

TAIFLEX SCIENTIFIC CO., LTD.

2017 ANNUAL SHAREHOLDERS' MEETING

MEETING AGENDA

Time: 9:00 a.m., May 26, 2017

Place: No.1, Huanqu 3rd Rd., Kaohsiung Export Processing Zone, Qianzhen Dist., Kaohsiung City

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TAIFLEX SCIENTIFIC CO., LTD.

Procedures of 2017 Annual Shareholders' Meeting

- I. Call Meeting to Order
- II. Chairperson's Opening Remarks
- III. Report Items
- IV. Ratification Items
- V. Discussion Items
- VI. Election Items
- VII. Other Proposed Resolutions
- VIII. Extempore Motions
- IX. Meeting Adjourned

TAIFLEX SCIENTIFIC CO., LTD.

Agenda of 2017 Annual Shareholders' Meeting

Time: 9:00 a.m., May 26, 2017

Place: No.1, Huanqu 3rd Rd., Kaohsiung Export Processing Zone, Qianzhen Dist., Kaohsiung City

- I. Call Meeting to Order
- II. Chairperson's Opening Remarks
- III. Report Items
 1. Appropriation of remuneration to directors and supervisors and compensation to employees in 2016
 2. Business report for 2016
 3. Supervisors' review report on the 2016 financial statements
 4. Amendments to the Rules of Procedure for the Board of Directors' Meetings
 5. Amendments to Code of Ethical Conduct
 6. Amendments to Principles of Business Ethics
 7. Amendments to Procedures and Guidelines of Business Ethics
- IV. Ratification Items
 1. 2016 financial statements
 2. Distribution of 2016 earnings
- V. Discussion Items
 1. To amend the Articles of Incorporation
 2. To amend the Rules of Procedure for Shareholders' Meeting
 3. To amend the Director and Supervisor Election Procedures
 4. To amend the Procedures for Acquisition or Disposal of Assets
 5. To amend the Procedures for Endorsement and Guarantee
 6. To amend the Procedures for Lending Funds to Other Parties
- VI. Election Items
 1. Election of all directors

VII. Other Proposed Resolutions

1. Release of the new directors from non-compete restrictions

VIII. Extempore Motions

IX. Meeting Adjourned

Report Items

Item 1 Appropriation of remuneration to directors and supervisors and compensation to employees in 2016

Explanation: 1. Pursuant to Article 28 of the Articles of Incorporation on the appropriation of remuneration to directors and supervisors and compensation to employees, when the Company makes a profit for the year, the compensation to employees shall not be lower than five percent of the balance and the remuneration to the directors and supervisors shall not be higher than four percent of the balance.

2. The Company recognized NT\$ 53,949,497 and NT\$ 16,184,849 as compensation to employees and remuneration to directors and supervisors, respectively, under expenses for the year ended December 31, 2016. The appropriation would be released in cash form.

3. The amount of remuneration to directors and supervisors has been reviewed by the Compensation Committee and approved by the Board of Directors' meeting.

Item 2 Business report for 2016

Taiflex Scientific Co., Ltd.

Business Report for 2016

1. 2016 Operating Results

The Company generated net revenue of NT\$ 10.28 billion in 2016, a growth of 0.16% compared to the NT\$ 10.27 billion in 2015. Net income attributable to shareholders of the parent amounted to NT\$ 580 million, a decrease of 21% year-over-year. Earnings per share was NT\$ 2.81. The decrease in profit was primarily caused by the significant and continued depreciation of RMB against US and New Taiwan dollars, which led to a larger foreign exchange loss and impacted adversely on operating profit. In addition, market growth was slowing comparing to previous years, resulting in increasingly fierce competitions. It affects not only the returns of the whole industry and supply chain, but also their margins.

The business unit of electronics materials generated net revenue of NT\$ 6.46 billion in 2016, an increase of 15.2% comparing to 2015. The enormous growth was contributed by a) improvement in technical capabilities broadened the range of product applications and b) the massive growth of Chinese mobile phone makers, such as Huawei, OPPO and VIVO, drove up the FPC demand in China which in turn spurred demand for FPC materials. As the major FPC material supplier in the Greater China Region, we have comprehensive distribution channels and can thus benefit from this upsurge of growth.

The business unit of energy materials generated revenue of NT\$ 3.66 billion in 2016, a year-over-year decrease of 17.4%. The downturn was mostly due to China slashed its electricity subsidies after June 30. Magnitude of the cut varied by regions with a maximum of 11%. Consequently, the solar demand in China plunged in the second half of 2016 and the supply chain as a whole faced the challenges of diminishing

demand and lowering prices. Nevertheless, after a few months of adjustments, the market had gradually returned to normal.

(1) Consolidated revenue and net income

(In Thousands of New Taiwan Dollars)

	2016	2015	Change (in Dollar Amount)	Change (in Percentage)
Net revenue	10,283,979	10,267,868	16,111	0.16%
Gross profit	1,895,651	2,164,720	(269,069)	(12.43%)
Net income	546,610	707,308	(160,698)	(22.72%)

(2) Profitability analysis

	2016	2015
Net profit margin	5.31%	6.88%
Return on assets	5.26%	6.36%
Return on equity	8.04%	10.42%

(3) Directions of research and development

To cope with trends towards lighter, thinner, highly-efficient and multi-functional electronic devices, the Company will continuously invests resources to develop products with features of high frequency, heat-resistant and fine pitch. Moreover, we will actively utilize our core formula capabilities in developing a wide range of new materials to nurture our ability in providing a total solution to customers. As for PV backsheets, we will relentless pursue various types of products to satisfy market demand and offer one-stop shop services. We will also allocate resources on the research of heat-resistant and high heat-dissipation backsheets to enhance the efficiency of PV modules and move toward lower costs and grid parity.

2. Overview of 2017 Business Plan

(1) Business policy

As US economy recovers and the global raw material prices gradually increases, growth momentum of the overall market is expected to improve comparing to prior years. However, uncertainties including the protectionism of US president Trump, the official launch of Brexit process, US interest rate increase and volatility in RMB bring both opportunities and challenges to 2017.

Being the key material supplier in the Greater China Region, our operation decisions and performance are greatly affected by RMB volatility and US trade protectionism against China. We would focus on preventive measures such as cost reduction and expense control during this period of uncertainty.

In 2017, China's budget smartphone is expected to maintain a relatively fast growth and the growth opportunities in the emerging market remain optimistic, especially the India market, which is the focus of worldwide smartphone makers. In those fast-growing territories, having cost advantage is a crucial determinant. We will utilize our advantages in economies of scale and fulfill market demand with

competitive cost structure. For high-end applications, global brands constantly launch products with new designs and functions which create new opportunities for upstream FPC vendors. We will continue to work closely with the global brands and expand our market shares in the premium market. Solar industry is heavily dependent on government subsidies and those subsidy policies have a direct impact on the demand of solar system installation. As a result, the production and demand of solar industry is relatively volatile which in turn affects the working capital of module assembly plants. We will keep track of each nation's energy policies and develop new types of PV backsheets to exploit customers in the emerging market in order to mitigate the impacts from Chinese subsidy policies. We will also closely monitor the financial standing of our customers and strictly follow the credit management policy so as to balance our market shares and credit risk and maintain operation stability.

(2) Sales forecast and basis

Electronic materials: the sales in 2017 is expected to grow 10% comparing to 2016

Basis:

- (a) Shipment growth from Chinese smartphone brands is expected to continue. Other than strong demand in China, one of the main reasons being the aggressive development of those Chinese phone makers in the emerging markets. Due to the integration of supply chain, the trend of dominance by large-scale companies persists. With our cost advantages stemming from economies of scale and comprehensive distribution channels, we aim to explore opportunities for further collaboration with local leading companies to drive the overall shipment growth.
- (b) Even though the shipment of high-end smartphone approaches saturation, opportunities for new applications emerge as global brands proactively introduce products with new functions. Being one of the key global FPC suppliers, we will seize those opportunities to achieve further growth in the high-end market.
- (c) Due to the two factors above, we expect the shipment in 2017 to maintain 2016 growth momentum.

PV backsheets: the sales volume in 2017 is expected to grow 10% to 15% comparing to 2016

Basis:

- (a) The demand of PV industry ties closely with government subsidy policies. As China plans to lower the wholesale electricity price again by roughly 13% to 18% in the second half of 2017, a portion of market demand is expected to shift toward PV backsheets with relatively lower prices. We have laid the groundwork in associated product lines and thus expect to gain growth during the shift.
- (b) Strong growth momentum is observed in the overseas markets, especially India. After a thorough market research, we have developed PV backsheets specifically designed for Indian market and obtained some results. Therefore, we expect to enjoy new opportunities from the rapid growth of this market.
- (c) Due to the combined effect of new products and market, we expect positive growth in 2017 sales

volume.

(3) Key production and marketing policies

- (a) Continue to communicate with key suppliers on the establishment of VMI warehouses to accelerate the inventory flow and avoid stagnation of capital.
- (b) Adopt an automated planning and scheduling system to speed up response time and shorten cycle time.
- (c) Establish regional sales centers and agent channels to deepen our market presence and broaden the scope of local services.
- (d) Build a technical service team for end-customers in order to perceive end-market requirements and enhance efficiency of product research and development.
- (e) Expand the product lines to satisfy customers' needs for both premium and low-end products and extend our market scope.

3. Strategies for Future Developments

- (1) Exploit current material formulas and precision manufacturing technology and explore market opportunities to develop new business in pursue of the Company's long-term growth.
- (2) Combine end-customers' participation in design and collaboration in material development with the Company's existing technology and advantages in economies of scale to stabilize and strengthen the overall supply chain connectivity and create high barriers to entry for competitors.
- (3) Utilize the advantages of joint purchase and vertical integration to carry out horizontal expansion for products requested by customers through the enormous sales network and customer base built by the Company. We can provide lower-cost, high-efficient and one-stop shop services via self- or cooperative development or joint-agency.
- (4) Continue to rationalize workflow and carry out waste reduction measures in order to lower operation costs and increase work efficiency.

4. Impacts from external competition, regulatory compliance and macro-environment

(1) External competition

- (a) The slowing growth momentum of overall smartphone and increasing production capacity of competitors result in potential risk of fierce price competition.
- (b) The massive capacity expansion previously undertook by players in the solar industry pushed market supply to grow at a faster rate than the demand. The Company now faces price war.
- (c) Quick changes in customers' demand force the Company to identify new technologies and launch new products at a faster rate which drives up the development cost. At the same time, increasing difference in demand of peak and low seasons brings greater challenge to the capacity flexibility and ability to allocate resources.
- (d) Being the dominant producer of FPC and PV backsheets in the Greater China Region, the Company has competitive advantages in supply chain relationships and economies of scale. In

addition to the cost competitiveness due to scale, we can also satisfy our customers' demand timely in the peak season. Furthermore, we collaborate with companies in the supply chain to accelerate our progress in research and development in order to satisfy customers' demand for new products and assist them with seizing the growth opportunity.

(2) Regulatory compliance

- (a) Our allocation of resources is directly impacted by whether cross-strait bilateral investments are permissible.
- (b) Energy subsidies of each nation and trade wars (e.g. anti-dumping and countervailing investigations by U.S. and Europe) also have enormous impacts on the PV industry. Those factors directly influence the global operation strategies of module assembly plants.

(3) Macro-environment

- (a) The slowdown in China's economic growth and highly volatile RMB raise the exchange rate risk and impact the overall operation structure on both sales and purchases. The relatively higher cost of RMB hedging poses a greater challenge to our operation.
- (b) Our government has less participation in the regional integration agreements than the competing nations. Even though we enjoy some tariff concessions under ECFA with China, we are falling behind in the war of tariffs within the Southeast Asia market.

Looking back at 2016, the economic environment as a whole was unstable with frequent black swan events which affected both foreign exchange rates and consumer demand. Facing with harsh changes in external environment and challenges posed by competitors, we did our utmost to adopt adequate business strategies for each business unit in accordance with market changes, strived to balance our operations against risks and persistently optimized our operation efficiency. We could not detach ourselves from those changes especially when the severe currency fluctuations had enormous effects on Taiwanese businessmen in Taiwan, Hong Kong and Mainland China and eroded the overall profitability.

Nevertheless, we continue to strengthen our core competitiveness and continuously invest research and development resources in advanced flexible materials to move towards high value products. We also utilize our advantages in flexible materials and collaborate with customers to capture the driving forces of market growth and build the foundation for sustainability.

Chairperson: Ta-Wen Sun

General Manager: Chun-Yen Chiang

Accounting Manager: Fang-Yi Xie

Item 3 Supervisors' review report on the 2016 financial statements

Supervisors' Review Report

The Board of Directors has prepared the business report, parent company only and consolidated financial statements and earning distribution for the year ended December 31, 2016. Certified Public Accountants of Ernst & Young, Li Fang-Wun and Lin Hong-Guang, were retained by the Board to audit the parent company only and consolidated financial statements and they have issued an audit report.

The above-mentioned business report, parent company only and consolidated financial statements and earning distribution have been reviewed and determined to be in compliance with the Company Act and other relevant laws and regulations by the supervisors. We hereby submit this report in accordance with Article 219 of the Company Act.

