharing

Unit : NTDS\$

profit sharing items	The Board adopted a proposal(A)	already expensed under the Company's 2013 income statements(B)	DIF (A-B)	Difference reason and dealing with the situation
Employees' stock profit sharing	0	0	0	No different
Employees' cash profit sharing	3,457,308	3,457,308	0	
Directors' compensation	1,707,313	1,707,313	0	

Appendix 9: The other explanation

1. The company's response about shareholder's proposal in this Annual Shareholder's Meeting :
 - (1) According to the article 172-1 of the Company Act, Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal and the number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words.
 - (2) The company has announced that the shareholders can submit proposals to be discussed at the meeting on the Market Observation Post System. The period is March 13, 2015 to March 23, 2015.
 - (3) The company had not received any proposals from shareholders.

2. Influence of Proposed Stock Dividend Distribution upon 2014 Operating Performance and Earnings Per Share :

The company proposed to distribute cash dividend, so it is not applicable.