To: Taiflex Scientific Co., Ltd. 2017 Annual Shareholders' Meeting

Supervisor: Chuan-Sheng Kao

Supervisor: Pai-Chun Wu

Supervisor: Fiu Ding Trust & Investment Co., Ltd.

Representative: Jui-Chang Lin

February 23, 2017

Item 4 Amendments to the Rules of Procedure for the Board of Directors' Meetings

- Explanation:
1. For the establishment and operations of an audit committee, some articles within the Rules of Procedure for the Board of Directors' Meetings are amended.
 2. Please refer to Attachment III on page 30 to 32 of this meeting agenda for the Comparison Table of Amendments to Rules of Procedure for the Board of Directors' Meetings.

Item 5 Amendments to the Code of Ethical Conduct

- Explanation:
1. For the establishment and operations of an audit committee, some articles within the Code of Ethical Conduct are amended.
 2. Please refer to Attachment IV on page 33 to 34 of this meeting agenda for the Comparison Table of Amendments to Code of Ethical Conduct.

Item 6 Amendments to the Principles of Business Ethics

- Explanation:
1. For the establishment and operations of an audit committee, some articles within the Principles of Business Ethics are amended.
 2. Please refer to Attachment V on page 35 to 42 of this meeting agenda for the Comparison Table of Amendments to Principles of Business Ethics.

Item 7 Amendments to the Procedures and Guidelines of Business Ethics

- Explanation:
1. For the establishment and operations of an audit committee, some articles within the Procedures and Guidelines of Business Ethics are amended.
 2. Please refer to Attachment VI on page 43 to 45 of this meeting agenda for the Comparison Table of Amendments to Procedures and Guidelines of Business Ethics.

Ratification Items

Item 1

(Proposed by the Board of Directors)

Subject: To accept the 2016 financial statements

Explanation: 1. The 2016 business report and consolidated and parent company only financial statements were audited by Certified Public Accountants of Ernst & Young, Li Fang-Wun and Lin Hong-Guang, and reviewed by supervisors.

2. Please refer to Attachment I on page 17 to 23 and Attachment II on page 24 to 29 of this meeting agenda for the financial statements.

3. Please accept the above-mentioned financial statements.

Resolution:

Item 2

(Proposed by the Board of Directors)

Subject: To accept the distribution of 2016 earnings

Explanation: 1. The earnings available for distribution of NT\$ 2,503,367,749 is calculated by adding unappropriated earnings from previous year of NT\$ 2,041,485,984 to net income for 2016 of NT\$ 579,678,363, appropriating 10% for legal capital reserve (i.e. NT\$ 57,967,836) and deducting the remeasurement of defined benefit plan transferred to retained earnings directly of NT\$ 59,828,762.

2. Dividends to shareholders:

Each common share holder will be entitled to receive a cash dividend of NT\$ 2 per share and the overall cash dividend amounts to NT\$ 412,254,384. Earnings available for distribution of NT\$ 2,091,113,365, net of dividends, will be retained for distribution in later years. Earnings from 2016 will be distributed first. Cash dividends to be paid are rounded to the nearest dollar. Dividends to individual shareholder of fractional dollar amount are transferred to the Employee Welfare Committee of the Company.

3. The earning distribution plan is calculated based on the number of outstanding shares as of the date on which the proposal is approved in the Board meeting. If the number of outstanding shares changes due to exercise of employee stock options for common shares, capital increase by cash, purchase of the Company's shares, or transfer or cancellation of treasury stocks and the dividend payout ratio is affected, the Chairperson is authorized to adjust the cash dividend to be distributed to each share based on the total amount of cash resolved to be distributed and the actual number of outstanding shares on the record date for distribution.

4. When the conditions for this earning distribution are changed due to the changes in laws or decisions of regulators, the Chairperson is authorized to take all necessary measures.

5. The 2016 earning distribution table is as follows:

Taiflex Scientific Co., Ltd.
2016 Earning Distribution Table

(In New Taiwan Dollars)

Item	Subtotal	Total	Note
Unappropriated earnings, beginning balance		2,041,485,984	
Add: net income of 2016	579,678,363		
Less: legal capital reserve (Note1)	(57,967,836)		
Less: other comprehensive income (remeasurement of defined benefit plan) (Note 2)	(59,828,762)		
Distributable earnings		2,503,367,749	
Distribution items: (Note 3)			
Cash dividends to shareholders	412,254,384		Cash dividend of NT\$ 2 per share.
Total distributed earnings		(412,254,384)	
Unappropriated earnings, ending balance		2,091,113,365	

Chairperson: Ta-Wen Sun General Manager: Chun-Yen Chiang Accounting Manager: Fang-Yi Xie

(Note 1) The amount and percentage of legal capital reserve is calculated as follows:

$$579,678,363 * 10\% = 57,967,836.$$

(Note 2) The remeasurement of defined benefit plan under IAS 19 is transferred to retained earnings directly instead of to profit or loss account.

(Note 3) The distribution item above is calculated pursuant to the Articles of Incorporation. The amount and percentage is calculated as follows:

$$\text{Dividends to shareholders: Cash dividend of NT\$ 2 per share} * (208,445,192 \text{ shares} - \text{treasury stocks of } 2,318,000 \text{ shares}) = \text{NT\$ } 412,254,384.$$

6. Please accept the distribution of 2016 earnings.

Resolution:

Discussion Items

Item 1

(Proposed by the Board of Directors)

Subject: To amend the Articles of Incorporation

Explanation: 1. For the operations of an audit committee, some articles within the Articles of Incorporation are amended.

2. Please refer to Attachment VII on page 46 to 50 of this meeting agenda for the Comparison Table of Amendments to Articles of Incorporation.

3. The draft amendment is submitted for discussion and approval.

Resolution:

Item 2

(Proposed by the Board of Directors)

Subject: To amend Rules of Procedure for Shareholders' Meeting

Explanation: 1. For the establishment and operations of an audit committee, some articles within the Rules of Procedure for Shareholders' Meeting are amended.

2. Please refer to Attachment VIII on page 51 of this meeting agenda for the Comparison Table of Amendments to Rules of Procedure for Shareholders' Meeting.

3. The draft amendment is submitted for discussion and approval.

Resolution:

Item 3

(Proposed by the Board of Directors)

Subject: To amend Director and Supervisor Election Procedures

Explanation: 1. For the establishment and operations of an audit committee, the Director and Supervisor Election Procedures is renamed Director Election Procedures and some articles within are amended.

2. Please refer to Attachment IX on page 52 to page 54 of this meeting agenda for the Comparison Table of Amendments to Director and Supervisor Election Procedures.

3. The draft amendment is submitted for discussion and approval.

Resolution:

Item 4

(Proposed by the Board of Directors)

Subject: To amend Procedures for Acquisition or Disposal of Assets

Explanation: 1. For the establishment and operations of an audit committee, some articles within the Procedures for Acquisition or Disposal of Assets are amended.

2. Please refer to Attachment X on page 55 to page 64 of this meeting agenda for the Comparison Table of Amendments to Procedures for Acquisition or Disposal of Assets.

3. The draft amendment is submitted for discussion and approval.

Resolution:

Item 5

(Proposed by the Board of Directors)

Subject: To amend the Procedures for Endorsement and Guarantee

Explanation: 1. For the establishment and operations of an audit committee, some articles within the Procedures for Endorsement and Guarantee are amended.

2. Please refer to Attachment XI on page 65 to 66 of this meeting agenda for the Comparison Table of Amendments to Procedures for Endorsement and Guarantee.

3. The draft amendment is submitted for discussion and approval.

Resolution:

Item 6

(Proposed by the Board of Directors)

Subject: To amend the Procedures for Lending Funds to Other Parties

Explanation: 1. For the establishment and operations of an audit committee, some articles within the Procedures for Lending Funds to Other Parties are amended.

2. Please refer to Attachment XII on page 67 to 68 of this meeting agenda for the Comparison Table of Amendments to Procedures for Lending Funds to Other Parties.

3. The draft amendment is submitted for discussion and approval.

Resolution:

Election Items

Item 1

(Proposed by the Board of Directors)

Subject: To hold the election for all directors

- Explanation:
1. The 7th term of directors and supervisors of the Company expires on June 23, 2017. Pursuant to Article 195 of the Company Act, an election shall be held to elect new directors.
 2. The Company proposes to establish an audit committee in compliance with the Securities and Exchange Act to replace the supervisor system. The audit committee shall consist of all independent directors and the number of committee members shall not be fewer than three. After the amendments to the Articles of Incorporation have been resolved by the shareholders' meeting, the audit committee would be established pursuant to relevant laws.
 3. In compliance with the Articles of Incorporation, the Company shall elect nine directors (including three independent directors) to serve a term of three years. Their tenure starts once they are elected. The tenure of newly elected directors commences on May 26, 2017 and expires on May 25, 2020. Directors are eligible for re-election.
 4. In compliance with the Articles of Incorporation, the election of directors adopts the candidate nomination system. Please refer to Attachment XIII on page 69 to 70 of this meeting agenda for the List of Director Candidates.
 5. Please hold the election.

Election result:

Other Proposed Resolutions

Item 1

(Proposed by the Board of Directors)

Subject: To release the new directors from non-compete restrictions

- Explanation:
1. Article 209 of the Company Act stipulates that a director, who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the shareholders' meeting the essential contents of such an act and secure its approval.
 2. In compliance with Article 209 of the Company Act, it is proposed to release the new directors and their representatives from the non-compete restrictions (during the tenure of May 26, 2017 to May 25, 2020).
 3. Please refer to Attachment XIV on page 71 of this meeting agenda for the Concurrent Positions Held by Director Candidates.
 4. The proposal is submitted for discussion and approval.

Resolution:

Extempore Motions

Meeting Adjourned

TAIFLEX SCIENTIFIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2016 and 2015
(In Thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2016	December 31, 2015
Current assets			
Cash and cash equivalents	4, 6(1)	\$ 2,982,208	\$ 2,729,235
Financial assets at fair value through profit or loss, current	4, 6(2)	36,007	19,300
Notes receivable, net	4, 6(3)	1,542,759	858,370
Accounts receivable, net	4, 6(4)	2,797,975	3,647,625
Other receivables		47,260	242,562
Inventories, net	4, 6(5)	1,132,399	1,116,052
Prepayments		101,573	75,357
Other current assets	8	<u>43,676</u>	<u>168,108</u>
Total current assets		<u>8,683,857</u>	<u>8,856,609</u>
Non-current assets			
Financial assets carried at cost, non-current	4, 6(6)	-	-
Investments accounted for under the equity method	4, 6(7)	-	-
Property, plant and equipment	4, 6(8)	2,789,520	2,694,435
Intangible assets	4, 6(9)	113,598	119,480
Deferred income tax assets	4, 6(21)	129,825	125,309
Other non-current assets	4, 6(10)	<u>80,854</u>	<u>82,874</u>
Total non-current assets		<u>3,113,797</u>	<u>3,022,098</u>
Total assets		<u>\$ 11,797,654</u>	<u>\$ 11,878,707</u>

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

(Continued)

TAIFLEX SCIENTIFIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS-(Continued)
December 31, 2016 and 2015
(In Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	December 31, 2016	December 31, 2015
Current liabilities			
Short-term loans	6(12)	\$ 939,783	\$ 881,178
Notes payable		177,893	51,896
Accounts payable		2,133,276	1,901,621
Other payables		560,381	624,655
Current income tax liabilities	4, 6(21)	84,828	96,804
Current portion of long-term loans	6(14)	27,372	303,561
Other current liabilities		15,899	6,317
Total current liabilities		<u>3,939,432</u>	<u>3,866,032</u>
Non-current liabilities			
Long-term loans	6(14)	743,426	888,173
Deferred income tax liabilities	4, 6(21)	159,115	194,169
Net defined benefit liabilities, non-current	4, 6(15)	190,276	111,009
Other non-current liabilities	4, 12	46	47
Total non-current liabilities		<u>1,092,863</u>	<u>1,193,398</u>
Total liabilities		<u>5,032,295</u>	<u>5,059,430</u>
Equity attributable to shareholders of the parent			
Capital	6(16)		
Common stock		2,083,252	2,042,858
Capital surplus	6(16)	1,407,558	1,447,952
Retained earnings			
Legal capital reserve		684,163	611,177
Special capital reserve		102,158	102,158
Unappropriated earnings		2,561,335	2,518,408
Total retained earnings		<u>3,347,656</u>	<u>3,231,743</u>
Others	4	(74,673)	61,375
Treasury stock	6(16)	(98,744)	(98,744)
Total equity attributable to shareholders of the parent		<u>6,665,049</u>	<u>6,685,184</u>
Non-controlling interests	4, 6(16)	100,310	134,093
Total equity		<u>6,765,359</u>	<u>6,819,277</u>
Total liabilities and equity		<u>\$ 11,797,654</u>	<u>\$ 11,878,707</u>

(Concluded)

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

TAIFLEX SCIENTIFIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2016 and 2015

(In Thousands of New Taiwan Dollars)

	Notes	2016	2015
Net revenue	4, 6(18)	\$ 10,283,979	\$ 10,267,868
Cost of revenue	4, 6(5), 6(19)	(8,388,233)	(8,103,053)
Gross profit		1,895,746	2,164,815
Unrealized sales profit or loss		(95)	(95)
Realized sales profit or loss		-	-
Gross profit, net		1,895,651	2,164,720
Operating expenses	4, 6(19)		
Sales and marketing expenses		(383,184)	(497,436)
General and administrative expenses		(340,322)	(399,605)
Research and development expenses		(217,559)	(218,559)
Total operating expenses		(941,065)	(1,115,600)
Operating income		954,586	1,049,120
Non-operating income and expenses	6(20)		
Other income		25,257	44,983
Other gains and losses		(203,996)	(152,161)
Finance costs		(92,449)	(68,999)
Share of profit or loss of associates under the equity method	4, 6(7)	-	(5,673)
Total non-operating income and expenses		(271,188)	(181,850)
Income before income tax		683,398	867,270
Income tax expense	4, 6(21)	(136,788)	(159,962)
Net income of continuing operations		546,610	707,308
Net income		546,610	707,308
Other comprehensive income (loss)	6(20)		
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		(72,083)	(22,995)
Income tax benefit (expense) related to components of other comprehensive income that will not be reclassified subsequently		12,254	3,909
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(164,774)	(23,246)
Income tax benefit (expense) related to components of other comprehensive income that may be reclassified subsequently to profit or loss		28,011	3,951
Total other comprehensive income, net of tax		(196,592)	(38,381)
Total comprehensive income		\$ 350,018	\$ 668,927
Net income (loss) attributable to:	4, 6(22)		
Shareholders of the parent		\$ 579,678	\$ 729,856
Non-controlling interests		(33,068)	(22,548)
		\$ 546,610	\$ 707,308

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

(Continued)

TAIFLEX SCIENTIFIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME-(Continued)
For the Years Ended December 31, 2016 and 2015
(In Thousands of New Taiwan Dollars)

	Notes	2016	2015
Total comprehensive income (loss) attributable to:			
Shareholders of the parent		\$ 383,801	\$ 691,601
Non-controlling interests		(33,783)	(22,674)
		\$ 350,018	\$ 668,927
Earnings per share (NT\$)	4, 6(22)		
Earnings per share - basic		\$ 2.81	\$ 3.54
Earnings per share - diluted		\$ 2.79	\$ 3.51

(Concluded)

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

TAIFLEX SCIENTIFIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2016 and 2015
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent										
	Common Stock	Capital Collected in Advance	Capital Surplus	Retained Earnings			Others		Total	Non- Controlling Interests	Total Equity
				Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Treasury Stock			
Balance as of January 1, 2015	\$ 2,042,608	\$ 70	\$ 1,447,619	\$ 522,935	\$ 102,158	\$ 2,501,729	\$ 80,544	\$ (98,744)	\$ 6,598,919	\$ 156,767	\$ 6,755,686
Appropriation and distribution of 2014 earnings											
Legal capital reserve				88,242		(88,242)			-		-
Cash dividends for common shares						(605,849)			(605,849)		(605,849)
Changes in other capital surplus											
Share-based payment	250	(70)	333						513		513
Net income for the year ended December 31, 2015						729,856			729,856	(22,548)	707,308
Other comprehensive income (loss) for the year ended December 31, 2015						(19,086)	(19,169)		(38,255)	(126)	(38,381)
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>710,770</u>	<u>(19,169)</u>	<u>-</u>	<u>691,601</u>	<u>(22,674)</u>	<u>668,927</u>
Balance as of December 31, 2015	2,042,858	-	1,447,952	611,177	102,158	2,518,408	61,375	(98,744)	6,685,184	134,093	6,819,277
Appropriation and distribution of 2015 earnings											
Legal capital reserve				72,986		(72,986)			-		-
Cash dividends for common shares						(403,936)			(403,936)		(403,936)
Changes in other capital surplus											
Stock dividends from capital surplus	40,394		(40,394)						-		-
Net income for the year ended December 31, 2016						579,678			579,678	(33,068)	546,610
Other comprehensive income (loss) for the year ended December 31, 2016						(59,829)	(136,048)		(195,877)	(715)	(196,592)
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>519,849</u>	<u>(136,048)</u>	<u>-</u>	<u>383,801</u>	<u>(33,783)</u>	<u>350,018</u>
Balance as of December 31, 2016	<u>\$ 2,083,252</u>	<u>\$ -</u>	<u>\$ 1,407,558</u>	<u>\$ 684,163</u>	<u>\$ 102,158</u>	<u>\$ 2,561,335</u>	<u>\$ (74,673)</u>	<u>\$ (98,744)</u>	<u>\$ 6,665,049</u>	<u>\$ 100,310</u>	<u>\$ 6,765,359</u>

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

TAIFLEX SCIENTIFIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2016 and 2015
(In Thousands of New Taiwan Dollars)

	2016	2015
Cash flows from operating activities:		
Income before income tax	\$ 683,398	\$ 867,270
Adjustments:		
Non-cash income and expense items:		
Depreciation	267,893	265,557
Amortization	34,547	38,901
(Gain on reversal of) bad debt expense	(100,440)	31,230
Net gain of financial assets (liabilities) at fair value through profit or loss	(25,515)	(5,937)
Interest expense	92,449	68,999
Interest income	(19,619)	(28,117)
Share of (profit) loss of associates under the equity method	-	5,673
Gain on disposal of property, plant and equipment	(26)	(190)
Impairment loss on non-financial assets	8,686	-
Gain on reversal of impairment loss for non-financial assets	-	(5,461)
Others	12,959	(68,105)
Changes in operating assets and liabilities:		
Decrease in financial assets at fair value through profit or loss, current	8,808	2,678
(Increase) decrease in notes receivable	(684,389)	31,129
Decrease in accounts receivable	891,119	181,105
Decrease (increase) in other receivables	258,091	(131,679)
Increase in inventories	(29,306)	(121,530)
(Increase) decrease in prepayments	(26,216)	37,061
Decrease (increase) in other current assets	15,623	(11,627)
Increase in other non-current assets	(8,530)	(2,232)
Increase (decrease) in notes payable	125,997	(153,843)
Increase in accounts payable	231,655	261,462
Decrease in other payables	(39,683)	(25,936)
Increase (decrease) in other current liabilities	9,582	(9,682)
Increase in net defined benefit liabilities	7,185	6,540
Decrease in other non-current liabilities	(1)	(19)
Cash generated from operations	<u>1,714,267</u>	<u>1,233,247</u>
Interest received	21,446	26,547
Interest paid	(91,792)	(71,513)
Income tax paid	<u>(148,069)</u>	<u>(217,240)</u>
Net cash generated by operating activities	<u>1,495,852</u>	<u>971,041</u>

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

(Continued)

TAIFLEX SCIENTIFIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS-(Continued)
For the Years Ended December 31, 2016 and 2015
(In Thousands of New Taiwan Dollars)

	2016	2015
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(451,875)	(487,898)
Disposal of property, plant and equipment	832	1,614
Increase in refundable deposits	(6,595)	-
Decrease in refundable deposits	-	23,424
Acquisition of intangible assets	(18,751)	(9,286)
Increase in other current assets - other financial assets, current	-	(87,480)
Decrease in other current assets - other financial assets, current	109,799	-
Net cash used in investing activities	<u>(366,590)</u>	<u>(559,626)</u>
Cash flows from financing activities:		
Increase in short-term loans	58,605	-
Decrease in short-term loans	-	(337,794)
Repayment of long-term loans	(420,936)	(132,574)
Distribution of cash dividends	(403,936)	(605,849)
Exercise of employee stock options	-	513
Net cash used in financing activities	<u>(766,267)</u>	<u>(1,075,704)</u>
Effect of exchange rate changes on cash and cash equivalents		
	(110,022)	(12,921)
Net increase (decrease) in cash and cash equivalents	252,973	(677,210)
Cash and cash equivalents at beginning of period	2,729,235	3,406,445
Cash and cash equivalents at end of period	<u>\$ 2,982,208</u>	<u>\$ 2,729,235</u>

(Concluded)

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

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2016 and 2015
(In Thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2016	December 31, 2015
Current assets			
Cash and cash equivalents	4, 6(1)	\$ 2,574,444	\$ 2,223,777
Financial assets at fair value through profit or loss, current	4, 6(2)	22,802	19,300
Notes receivable, net	4, 6(3)	7,344	11,797
Accounts receivable, net	4, 6(4)	407,495	670,834
Accounts receivable – related parties	6(4), 7	1,111,868	1,044,628
Other receivables		38,926	121,529
Other receivables – related parties	7	577,261	1,552,485
Inventories, net	4, 6(5)	520,989	609,307
Prepayments		27,536	18,831
Other current assets	8	23,776	37,283
Total current assets		5,312,441	6,309,771
Non-current assets			
Financial assets carried at cost, non-current	4, 6(6)	-	-
Investments accounted for under the equity method	4, 6(7)	2,068,159	2,207,017
Property, plant and equipment	4, 6(8)	1,936,821	1,725,671
Intangible assets	4, 6(9)	36,897	32,560
Deferred income tax assets	4, 6(20)	126,425	121,598
Prepayments for investments		-	16,260
Other non-current assets	4, 6(10)	11,248	9,635
Total non-current assets		4,179,550	4,112,741
Total assets		\$ 9,491,991	\$ 10,422,512

(The accompanying notes are an integral part of the parent company only financial statements.)

(Continued)

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY BALANCE SHEETS-(Continued)
December 31, 2016 and 2015
(In Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	December 31, 2016	December 31, 2015
Current liabilities			
Short-term loans	6(11)	\$ 4,287	\$ 98,367
Financial liabilities at fair value through profit or loss, current	4, 6(12)	-	-
Accounts payable		1,342,665	1,757,623
Accounts payable – related parties	7	15,327	107,567
Other payables		482,576	499,931
Other payables – related parties		5,680	-
Current income tax liabilities	4, 6(20)	83,657	85,894
Current portion of long-term loans		-	281,061
Other current liabilities		2,038	2,912
Total current liabilities		<u>1,936,230</u>	<u>2,833,355</u>
Non-current liabilities			
Long-term loans	6(13)	541,321	599,297
Deferred income tax liabilities	4, 6(20)	159,115	193,667
Net defined benefit liabilities, non-current	4, 6(14)	190,276	111,009
Total non-current liabilities		<u>890,712</u>	<u>903,973</u>
Total liabilities		<u>2,826,942</u>	<u>3,737,328</u>
Equity			
Capital	6(15)		
Common stock		2,083,252	2,042,858
Capital surplus	6(15)	1,407,558	1,447,952
Retained earnings			
Legal capital reserve		684,163	611,177
Special capital reserve		102,158	102,158
Unappropriated earnings		2,561,335	2,518,408
Total retained earnings		<u>3,347,656</u>	<u>3,231,743</u>
Others	4	(74,673)	61,375
Treasury stock		(98,744)	(98,744)
Total equity		<u>6,665,049</u>	<u>6,685,184</u>
Total liabilities and equity		<u>\$ 9,491,991</u>	<u>\$ 10,422,512</u>

(Concluded)

(The accompanying notes are an integral part of the parent company only financial statements.)

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2016 and 2015
(In Thousands of New Taiwan Dollars)

	Notes	2016	2015
Net revenue	4, 6(17), 7	\$ 6,712,397	\$ 6,528,844
Cost of revenue	4, 6(5), 6(18), 7	<u>(5,407,622)</u>	<u>(5,018,175)</u>
Gross profit		<u>1,304,775</u>	<u>1,510,669</u>
Unrealized sales profit or loss		-	(541)
Realized sales profit or loss		<u>2,899</u>	-
Gross profit, net		<u>1,307,674</u>	<u>1,510,128</u>
Operating expenses	4, 6(18)		
Sales and marketing expenses		(179,888)	(257,058)
General and administrative expenses		(220,384)	(273,820)
Research and development expenses		<u>(197,110)</u>	<u>(193,531)</u>
Total operating expenses		<u>(597,382)</u>	<u>(724,409)</u>
Operating income		<u>710,292</u>	<u>785,719</u>
Non-operating income and expenses	6(19)		
Other income		155,718	253,444
Other gains and losses		(122,424)	(95,956)
Finance costs		(20,825)	(27,756)
Share of profit or loss of subsidiaries and associates under the equity method	4, 6(7)	<u>316</u>	<u>(39,098)</u>
Total non-operating income and expenses		<u>12,785</u>	<u>90,634</u>
Income before income tax		723,077	876,353
Income tax expense	4, 6(20)	<u>(143,399)</u>	<u>(146,497)</u>
Net income of continuing operations		<u>579,678</u>	<u>729,856</u>
Net income		<u>579,678</u>	<u>729,856</u>
Other comprehensive income (loss)	6(19)		
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		(72,083)	(22,995)
Income tax benefit (expense) related to components of other comprehensive income that will not be reclassified subsequently		12,254	3,909
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(163,913)	(23,095)
Income tax benefit (expense) related to components of other comprehensive income that may be reclassified subsequently to profit or loss	6(20)	<u>27,865</u>	<u>3,926</u>
Total other comprehensive income, net of tax		<u>(195,877)</u>	<u>(38,255)</u>
Total comprehensive income		<u>\$ 383,801</u>	<u>\$ 691,601</u>
Earnings per share (NT\$)	4, 6(21)		
Earnings per share - basic		<u>\$ 2.81</u>	<u>\$ 3.54</u>
Earnings per share - diluted		<u>\$ 2.79</u>	<u>\$ 3.51</u>

(The accompanying notes are an integral part of the parent company only financial statements.)

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2016 and 2015
(In Thousands of New Taiwan Dollars)

	Retained Earnings						Others		Total Equity
	Common Stock	Capital Collected in Advance	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Treasury Stock	
Balance as of January 1, 2015	\$ 2,042,608	\$ 70	\$ 1,447,619	\$ 522,935	\$ 102,158	\$ 2,501,729	\$ 80,544	\$ (98,744)	\$ 6,598,919
Appropriation and distribution of 2014 earnings									
Legal capital reserve				88,242		(88,242)			-
Cash dividends for common stocks						(605,849)			(605,849)
Changes in other capital surplus									
Share-based payment	250	(70)	333						513
Net income for the year ended December 31, 2015						729,856			729,856
Other comprehensive income (loss) for the year ended December 31, 2015						(19,086)	(19,169)		(38,255)
Total comprehensive income	-	-	-	-	-	710,770	(19,169)	-	691,601
Balance as of December 31, 2015	2,042,858	-	1,447,952	611,177	102,158	2,518,408	61,375	(98,744)	6,685,184
Appropriation and distribution of 2015 earnings									
Legal capital reserve				72,986		(72,986)			-
Cash dividends for common stocks						(403,936)			(403,936)
Changes in other capital surplus									
Stock dividends from capital surplus	40,394	-	(40,394)						-
Net income for the year ended December 31, 2016						579,678			579,678
Other comprehensive income (loss) for the year ended December 31, 2016						(59,829)	(136,048)		(195,877)
Total comprehensive income	-	-	-	-	-	519,849	(136,048)	-	383,801
Balance as of December 31, 2016	<u>\$ 2,083,252</u>	<u>\$ -</u>	<u>\$ 1,407,558</u>	<u>\$ 684,163</u>	<u>\$ 102,158</u>	<u>\$ 2,561,335</u>	<u>\$ (74,673)</u>	<u>\$ (98,744)</u>	<u>\$ 6,665,049</u>

(The accompanying notes are an integral part of the parent company only financial statements.)

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2016 and 2015
(In Thousands of New Taiwan Dollars)

	2016	2015
Cash flows from operating activities:		
Income before income tax	\$ 723,077	\$ 876,353
Adjustments:		
Non-cash income and expense items:		
Depreciation	153,254	143,703
Amortization	12,131	10,061
(Gain on reversal of) bad debt expense	(100,660)	8,752
Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	9,834	(4,417)
Interest expense	20,825	27,756
Interest income	(19,296)	(52,991)
Share of (profit) loss of subsidiaries and associates under the equity method	(316)	39,098
Gain on disposal of property, plant and equipment	-	(86)
Others	8,899	(53,976)
Changes in operating assets and liabilities:		
(Increase) decrease in financial assets at fair value through profit or loss, current	(13,336)	1,158
Decrease (increase) in notes receivable	4,453	(1,456)
Decrease in accounts receivable	299,383	699,461
Increase in accounts receivable – related parties	(67,240)	(235,394)
Decrease (increase) in other receivables	145,392	(46,508)
Decrease in other receivables – related parties	975,224	138,467
Decrease (increase) in inventories	79,419	(56,954)
(Increase) decrease in prepayments	(8,705)	17,200
Decrease (increase) in other current assets	13,538	(15,882)
(Decrease) increase in accounts payable	(414,958)	233,135
Decrease in accounts payable – related parties	(92,240)	(366,513)
Increase (decrease) in other payables	6,476	(40,882)
Increase in other payables – related parties	5,680	-
Decrease in other current liabilities	(9,353)	(18,277)
Increase in net defined benefit liabilities	7,185	6,540
Cash generated from operations	<u>1,738,666</u>	<u>1,308,348</u>
Interest received	21,122	51,421
Interest paid	(21,218)	(27,737)
Income tax paid	<u>(144,895)</u>	<u>(204,124)</u>
Net cash generated by operating activities	<u>1,593,675</u>	<u>1,127,908</u>

(The accompanying notes are an integral part of the parent company only financial statements.)

(Continued)

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS-(Continued)
For the Years Ended December 31, 2016 and 2015
(In Thousands of New Taiwan Dollars)

	2016	2015
Cash flows from investing activities:		
Acquisition of investments accounted for under the equity method	-	(126,394)
Increase in prepayments for investments	-	(16,260)
Acquisition of property, plant and equipment	(387,843)	(441,778)
Disposal of property, plant and equipment	-	230
Increase in refundable deposits	(1,613)	(4,331)
Acquisition of intangible assets	(16,468)	(14,705)
Increase in other current assets - other financial assets, current	(31)	-
Decrease in other current assets - other financial assets, current	-	31,403
Net cash used in investing activities	<u>(405,955)</u>	<u>(571,835)</u>
Cash flows from financing activities:		
Decrease in short-term loans	(94,080)	(172,186)
Repayment of long-term loans	(339,037)	(118,792)
Distribution of cash dividends	(403,936)	(605,849)
Exercise of employee stock options	-	513
Net cash used in financing activities	<u>(837,053)</u>	<u>(896,314)</u>
Net increase (decrease) in cash and cash equivalents	350,667	(340,241)
Cash and cash equivalents at beginning of period	<u>2,223,777</u>	<u>2,564,018</u>
	\$	
Cash and cash equivalents at end of period	<u><u>2,574,444</u></u>	<u><u>\$ 2,223,777</u></u>

(Concluded)

(The accompanying notes are an integral part of the parent company only financial statements.)

Attachment III Comparison Table of Amendments to Rules of Procedure for the Board of Directors' Meetings

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
Article 3	<p>The board meetings shall be held at least once quarterly. The notice indicating the reasons for convening the board meetings shall be given to all directors <u>and supervisors</u> in writing, by e-mail or fax seven days before the meeting. In case of emergency, the meeting notice can be given in writing, by e-mail or fax at a shorter period of time.</p> <p>All matters specified in Paragraph 1 of Article 7 of the Rules shall be itemized in the reasons for convening the board meetings; none of them may be raised as an extempore motion except for emergency or legitimate reasons.</p>	<p>The board meetings shall be held at least once quarterly. The notice indicating the reasons for convening the board meetings shall be given to all directors in writing, by e-mail or fax seven days before the meeting. In case of emergency, the meeting notice can be given in writing, by e-mail or fax at a shorter period of time.</p> <p>All matters specified in Paragraph 1 of Article 7 of the Rules shall be itemized in the reasons for convening the board meetings; none of them may be raised as an extempore motion except for emergency or legitimate reasons.</p>	<p>The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.</p>
Article 17	<p>The resolutions of every board meeting shall be recorded in the meeting minutes. The meeting minutes shall accurately record the following items:</p> <ol style="list-style-type: none"> 1. The term (or year), time and place of the meeting 2. Name of the chairperson 3. The attendance situation of the directors, including the names and numbers of those who are present, on leave, and absent; 4. Names and positions of attendants 5. Name of the recorder 6. Report items 7. Discussion items: The voting method and result of each proposed resolution; speech summary of directors, <u>supervisors</u>, experts and other persons; name of director having a personal interest pursuant to the first paragraph of preceding Article; description of major aspects of the interest; the reasons for recusal or non-recusal; the circumstances of recusal; objections or reservations which are on the record or in writing; and written statements submitted by independent directors pursuant to Paragraph 4 of Article 7. 8. Extempore motion: Name of proposer; the voting method and 	<p>The resolutions of every board meeting shall be recorded in the meeting minutes. The meeting minutes shall accurately record the following items:</p> <ol style="list-style-type: none"> 1. The term (or year), time and place of the meeting 2. Name of the chairperson 3. The attendance situation of the directors, including the names and numbers of those who are present, on leave, and absent; 4. Names and positions of attendants 5. Name of the recorder 6. Report items 7. Discussion items: The voting method and result of each proposed resolution; speech summary of directors, experts and other persons; name of director having a personal interest pursuant to the first paragraph of preceding Article; description of major aspects of the interest; the reasons for recusal or non-recusal; the circumstances of recusal; objections or reservations which are on the record or in writing; and written statements submitted by independent directors pursuant to Paragraph 4 of Article 7. 8. Extempore motion: Name of proposer; the voting method and result of each proposed resolution; 	<p>The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities. As the Company has established an audit committee, the provision stating that resolutions of the board meetings that are approved by two-thirds of the total number of directors but not the committee shall be specified in the meeting</p>

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	<p>result of each proposed resolution; speech summary of directors, <u>supervisors</u>, experts and other persons; name of director having a personal interest pursuant to the first paragraph of preceding Article; description of major aspects of the interest; the reasons for recusal or non-recusal; the circumstance of recusal; and objection or reservation which are on the record or in writing.</p> <p>9. Other items that shall be recorded If the independent director has objection or reservation on the record or in writing, besides being clearly specified in the meeting minutes, the resolved items of the board meetings shall be announced and filed at the information filing website designated by the competent authority within two days from the date of board meetings. The signing booklet of the board meeting is a part of the meeting minutes and shall be retained throughout the life of the Company. The meeting minutes shall be signed and chopped by the chairperson and the recorder of the meeting and distributed to all directors <u>and supervisors</u> within twenty days after meeting. It shall be classified as the Company's important file and retained throughout the life of the Company. The meeting minutes indicated in the first paragraph of this Article may be prepared and distributed in electronic form.</p>	<p>speech summary of directors, experts and other persons; name of director having a personal interest pursuant to the first paragraph of preceding Article; description of major aspects of the interest; the reasons for recusal or non-recusal; the circumstance of recusal; and objection or reservation which are on the record or in writing.</p> <p>9. Other items that shall be recorded If the independent director has objection or reservation on the record or in writing or <u>two-thirds of the total number of directors have approved when the majority of audit committee members does not approve</u>, besides being clearly specified in the meeting minutes, the resolved items of the board meetings shall be announced and filed at the information filing website designated by the competent authority within two days from the date of board meetings. The signing booklet of the board meeting is a part of the meeting minutes and shall be retained throughout the life of the Company. The meeting minutes shall be signed and chopped by the chairperson and the recorder of the meeting and distributed to all directors within twenty days after meeting. It shall be classified as the Company's important file and retained throughout the life of the Company. The meeting minutes indicated in the first paragraph of this Article may be prepared and distributed in electronic form.</p>	<p>minutes, and announced and filed at the information filing website designated by the competent authority is added pursuant to Paragraph 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>
Article 20	<p>The Rules were established on March 7, 2003 and took effect after being approved by the board of directors. It was proposed at the shareholders' meeting of that year. The first amendment to the Rules was approved by the board of directors on February 27, 2004 and proposed at the shareholders' meeting of that year. The second amendment to the Rules</p>	<p>The Rules were established on March 7, 2003 and took effect after being approved by the board of directors. It was proposed at the shareholders' meeting of that year. The first amendment to the Rules was approved by the board of directors on February 27, 2004 and proposed at the shareholders' meeting of that year. The second amendment to the Rules</p>	<p>To add the amendment date.</p>

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	<p>took effect after being approved by the board of directors on December 13, 2006. It was then proposed at the shareholders' meeting in the following year.</p> <p>The third amendment to the Rules took effect after being approved by the board of directors on March 18, 2008. It was then proposed at the shareholders' meeting.</p> <p>The fourth amendment to the Rules took effect after being approved by the board of directors on February 25, 2010. It was then proposed at the shareholders' meeting.</p> <p>The fifth amendment to the Rules took effect after being approved by the board of directors on October 24, 2012.</p> <p>The sixth amendment to the Rules took effect after being approved by the board of directors on July 28, 2015.</p>	<p>took effect after being approved by the board of directors on December 13, 2006. It was then proposed at the shareholders' meeting in the following year.</p> <p>The third amendment to the Rules took effect after being approved by the board of directors on March 18, 2008. It was then proposed at the shareholders' meeting.</p> <p>The fourth amendment to the Rules took effect after being approved by the board of directors on February 25, 2010. It was then proposed at the shareholders' meeting.</p> <p>The fifth amendment to the Rules took effect after being approved by the board of directors on October 24, 2012.</p> <p>The sixth amendment to the Rules took effect after being approved by the board of directors on July 28, 2015.</p> <p><u>The seventh amendment to the Rules took effect after being approved by the board of directors on February 23, 2017. It was then proposed at the shareholders' meeting.</u></p>	

Attachment IV Comparison Table of Amendments to Code of Ethical Conduct

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
Article 1	<p>Purpose The Code of Ethical Conduct (hereinafter referred to as the Code) is served as a guidance for the Company’s directors, <u>supervisors</u> and management team (including general manager, assistant general manager, director or personnel of equivalent ranks; heads of finance and accounting departments; and other personnel delegated with managerial responsibilities and signatory authority) and all other employees in complying with ethical practices and for stakeholders to understand the Company’s standard of ethics.</p>	<p>Purpose The Code of Ethical Conduct (hereinafter referred to as the Code) is served as a guidance for the Company’s directors and management team (including general manager, assistant general manager, director or personnel of equivalent ranks; heads of finance and accounting departments; and other personnel delegated with managerial responsibilities and signatory authority) and all other employees in complying with ethical practices and for stakeholders to understand the Company’s standard of ethics.</p>	The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.
Article 2	<p>(Omitted)</p> <p>(7) Encourage the reporting of illegal or unethical behavior: The Company shall raise awareness of ethical standards and encourage employees to report suspected or observed violation of laws and regulations or the Code to <u>supervisors</u>, management team, head of internal audit department or any other appropriate personnel of the Company. To encourage the reporting of misconduct, we have established relevant mechanism. The Company shall establish an explicit whistleblowing system and let employees know that we would do our best to protect whistleblowers against retaliation.</p> <p>(8) Disciplinary measures: Where directors, <u>supervisors</u> or managers violate the Code, the Company shall handle the matter in accordance with the disciplinary measures defined in the Code. Details of the violation shall promptly be released at the Market Observation Post System (hereinafter referred to as MOPS), including the date of violation, particulars of the violation, code violated and disciplinary measures taken. The Company also establish a complaint system for violators to file appeals.</p>	<p>(Omitted)</p> <p>(7) Encourage the reporting of illegal or unethical behavior: The Company shall raise awareness of ethical standards and encourage employees to report suspected or observed violation of laws and regulations or the Code to <u>the audit committee</u>, management team, head of internal audit department or any other appropriate personnel of the Company. To encourage the reporting of misconduct, we have established relevant mechanism. The Company shall establish an explicit whistleblowing system and let employees know that we would do our best to protect whistleblowers against retaliation.</p> <p>(8) Disciplinary measures: Where directors or managers violate the Code, the Company shall handle the matter in accordance with the disciplinary measures defined in the Code. Details of the violation shall promptly be released at the Market Observation Post System (hereinafter referred to as MOPS), including the date of violation, particulars of the violation, code violated and disciplinary measures taken. The Company <u>shall</u> also establish a complaint system for violators to file appeals.</p>	The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
Article 3	<p>Procedures for waiver Any waiver of the Code granted by the Company to directors, <u>supervisors</u> or managers shall be approved by the board of directors. Details of the waiver, including the title and name of the person entitled to the waiver, date of board resolution, objections or reservations expressed by the independent directors, duration of waiver and reason and standards used for granting the waiver, shall be promptly disclosed at the MOPS. The disclosure aims to help shareholders in evaluating the appropriateness of the board resolution to forestall any arbitrary or dubious waiver, and to safeguard the interests of the Company by ensuring there is controlling mechanism in place to monitor the granting of waiver.</p>	<p>Procedures for waiver Any waiver of the Code granted by the Company to directors or managers shall be approved by the board of directors. Details of the waiver, including the title and name of the person entitled to the waiver, date of board resolution, objections or reservations expressed by the independent directors, duration of waiver and reason and standards used for granting the waiver, shall be promptly disclosed at the MOPS. The disclosure aims to help shareholders in evaluating the appropriateness of the board resolution to forestall any arbitrary or dubious waiver, and to safeguard the interests of the Company by ensuring there is controlling mechanism in place to monitor the granting of waiver.</p>	The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.
Article 5	<p>Implementation The Code, and any amendment thereof, took effect after being approved by the board of directors and the shareholders’ meeting. The Code was approved on February 27, 2013. First amendment: The Code was approved on February 26, 2015.</p>	<p>Implementation The Code, and any amendment thereof, took effect after being approved by the board of directors and the shareholders’ meeting. The Code was approved on February 27, 2013. First amendment: The Code was approved on February 26, 2015. <u>Second amendment: The Code was approved on February 23, 2017.</u></p>	To add the amendment date.

Attachment V Comparison Table of Amendments to Principles of Business Ethics

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
Article 1	<p>Purpose, scope and applicability</p> <p>1. The Company and its controlled affiliates conduct business based on the principles of fairness, honesty, trustworthiness and transparency. To thoroughly implement the policy of business ethics and actively prevent misconduct, we established the Principles of Business Ethics (hereinafter referred to as the Principles) pursuant to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. The Principles aim to outline the norms of business conduct that personnel of the Company shall follow.</p> <p>2. The Principles also apply to group enterprises and organizations, such as subsidiaries of the Company; any juristic institutions in which the Company contributes, directly or indirectly, over 50 percent of the funds in total; and institutions or juristic persons substantially controlled by the Company.</p> <p>3. Applicability: “Personnel of the Company” in the Principles refers to directors, <u>supervisors</u>, managers, employees, mandataries and persons having substantial control in the Company and its group enterprises and organizations.</p> <p>Any provision, promise, request, or acceptance of money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, hospitality, entertainment, or any other benefit in any form or name by personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.</p>	<p>Purpose, scope and applicability</p> <p>1. The Company and its controlled affiliates conduct business based on the principles of fairness, honesty, trustworthiness and transparency. To thoroughly implement the policy of business ethics and actively prevent misconduct, we established the Principles of Business Ethics (hereinafter referred to as the Principles) pursuant to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. The Principles aim to outline the norms of business conduct that personnel of the Company shall follow.</p> <p>2. The Principles also apply to group enterprises and organizations, such as subsidiaries of the Company; any juristic institutions in which the Company contributes, directly or indirectly, over 50 percent of the funds in total; and institutions or juristic persons substantially controlled by the Company.</p> <p>3. Applicability: “Personnel of the Company” in the Principles refers to directors, managers, employees, mandataries and persons having substantial control in the Company and its group enterprises and organizations.</p> <p>Any provision, promise, request, or acceptance of money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, hospitality, entertainment, or any other benefit in any form or name by personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.</p>	<p>The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.</p>
Article 10	<p>Prohibition against offering and acceptance of bribes</p> <p>During the course of business, the Company and its directors, <u>supervisors</u>, managers, employees, mandataries and persons having substantial control shall not, directly or indirectly, provide,</p>	<p>Prohibition against offering and acceptance of bribes</p> <p>During the course of business, the Company and its directors, managers, employees, mandataries and persons having substantial control shall not, directly or indirectly, provide, promise,</p>	<p>The term “supervisor” is removed due to the establishment of an audit committee to</p>

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	promise, request or accept any forms of improper benefits, including rebate, commission and facilitating payment. Neither shall they, through other means, provide or accept any improper benefits to or from customers, agents, contractors, suppliers, public officials, or other stakeholders, unless the conduct does not violate any laws and regulations in the jurisdiction where the Company operates.	request or accept any forms of improper benefits, including rebate, commission and facilitating payment. Neither shall they, through other means, provide or accept any improper benefits to or from customers, agents, contractors, suppliers, public officials, or other stakeholders, unless the conduct does not violate any laws and regulations in the jurisdiction where the Company operates.	carry out supervisors' responsibilities.
Article 11	<p>Prohibition against offering of illegal political contribution</p> <p>The direct or indirect offering of donations to political parties or organizations or individuals participating in political activities by the Company and its directors, <u>supervisors</u>, managers, employees, mandataries and persons having substantial control shall comply with the Political Donations Act and relevant internal operating procedures of the Company. Such donations shall not be used to gain any commercial benefits or trading advantages improperly.</p>	<p>Prohibition against offering of illegal political contribution</p> <p>The direct or indirect offering of donations to political parties or organizations or individuals participating in political activities by the Company and its directors, managers, employees, mandataries and persons having substantial control shall comply with the Political Donations Act and relevant internal operating procedures of the Company. Such donations shall not be used to gain any commercial benefits or trading advantages improperly.</p>	The term "supervisor" is removed due to the establishment of an audit committee to carry out supervisors' responsibilities.
Article 12	<p>Prohibition against improper charitable donations or sponsorship</p> <p>Provision of charitable donations or sponsorship by the Company and its directors, <u>supervisors</u>, managers, employees, mandataries and persons having substantial control shall comply with relevant laws and regulations and internal operating procedures. Those shall not be bribes in disguise.</p>	<p>Prohibition against improper charitable donations or sponsorship</p> <p>Provision of charitable donations or sponsorship by the Company and its directors, managers, employees, mandataries and persons having substantial control shall comply with relevant laws and regulations and internal operating procedures. Those shall not be bribes in disguise.</p>	The term "supervisor" is removed due to the establishment of an audit committee to carry out supervisors' responsibilities.
Article 13	<p>Prohibition against unreasonable gifts, hospitality or other improper benefits</p> <p>The Company and its directors, <u>supervisors</u>, managers, employees, mandataries and persons having substantial control shall not, directly or indirectly, provide or accept any unreasonable gifts, hospitality or other improper benefits in order to establish business relationships or influence business dealings.</p>	<p>Prohibition against unreasonable gifts, hospitality or other improper benefits</p> <p>The Company and its directors, managers, employees, mandataries and persons having substantial control shall not, directly or indirectly, provide or accept any unreasonable gifts, hospitality or other improper benefits in order to establish business relationships or influence business dealings.</p>	The term "supervisor" is removed due to the establishment of an audit committee to carry out supervisors' responsibilities.

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
Article 14	<p>Prohibition against infringement of intellectual property rights The Company and its directors, <u>supervisors</u>, managers, employees, mandataries and persons having substantial control shall observe applicable laws and regulations, the Company's internal operational procedures, and contractual provisions concerning intellectual property. They may not use, disclose, dispose, destroy or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.</p>	<p>Prohibition against infringement of intellectual property rights The Company and its directors, managers, employees, mandataries and persons having substantial control shall observe applicable laws and regulations, the Company's internal operational procedures, and contractual provisions concerning intellectual property. They may not use, disclose, dispose, destroy or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.</p>	The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.
Article 16	<p>Actions taken to prevent products and services from jeopardizing stakeholders During the process of research and development, procurement, manufacture, rendering or sale of products and services, the Company and its directors, <u>supervisors</u>, managers, employees, mandataries and persons having substantial control shall observe general business practices (or applicable laws and regulations and international standards) to ensure the transparency of information about, and safety of, the products and services, without violating the confidentiality policy. The Company is advised to formulate and announce its policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in its operations to prevent the products and services from, directly or indirectly, maliciously and gravely jeopardize the rights, health and safety of consumers or other stakeholders. Where there are sufficient evidence indicating the Company's products or services are likely to maliciously and gravely jeopardize the rights, health and safety of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.</p>	<p>Actions taken to prevent products and services from jeopardizing stakeholders During the process of research and development, procurement, manufacture, rendering or sale of products and services, the Company and its directors, managers, employees, mandataries and persons having substantial control shall observe general business practices (or applicable laws and regulations and international standards) to ensure the transparency of information about, and safety of, the products and services, without violating the confidentiality policy. The Company is advised to formulate and announce its policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in its operations to prevent the products and services from, directly or indirectly, maliciously and gravely jeopardize the rights, health and safety of consumers or other stakeholders. Where there are sufficient evidence indicating the Company's products or services are likely to maliciously and gravely jeopardize the rights, health and safety of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.</p>	The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.
Article 17	<p>Organization and responsibility The Company’s directors, <u>supervisors</u>, managers, employees, mandataries and persons having substantial control owes</p>	<p>Organization and responsibility The Company’s directors, managers, employees, mandataries and persons having substantial control owes a duty</p>	The term “supervisor” is removed due to the

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	<p>a duty of care to monitor the Company’s preventive measures regarding misconduct. They shall constantly review the results and continuously improve the measures to ensure the policies of business ethics are thoroughly implemented. To achieve a sound management of business ethics, a dedicated unit reporting directly to the board shall be established. The administration division is in charge of formulating and monitoring the execution of ethics policies and preventive actions and shall communicate to the board of directors whenever they deem necessary. It primarily manages the following matters:</p> <ol style="list-style-type: none"> 1. To assist in incorporating ethics and moral values into the company's business strategy and formulating prevention actions pursuant to laws and regulations to ensure ethical management. 2. To establish programs to prevent unethical conduct and set out relevant standard operating procedures and conduct guidelines in each program. 3. To plan the internal organization, structure, and allocation of responsibilities and adopt check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. To promote and coordinate awareness and training activities on ethics policy. 5. To develop a whistleblowing system and ensure its operating effectiveness. 6. To assist the board of directors and management in auditing and assessing whether the prevention actions taken for the purpose of implementing ethical management are effective, and prepare reports on compliance assessment when necessary. 	<p>of care to monitor the Company’s preventive measures regarding misconduct. They shall constantly review the results and continuously improve the measures to ensure the policies of business ethics are thoroughly implemented. To achieve a sound management of business ethics, a dedicated unit reporting directly to the board shall be established. The administration division is in charge of formulating and monitoring the execution of ethics policies and preventive actions and shall communicate to the board of directors whenever they deem necessary. It primarily manages the following matters:</p> <ol style="list-style-type: none"> 1. To assist in incorporating ethics and moral values into the company's business strategy and formulating prevention actions pursuant to laws and regulations to ensure ethical management. 2. To establish programs to prevent unethical conduct and set out relevant standard operating procedures and conduct guidelines in each program. 3. To plan the internal organization, structure, and allocation of responsibilities and adopt check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. To promote and coordinate awareness and training activities on ethics policy. 5. To develop a whistleblowing system and ensure its operating effectiveness. 6. To assist the board of directors and management in auditing and assessing whether the prevention actions taken for the purpose of implementing ethical management are effective, and prepare reports on compliance assessment when necessary. 	<p>establishment of an audit committee to carry out supervisors’ responsibilities.</p>

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
Article 18	<p>Legal compliance for business activities The Company and its directors, <u>supervisors</u>, managers, employees, mandataries and persons having substantial control shall comply with laws and regulations and preventive actions during the course of business.</p>	<p>Legal compliance for business activities The Company and its directors, managers, employees, mandataries and persons having substantial control shall comply with laws and regulations and preventive actions during the course of business.</p>	<p>The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.</p>
Article 19	<p>Prevention of conflicts of interest of directors, <u>supervisors</u> and managers The Company shall adopt policies preventing conflicts of interest in order to identify, monitor and manage possible unethical conducts thereof. It shall also provide appropriate channels for directors, <u>supervisors</u>, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company. For agenda items of which the Company’s directors, <u>supervisors</u>, managers, and other stakeholders attending or present at board meetings, or the juridical persons they represented, have a personal interest, they shall state the key aspects of the interest in the meeting. If the interest may prejudice the interest of the Company, the persons concerned can present their opinions and answer relevant questions; however, they shall not participate in the discussion and voting of those items and shall recuse themselves from those sessions. They shall not stand proxy for other directors to exercise the voting right on those items. Directors shall also exercise self-discipline among themselves and avoid collusion. The Company’s directors, <u>supervisors</u>, managers, employees, mandataries and persons having substantial control shall not take advantage of their positions or influence to obtain improper benefits for themselves, their spouses, parents, children or any other person.</p>	<p>Prevention of conflicts of interest of directors and managers The Company shall adopt policies preventing conflicts of interest in order to identify, monitor and manage possible unethical conducts thereof. It shall also provide appropriate channels for directors, managers and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company. For agenda items of which the Company’s directors, managers and other stakeholders attending or present at board meetings, or the juridical persons they represented, have a personal interest, they shall state the key aspects of the interest in the meeting. If the interest may prejudice the interest of the Company, the persons concerned can present their opinions and answer relevant questions; however, they shall not participate in the discussion and voting of those items and shall recuse themselves from those sessions. They shall not stand proxy for other directors to exercise the voting right on those items. Directors shall also exercise self-discipline among themselves and avoid collusion. The Company’s directors, managers, employees, mandataries and persons having substantial control shall not take advantage of their positions or influence to obtain improper benefits for themselves, their spouses, parents, children or any other person.</p>	<p>The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.</p>

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
Article 21	<p>Operating procedures and guidelines Preventive actions established pursuant to Article 6 outline the operating procedures and guidelines that the directors, <u>supervisors</u>, managers, employees and persons having substantial control of the Company shall follow when performing their duties. Those actions include the following items:</p> <ol style="list-style-type: none"> 1. Standards for determining whether improper benefits have been offered or accepted. 2. Procedures for offering legitimate political donations. 3. Procedures and the standard rates for offering proper charitable donations or sponsorship. 4. Rules for avoiding work-related conflicts of interests and relevant reporting and handling procedures. 5. Rules for maintaining the confidentiality of trade secrets and sensitive business information obtained in the ordinary course of business. 6. Regulations and procedures for dealing with suppliers, customers and business counterparties suspected of unethical conduct. 7. Procedures for dealing with violations of the Principles. 8. Disciplinary measures against violators. 	<p>Operating procedures and guidelines Preventive actions established pursuant to Article 6 outline the operating procedures and guidelines that the directors, managers, employees and persons having substantial control of the Company shall follow when performing their duties. Those actions include the following items:</p> <ol style="list-style-type: none"> 1. Standards for determining whether improper benefits have been offered or accepted. 2. Procedures for offering legitimate political donations. 3. Procedures and the standard rates for offering proper charitable donations or sponsorship. 4. Rules for avoiding work-related conflicts of interests and relevant reporting and handling procedures. 5. Rules for maintaining the confidentiality of trade secrets and sensitive business information obtained in the ordinary course of business. 6. Regulations and procedures for dealing with suppliers, customers and business counterparties suspected of unethical conduct. 7. Procedures for dealing with violations of the Principles. 8. Disciplinary measures against violators. 	<p>The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.</p>
Article 22	<p>Training and performance evaluation The Chairperson, General Manager or senior management of the Company shall convey the importance of ethics to the directors, employees and mandataries whenever they deem necessary. The Company shall organize training and awareness programs for its directors, <u>supervisors</u>, managers, employees, mandataries and persons having substantial control and invite business counterparties to participate in order for them to fully comprehend the Company’s determination, policies and preventive actions regarding business ethics and the consequences of misconduct. The Company includes</p>	<p>Training and performance evaluation The Chairperson, General Manager or senior management of the Company shall convey the importance of ethics to the directors, employees and mandataries whenever they deem necessary. The Company shall organize training and awareness programs for its directors, managers, employees, mandataries and persons having substantial control and invite business counterparties to participate in order for them to fully comprehend the Company’s determination, policies and preventive actions regarding business ethics and the consequences of misconduct. The Company includes</p>	<p>The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.</p>

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	business ethics as part of the employee performance evaluations and human resources policies and establishes a clear and effective reward and discipline system.	business ethics as part of the employee performance evaluations and human resources policies and establishes a clear and effective reward and discipline system.	
Article 23	<p>Reporting and disciplinary measures The Company shall establish an explicit whistleblowing system and duly implement it. The system shall include at least the following items:</p> <ol style="list-style-type: none"> 1. To create and announce an internal, independent whistleblowing mailbox or hotline, or commission external independent institutions to provide the same, for internal and external personnel of the Company. 2. To appoint a dedicated whistleblowing personnel or unit. Misconducts involving directors or senior management shall be reported to the independent directors <u>or supervisors</u>. The type of misconduct and relevant investigation standard operation procedures shall also be established. 3. Documentation and retention of case acceptance, investigation processes, investigation results, and relevant documents. 4. To keep the whistleblower’s identification and reported misconduct confidential. 5. To establish measures to protect whistleblowers from retaliation. 6. Incentive scheme for the whistleblower <p>When material misconduct or likelihood of material impairment to the Company is identified upon investigation, the dedicated whistleblowing personnel or unit shall immediately notify the independent directors <u>or supervisors</u> with a written report. The Company shall explicitly stipulate and announce the penalty and complaint system for violation of business ethics. Details of the misconduct will promptly be released on the Company’s internal website, including the title and name of the violator, the date of violation, particulars of the violation, and</p>	<p>Reporting and disciplinary measures The Company shall establish an explicit whistleblowing system and duly implement it. The system shall include at least the following items:</p> <ol style="list-style-type: none"> 1. To create and announce an internal, independent whistleblowing mailbox or hotline, or commission external independent institutions to provide the same, for internal and external personnel of the Company. 2. To appoint a dedicated whistleblowing personnel or unit. Misconducts involving directors or senior management shall be reported to the independent directors. The type of misconduct and relevant investigation standard operation procedures shall also be established. 3. Documentation and retention of case acceptance, investigation processes, investigation results, and relevant documents. 4. To keep the whistleblower’s identification and reported misconduct confidential. 5. To establish measures to protect whistleblowers from retaliation. 6. Incentive scheme for the whistleblower <p>When material misconduct or likelihood of material impairment to the Company is identified upon investigation, the dedicated whistleblowing personnel or unit shall immediately notify the independent directors with a written report. The Company shall explicitly stipulate and announce the penalty and complaint system for violation of business ethics. Details of the misconduct will promptly be released on the Company’s internal website, including the title and name of the violator, the date of violation, particulars of the violation, and disciplinary measures taken.</p>	The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	disciplinary measures taken.		
Article 25	<p>Review and amendment of the Principles</p> <p>The Company shall monitor the development of local and international regulations concerning business ethics and encourage directors, supervisors, managers and employees to make suggestions in order to review and refine the Principles and its promotion measures, and consequently enhance the effectiveness of business ethics.</p>	<p>Review and amendment of the Principles</p> <p>The Company shall monitor the development of local and international regulations concerning business ethics and encourage directors, managers and employees to make suggestions in order to review and refine the Principles and its promotion measures, and consequently enhance the effectiveness of business ethics.</p>	<p>The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.</p>
Article 26	<p>Implementation</p> <p>The Principles, and any amendment thereto, took effect after being approved by the board of directors and the shareholders’ meeting. When the Principles are submitted at the board meetings for discussion in accordance with the abovementioned rules, the opinions of all independent directors shall be fully taken into consideration. Any objection or reservation which the independent directors may have shall be recorded in the board meetings minutes. If the independent directors are unable to attend the meeting in person to express their objections or reservations, they shall submit written statements in advance to be recorded in the meeting minutes of board meetings, except for legitimate reasons.</p> <p>The Code was approved on February 27, 2013.</p> <p>First amendment: The Code was approved on February 26, 2015.</p>	<p>Implementation</p> <p>The Principles, and any amendment thereto, took effect after being approved by the board of directors and the shareholders’ meeting. When the Principles are submitted at the board meetings for discussion in accordance with the abovementioned rules, the opinions of all independent directors shall be fully taken into consideration. Any objection or reservation which the independent directors may have shall be recorded in the board meetings minutes. If the independent directors are unable to attend the meeting in person to express their objections or reservations, they shall submit written statements in advance to be recorded in the meeting minutes of board meetings, except for legitimate reasons.</p> <p>The Code was approved on February 27, 2013.</p> <p>First amendment: The Code was approved on February 26, 2015.</p> <p><u>Second amendment: The Code was approved on February 23, 2017.</u></p>	<p>To add the amendment date.</p>

Attachment VI Comparison Table of Amendments to Procedures and Guidelines of Business Ethics

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
Article 11	<p>For agenda items of which the Company’s directors, <u>supervisors</u>, managers and other stakeholders attending or present at Board Meetings, or the juridical persons they represented, have a personal interest, they shall disclose the major aspects of such personal interest at the current Board Meeting. If the interest may impair the interest of the Company, the persons concerned shall not participate in the discussion and voting of those items and shall recuse themselves from those sessions. They shall not stand proxy for other directors to exercise the voting right on those items. Directors shall also exercise self-discipline among themselves and avoid collusion.</p> <p>In the course of business, when the Company’s personnel discover themselves or the juridical persons they represented have conflicts of interest, or improper benefits may be received by themselves, their spouses, parents, children or any other stakeholders, they shall report the incident to their immediate supervisors and the dedicated unit. The immediate supervisors shall provide appropriate guidance.</p> <p>Personnel of the Company cannot use company resources in external business activities nor shall their work performance be influenced by their participation in those activities.</p>	<p>For agenda items of which the Company’s directors, managers and other stakeholders attending or present at Board Meetings, or the juridical persons they represented, have a personal interest, they shall disclose the major aspects of such personal interest at the current Board Meeting. If the interest may impair the interest of the Company, the persons concerned shall not participate in the discussion and voting of those items and shall recuse themselves from those sessions. They shall not stand proxy for other directors to exercise the voting right on those items. Directors shall also exercise self-discipline among themselves and avoid collusion.</p> <p>In the course of business, when the Company’s personnel discover themselves or the juridical persons they represented have conflicts of interest, or improper benefits may be received by themselves, their spouses, parents, children or any other stakeholders, they shall report the incident to their immediate supervisors and the dedicated unit. The immediate supervisors shall provide appropriate guidance.</p> <p>Personnel of the Company cannot use company resources in external business activities nor shall their work performance be influenced by their participation in those activities.</p>	<p>The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.</p>
Article 21	<p>The Company encourages internal and external parties to report unethical behaviors or misconducts. Based on the degree of misconduct, whistleblowers could receive a citation of merit pursuant to the Company’s reward and discipline policy. Internal personnel making false accusation or malicious claims will be disciplined. Serious offense can lead to termination of employment.</p> <p>The Company shall create and announce an internal, independent whistleblowing mailbox or hotline, or commission</p>	<p>The Company encourages internal and external parties to report unethical behaviors or misconducts. Based on the degree of misconduct, whistleblowers could receive a citation of merit pursuant to the Company’s reward and discipline policy. Internal personnel making false accusation or malicious claims will be disciplined. Serious offense can lead to termination of employment.</p> <p>The Company shall create and announce an internal, independent whistleblowing mailbox or hotline, or commission</p>	<p>The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.</p>

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	<p>external independent institutions to provide the same, for internal and external personnel of the Company. The whistleblower shall provide at least the following information:</p> <ol style="list-style-type: none"> 1. the name and identification number of the whistleblower, and an address, phone number and e-mail where he/she can be contacted. 2. the alleged wrongdoer's name or other information sufficient to distinguish his/her identity. 3. Specific facts to be investigated. <p>Personnel handling the complaints shall give written statements to keep the identity of whistleblower and particulars of the complaints confidential. The Company is also committed to protect the whistleblower from retaliation. The dedicated unit shall follow the procedures below:</p> <ol style="list-style-type: none"> 1. Complaints involving employees without ranks shall be reported to the department heads. Complaints involving directors or senior managers shall be reported to the independent directors or supervisors. 2. The dedicated unit and the personnel and management being reported to in the preceding subparagraph shall verify the facts immediately. Where necessary, assistance from legal compliance and other relevant departments can be provided. 3. If the alleged wrongdoer is found guilty of violating relevant laws and regulations or the Company's business ethics policies, the Company shall immediately demand the wrongdoer to stop the wrongdoing and adopt appropriate measures. Where necessary, the Company can take legal actions to seek damages in order to protect its reputation, interests and rights. 4. Written records of complaint acceptance, investigation and outcome shall be retained for five years. Documents can be kept in electronic form. If a complaint was taken to the court before the 	<p>external independent institutions to provide the same, for internal and external personnel of the Company. The whistleblower shall provide at least the following information:</p> <ol style="list-style-type: none"> 1. the name and identification number of the whistleblower, and an address, phone number and e-mail where he/she can be contacted. 2. the alleged wrongdoer's name or other information sufficient to distinguish his/her identity. 3. Specific facts to be investigated. <p>Personnel handling the complaints shall give written statements to keep the identity of whistleblower and particulars of the complaints confidential. The Company is also committed to protect the whistleblower from retaliation. The dedicated unit shall follow the procedures below:</p> <ol style="list-style-type: none"> 1. Complaints involving employees without ranks shall be reported to the department heads. Complaints involving directors or senior managers shall be reported to the independent directors. 2. The dedicated unit and the personnel and management being reported to in the preceding subparagraph shall verify the facts immediately. Where necessary, assistance from legal compliance and other relevant departments can be provided. 3. If the alleged wrongdoer is found guilty of violating relevant laws and regulations or the Company's business ethics policies, the Company shall immediately demand the wrongdoer to stop the wrongdoing and adopt appropriate measures. Where necessary, the Company can take legal actions to seek damages in order to protect its reputation, interests and rights. 4. Written records of complaint acceptance, investigation and outcome shall be retained for five years. Documents can be kept in electronic form. If a complaint was taken to the court before the 	

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	<p>retention period expires, relevant documents shall be retained until the litigation is over.</p> <p>5. If the alleged wrongdoer is found guilty, Company's units involved shall review the internal control system and procedures, and propose improvement measures to prevent the re-occurrence of similar events.</p> <p>6. The dedicated unit shall report the complaint, measures taken, subsequent reviews and improvement scheme to the Board.</p>	<p>retention period expires, relevant documents shall be retained until the litigation is over.</p> <p>5. If the alleged wrongdoer is found guilty, Company's units involved shall review the internal control system and procedures, and propose improvement measures to prevent the re-occurrence of similar events.</p> <p>6. The dedicated unit shall report the complaint, measures taken, subsequent reviews and improvement scheme to the Board.</p>	
Article 24	<p>The Procedures and Guidelines, and any amendment thereto, took effect after being approved by the Board of Directors and the shareholders' meeting. The Procedures and Guidelines was approved on February 26, 2015.</p>	<p>The Procedures and Guidelines, and any amendment thereto, took effect after being approved by the Board of Directors and the shareholders' meeting. The Procedures and Guidelines was approved on February 26, 2015. <u>Second amendment: The Procedures and Guidelines was approved on February 23, 2017.</u></p>	To add the amendment date.

Attachment VII Comparison Table of Amendments to Articles of Incorporation

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
Chapter IV	Directors, <u>supervisors</u> and Managers	Directors and Managers	The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.
Article 16	The Company shall have seven to eleven directors <u>and three supervisors</u> who are elected from the shareholders with legal capacity to serve a term of three years. According to relevant laws and regulations, the directors <u>and supervisors</u> may be eligible for re-election. The Company shall purchase liability insurances for compensation which the directors <u>and supervisors</u> shall assume within scope of practice during the term upon resolution of the Board of Directors’ meeting.	The Company shall have seven to eleven directors who are elected from the shareholders with legal capacity to serve a term of three years. According to relevant laws and regulations, the directors may be eligible for re-election. The Company shall purchase liability insurances for compensation which the directors shall assume within scope of practice during the term upon resolution of the Board of Directors’ meeting.	The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.
Article 16-1	The number of independent directors within the number of directors in the preceding article shall not be less than <u>two nor one-fifth</u> of the total number of directors. The Company adopts the candidate nomination system described in Article 192-1 of the Company Act. Directors (including independent directors) <u>and supervisors</u> of the Company shall be elected from the respective candidates of directors (including independent directors) <u>and supervisors</u> nominated at the shareholders’ meeting. The professional qualification, shareholding, concurrent serving restrictions, nomination and election methods of independent directors and other compliance issues shall be subject to the relevant regulations stipulated by the competent securities authority. Each share has the same number of voting rights as the number of directors <u>and supervisors</u> to be elected. The voting rights may all go to one candidate or be allocated to several	The number of independent directors within the number of directors in the preceding article <u>shall be three at least and</u> shall not be less than one-fifth of the total number of directors. The Company adopts the candidate nomination system described in Article 192-1 of the Company Act. Directors (including independent directors) of the Company shall be elected from the respective candidates of directors (including independent directors) nominated at the shareholders’ meeting. The professional qualification, shareholding, concurrent serving restrictions, nomination and election methods of independent directors and other compliance issues shall be subject to the relevant regulations stipulated by the competent securities authority. Each share has the same number of voting rights as the number of directors to be elected. The voting rights may all go to one candidate or be allocated to several candidates. The candidates with more voting rights shall be elected as	Pursuant to Article 14-4 of the Securities and Exchange Act, the audit committee shall consist of all independent directors and the number of committee members shall not be fewer than three. Therefore, the number of independent directors is amended to be at least three.

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	<p>candidates. The candidates with more voting rights shall be elected as directors <u>and supervisors</u>. The election for independent and non-independent directors shall be held at the same time, but the numbers to be elected shall be calculated separately.</p>	<p>directors. The election for independent and non-independent directors shall be held at the same time, but the numbers to be elected shall be calculated separately.</p>	
<p><u>Article 16-2</u></p>		<p><u>The Company establishes an audit committee in compliance with Article 14-4 of the Securities and Exchange Act. The audit committee shall consist of all independent directors and the number of committee members shall not be fewer than three. One of the members shall be the convener and at least one of them shall have accounting or financial expertise.</u> <u>The provisions regarding supervisors in the Company Act, Securities and Exchange Act, and other laws and regulations shall apply mutatis mutandis to the audit committee.</u></p>	<p>Due to the establishment of an audit committee to carry out supervisors' responsibilities, the article is added based on Article 14-4 of the Securities and Exchange Act.</p>
<p>Article 19</p>	<p>Unless otherwise stipulated in the Company Act, the Board of Directors' meeting shall be convened by the Chairperson. All directors <u>and supervisors</u> shall be notified of the meeting seven days in advance via mail, e-mail or fax. In case of emergency, the Board meeting can be convened via mail, e-mail or fax at a shorter period.</p>	<p>Unless otherwise stipulated in the Company Act, the Board of Directors' meeting shall be convened by the Chairperson. All directors shall be notified of the meeting seven days in advance via mail, e-mail or fax. In case of emergency, the Board meeting can be convened via mail, e-mail or fax at a shorter period.</p>	<p>The term "supervisor" is removed due to the establishment of an audit committee to carry out supervisors' responsibilities.</p>
<p>Article 21</p>	<p><u>The duties and responsibilities of supervisors are as follows:</u></p> <ol style="list-style-type: none"> 1. <u>Review and audit the financial conditions of the Company</u> 2. <u>Review and audit the accounting statements, books and documents</u> 3. <u>Investigate the business operation of the Company</u> 4. <u>Audit the budget and final accounts</u> 5. <u>Review and audit the profit distribution or deficit compensation proposal</u> 6. <u>Perform other duties and responsibilities stipulated by the Company Act.</u> 	<p><u>The Company establishes an audit committee in compliance with Article 14-4 of the Securities and Exchange Act (Act). The following items shall be approved by the majority of all audit committee members and submitted to the Board of Directors for resolutions without being subject to Article 14-3 of the Act:</u></p> <ol style="list-style-type: none"> 1. <u>Adoption or amendment of the internal control system pursuant to Article 14-1 of the Act.</u> 2. <u>Assessment of the effectiveness of the internal control system.</u> 3. <u>Adoption or amendment of procedures for material financial or business transactions, such as acquisition or disposal of assets, financial derivatives transactions,</u> 	<p>The duties and responsibilities of supervisors are replaced with ones for the audit committee under Article 14-5 of the Securities and Exchange Act as the committee is established to carry out supervisors' responsibilities.</p>

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
		<p><u>lending funds to other parties, and endorsement and guarantee, pursuant to Article 36-1 of the Act.</u></p> <p>4. <u>A matter of which the Director has a personal interest</u></p> <p>5. <u>A significant asset or derivatives transaction.</u></p> <p>6. <u>A significant fund lending, endorsement, or guarantee transaction.</u></p> <p>7. <u>Offering, issuance, or private placement of any equity-type securities.</u></p> <p>8. <u>Appointment, discharge or compensation of certified public accountants.</u></p> <p>9. <u>Appointment or discharge of a financial, accounting, or internal audit officer.</u></p> <p>10. <u>Annual and semi-annual financial reports.</u></p> <p>11. <u>Other material matter so required by the Company or the competent authority.</u></p> <p><u>Except for Subparagraph 10, all items in the preceding paragraph may be undertaken upon the consent of two-thirds of the total number of directors if the majority of audit committee members does not approve, without being subject to the restrictions in the preceding paragraph. In such a case, the resolutions of the audit committee shall be recorded in the minutes of the Board of Directors' meeting.</u></p> <p><u>Paragraph 1 of Article 36 of the Act where financial reports shall be recognized by supervisors is not applicable to The Company.</u></p> <p><u>The terms "All audit committee members" in Paragraph 1 and "total number of directors" in Paragraph 2 refer to ones that are currently holding those positions.</u></p>	
Article 22	The Compensation Committee would evaluate the involvement of directors and <u>supervisors</u> (including the independent directors) in the business operation of the Company and their contributions to the Company, and make	The Compensation Committee would evaluate the involvement of directors (including the independent directors) in the business operation of the Company and their contributions to the Company, and make recommendations to the Board	The term "supervisor" is removed due to the establishment of

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	recommendations to the Board concerning their remuneration. The Board of Directors has been delegated to determine the remuneration based on the recommendations from the Compensation Committee with reference to the remuneration standard of the industry.	concerning their remuneration. The Board of Directors has been delegated to determine the remuneration based on the recommendations from the Compensation Committee with reference to the remuneration standard of the industry.	an audit committee to carry out supervisors' responsibilities.
Article 26	Pursuant to Article 228 of the Company Act, the Board of Directors shall prepare the following documents after the end of each fiscal year and forward them to <u>the supervisors for auditing</u> thirty days prior to the general meeting of shareholders before submitting them to the general meeting of shareholders for approval. 1. Business report 2. Financial statement 3. Profit distribution or deficit compensation proposal.	Pursuant to Article 228 of the Company Act, the Board of Directors shall prepare the following documents after the end of each fiscal year and forward them to <u>the audit committee for reviewing</u> thirty days prior to the general meeting of shareholders before submitting them to the general meeting of shareholders for approval; 1. Business report 2. Financial statement 3. Profit distribution or deficit compensation proposal.	The term "supervisor" is replaced with "the audit committee" due to the establishment of an audit committee to carry out supervisors' responsibilities.
Article 28	When the Company makes a profit for the year, the compensation to employees shall not be lower than five percent of the balance and the remuneration to the directors <u>and supervisors</u> shall not be higher than four percent of the balance. The compensation can be made in the form of stock or cash based on the Board resolution. Parties eligible to receive the said compensation shall include employees in affiliated companies who met certain conditions set by the Board. The distribution plan of compensation to employees and remuneration to the directors <u>and supervisors</u> shall be submitted to the shareholders' meeting. However, if the Company has an accumulated deficit, the profit shall cover the deficit before it can be used for compensation to employees and remuneration to the directors <u>and supervisors</u> based on the above-mentioned ratios.	When the Company makes a profit for the year, the compensation to employees shall not be lower than five percent of the balance and the remuneration to the directors shall not be higher than four percent of the balance. The compensation can be made in the form of stock or cash based on the Board resolution. Parties eligible to receive the said compensation shall include employees in affiliated companies who met certain conditions set by the Board. The distribution plan of compensation to employees and remuneration to the directors shall be submitted to the shareholders' meeting. However, if the Company has an accumulated deficit, the profit shall cover the deficit before it can be used for compensation to employees and remuneration to the directors based on the above-mentioned ratios.	The term "supervisor" is removed due to the establishment of an audit committee to carry out supervisors' responsibilities.
Article 34	The Articles of Incorporation was established after approval of all promoters on August 5, 1997. It took effect on the date when the competent authority approved the registration. The first amendment was made on	The Articles of Incorporation was established after approval of all promoters on August 5, 1997. It took effect on the date when the competent authority approved the registration. The first amendment was made on	To add the amendment date.

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	<p>October 17, 1997.</p> <p>The second amendment was made on November 1, 1997.</p> <p>The third amendment was made on December 8, 1997.</p> <p>The fourth amendment was made on April 23, 1998.</p> <p>The fifth amendment was made on March 6, 1999.</p> <p>The sixth amendment was made on April 15, 2000.</p> <p>The seventh amendment was made on April 14, 2001.</p> <p>The eighth amendment was made on June 21, 2002.</p> <p>The ninth amendment was made on May 26, 2003.</p> <p>The tenth amendment was made on May 28, 2004.</p> <p>The eleventh amendment was made on May 28, 2004.</p> <p>The twelfth amendment was made on June 17, 2005.</p> <p>The thirteenth amendment was made on June 17, 2005.</p> <p>The fourteenth amendment was made on August 28, 2006.</p> <p>The fifteenth amendment was made on May 9, 2007.</p> <p>The sixteenth amendment was made on June 3, 2008.</p> <p>The seventeenth amendment was made on June 18, 2010.</p> <p>The eighteenth amendment was made on June 9, 2011.</p> <p>The nineteenth amendment was made on June 13, 2012.</p> <p>The twentieth amendment was made on June 17, 2013.</p> <p>The twenty-first amendment was made on June 24, 2014.</p> <p>The twenty-second amendment was made on May 27, 2016.</p>	<p>October 17, 1997.</p> <p>The second amendment was made on November 1, 1997.</p> <p>The third amendment was made on December 8, 1997.</p> <p>The fourth amendment was made on April 23, 1998.</p> <p>The fifth amendment was made on March 6, 1999.</p> <p>The sixth amendment was made on April 15, 2000.</p> <p>The seventh amendment was made on April 14, 2001.</p> <p>The eighth amendment was made on June 21, 2002.</p> <p>The ninth amendment was made on May 26, 2003.</p> <p>The tenth amendment was made on May 28, 2004.</p> <p>The eleventh amendment was made on May 28, 2004.</p> <p>The twelfth amendment was made on June 17, 2005.</p> <p>The thirteenth amendment was made on June 17, 2005.</p> <p>The fourteenth amendment was made on August 28, 2006.</p> <p>The fifteenth amendment was made on May 9, 2007.</p> <p>The sixteenth amendment was made on June 3, 2008.</p> <p>The seventeenth amendment was made on June 18, 2010.</p> <p>The eighteenth amendment was made on June 9, 2011.</p> <p>The nineteenth amendment was made on June 13, 2012.</p> <p>The twentieth amendment was made on June 17, 2013.</p> <p>The twenty-first amendment was made on June 24, 2014.</p> <p>The twenty-second amendment was made on May 27, 2016.</p> <p><u>The twenty-third amendment was made on May 26, 2017.</u></p>	

Attachment VIII Comparison Table of Amendments to Rules of Procedure for Shareholders' Meeting

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
Article 2	<p>The Company shall prepare the signing booklet for the attending shareholders or their appointed proxies (hereinafter referred to as "Shareholders") to sign in, or the attending Shareholders shall hand in the attendance cards in lieu of signing in. The Company shall deliver the meeting agenda, annual report, attendance permit, speaker's slip, voting ballot and other meeting materials to the Shareholders attending the shareholders' meeting. Where directors <u>and supervisors</u> are to be elected, ballots shall also be provided. The Shareholders shall attend the shareholders' meeting with attendance permit, attendance card or other attendance certificates. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>When the government or a juristic person is a shareholder, the representative attending the shareholders' meeting is not limited to one person only.</p>	<p>The Company shall prepare the signing booklet for the attending shareholders or their appointed proxies (hereinafter referred to as "Shareholders") to sign in, or the attending Shareholders shall hand in the attendance cards in lieu of signing in. The Company shall deliver the meeting agenda, annual report, attendance permit, speaker's slip, voting ballot and other meeting materials to the Shareholders attending the shareholders' meeting. Where directors are to be elected, ballots shall also be provided. The Shareholders shall attend the shareholders' meeting with attendance permit, attendance card or other attendance certificates. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>When the government or a juristic person is a shareholder, the representative attending the shareholders' meeting is not limited to one person only.</p>	<p>The term "supervisor" is removed due to the establishment of an audit committee to carry out supervisors' responsibilities.</p>
Article 22	<p>The Rules and any amendment hereto shall take effect after adoption by the shareholders' meeting.</p> <p>The Rules were established on March 6, 1999.</p> <p>The first amendment was made on June 21, 2002.</p> <p>The second amendment was made on June 8, 2006.</p> <p>The third amendment was made on June 17, 2013.</p>	<p>The Rules and any amendment hereto shall take effect after adoption by the shareholders' meeting.</p> <p>The Rules were established on March 6, 1999.</p> <p>The first amendment was made on June 21, 2002.</p> <p>The second amendment was made on June 8, 2006.</p> <p>The third amendment was made on June 17, 2013.</p> <p><u>The fourth amendment was made on May 26, 2017.</u></p>	<p>To add the amendment date.</p>

Attachment IX Comparison Table of Amendments to Director and Supervisor Election Procedures

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
Name of Procedures	Original: Director <u>and Supervisor</u> Election Procedures	New: Director Election Procedures	The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.
Article 1	The Procedures are established in compliance with “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” for a fair, just and open election of directors <u>and supervisors</u> .	The Procedures are established in compliance with “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” for a fair, just and open election of directors.	The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.
Article 2	Except for matters regulated in applicable laws or the Articles of Incorporation, the election of directors <u>and supervisors</u> shall be in compliance with the Procedures.	Except for matters regulated in applicable laws, <u>such as the Company Act</u> , or the Articles of Incorporation <u>of the Company</u> , the election of directors shall be in compliance with the Procedures.	The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.
Article 4	<u>The supervisors shall meet the following criteria:</u> 1. <u>Integrity and practicality</u> 2. <u>Fair judgment</u> 3. <u>Professional knowledge</u> 4. <u>Rich experience</u> 5. <u>Ability to comprehend financial statements</u> <u>Besides those stated above, at least one supervisor shall be in the profession of accounting or finance.</u>	Deleted.	The criteria of supervisors are removed as the audit committee is established to carry out supervisors’ responsibilities.
Article 7	The directors <u>and supervisors</u> of the Company are elected using the open-ballot, cumulative voting method. Each share shall have voting rights equivalent to the number of seats to be elected, and such voting rights can be combined to vote for one person, or divided to vote for several persons. The independent and non-independent directors shall be elected simultaneously with the number of votes and elected directors calculated separately.	The directors of the Company are elected using the open-ballot, cumulative voting method. Each share shall have voting rights equivalent to the number of seats to be elected, and such voting rights can be combined to vote for one person, or divided to vote for several persons. The independent and non-independent directors shall be elected simultaneously with the number of votes and elected directors calculated separately.	The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
Article 8	The Company shall prepare the same number of ballots as directors <u>and supervisors</u> to be elected and the number of voting rights shall be specified on the ballots, which would be distributed to shareholders attending the Shareholders' Meeting. The attendance card numbers may be used to replace the names of shareholders on the ballots.	The Company shall prepare the same number of ballots as directors to be elected and the number of voting rights shall be specified on the ballots, which would be distributed to shareholders attending the Shareholders' Meeting. The attendance card numbers may be used to replace the names of shareholders on the ballots.	The term "supervisor" is removed due to the establishment of an audit committee to carry out supervisors' responsibilities.
Article 9	For the number of seats set forth in the Articles of Incorporation, candidates who acquire more votes <u>in the director and independent director or supervisor election of the Company</u> shall win the seats sequentially. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified available seats, such persons acquiring the same votes shall draw lots to decide who should win the seats, and the Chairperson shall draw lots on behalf of the candidate who is not present. <u>If a shareholder is elected as director and supervisor at the same time pursuant to the preceding paragraph, the person shall decide whether to take the seat of director or supervisor. The election would be invalid if the elected director or supervisor is unqualified upon verification or otherwise provided by law.</u>	For the number of seats set forth in the Articles of Incorporation, <u>the number of votes for independent and non-independent directors are calculated separately, and candidates who acquire more votes shall win the seats of independent and non-independent directors respectively.</u> If two or more persons acquire the same number of votes and the number of such persons exceeds the specified available seats, such persons acquiring the same votes shall draw lots to decide who should win the seats, and the Chairperson shall draw lots on behalf of the candidate who is not present.	The term "supervisor" is removed due to the establishment of an audit committee to carry out supervisors' responsibilities. The article is amended by reference to Article 9 of the Sample Template for XXX Co., Ltd. Procedures for Election of Directors and Supervisors proposed by the competent authority.
Article 9-1	More than half of the directors <u>and at least one seat among supervisors or among supervisors and directors</u> shall not have the following relationships: 1. A spousal relationship. 2. A familial relationship within the second degree of kinship.	More than half of the directors shall not have the following relationships: 1. A spousal relationship. 2. A familial relationship within the second degree of kinship.	The term "supervisor" is removed due to the establishment of an audit committee to carry out supervisors' responsibilities. The wording is amended by reference to the Sample Template for XXX Co., Ltd. Procedures for Election of Directors and Supervisors proposed by the competent authority.

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
Article 9-2	<p>If the originally-elected directors <u>or supervisors fail to meet the conditions under Article 26-3 of the Securities and Exchange Act, directors or supervisors to be elected shall be determined according to the following provisions:</u></p> <ol style="list-style-type: none"> 1. <u>When there are some among the directors who fail to meet the conditions, the director receiving the lowest number of votes among those not meeting the conditions is not elected.</u> 2. <u>When there are some among the supervisors who fail to meet the conditions, the provisions of the preceding subparagraph shall apply mutatis mutandis.</u> 3. <u>When there are some among the directors and supervisors who fail to meet the conditions, the supervisor receiving the lowest number of votes among those not meeting the conditions is not elected.</u> 	<p>If the originally-elected directors fail to meet the conditions under Article 26-3 of the Securities and Exchange Act, <u>the</u> director receiving the lowest number of votes among those not meeting the conditions is not elected.</p>	<p>The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.</p>
Article 14	<p>The ballots shall be calculated during the meeting right after the vote casting and the results of the election for directors <u>and supervisors</u> shall be announced by the Chairperson at the meeting.</p>	<p>The ballots shall be calculated during the meeting right after the vote casting and the results of the election for directors shall be announced by the Chairperson at the meeting.</p>	<p>The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.</p>
Article 15	<p>The Board will issue elected notices to elected directors <u>and supervisors</u>.</p>	<p>The Board will issue elected notices to elected directors.</p>	<p>The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.</p>
Article 16	<p>The Procedures were established on March 25, 2005 and became effective after approval at the shareholders’ meeting, as would any revision thereof. The first revision was made on June 8, 2006. The second revision was made on May 9, 2007.</p>	<p>The Procedures were established on March 25, 2005 and became effective after approval at the shareholders’ meeting, as would any revision thereof. The first revision was made on June 8, 2006. The second revision was made on May 9, 2007. <u>The third revision was made on May 26, 2017.</u></p>	<p>To add the amendment date.</p>

Attachment X Comparison Table of Amendments to Procedures for Acquisition or Disposal of Assets

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
Article 5	<p>Investment limits of non-operating real estate and securities</p> <p>(1) The total amount of non-operating real estate acquired individually by the Company and its subsidiaries shall not exceed 15 percent of the net worth.</p> <p>(2) The respective net investment of the Company and its subsidiaries in a listed or over-the-counter (OTC) company shall not exceed 10 percent of the net worth in respective companies' latest financial statements.</p> <p>(3) The total shareholding of the Company and its subsidiaries in a listed or OTC company shall not exceed 10 percent of the total issued shares of the said listed or OTC company.</p> <p>(4) The subsidiaries' shareholding in the Company shall not exceed 10 percent of the applicant company's total issued shares.</p> <p>For investments which are intended to be held on a long-term basis and which the Company and its subsidiaries participate in investment establishment or act as directors or supervisors, they may be excluded when calculating the investment ratio in Subparagraphs 2 and 3 of the preceding paragraph.</p>	<p>Investment limits of non-operating real estate and securities</p> <p>(1) The total amount of non-operating real estate acquired individually by the Company and its subsidiaries shall not exceed 15 percent of the net worth.</p> <p>(2) The respective net investment of the Company and its subsidiaries in a listed or over-the-counter (OTC) company shall not exceed 10 percent of the net worth in respective companies' latest financial statements.</p> <p>(3) The total shareholding of the Company and its subsidiaries in a listed or OTC company shall not exceed 10 percent of the total issued shares of the said listed or OTC company.</p> <p>(4) The subsidiaries' shareholding in the Company shall not exceed 10 percent of the applicant company's total issued shares.</p> <p>For investments which are intended to be held on a long-term basis and which the Company and its subsidiaries participate in investment establishment or act as directors or supervisors <u>of the investees</u>, they may be excluded when calculating the investment ratio in Subparagraphs 2 and 3 of the preceding paragraph.</p>	<p>The wording is amended for clarification purpose.</p>
Article 7	<p>Procedures for acquisition or disposal of real estate, plants and equipment</p> <p>(1) Assessment and operation procedures Acquisition or disposal of the Company's real estate, plants and equipment shall be handled in accordance with the real estate, plants and equipment cycle procedures under the Company's internal control system.</p> <p>(2) Determination of trading terms and authorization limit</p> <p>(i) To acquire or dispose of real estate, the Company shall refer to the publicly announced current value, assessed value, actual trading price of neighboring real</p>	<p>Procedures for acquisition or disposal of real estate, plants and equipment</p> <p>(1) Assessment and operation procedures Acquisition or disposal of the Company's real estate, plants and equipment shall be handled in accordance with the real estate, plants and equipment cycle procedures under the Company's internal control system.</p> <p>(2) Determination of trading terms and authorization limit</p> <p>(i) To acquire or dispose of real estate, the Company shall refer to the publicly announced current value, assessed value, actual trading price of neighboring real</p>	<p>Due to the establishment of an audit committee to carry out supervisors' responsibilities, the term "supervisor" is removed and amendments are made for regulatory compliance.</p>

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	<p>estate, etc. to determine the trading terms and price and submit an analysis report to the Chairperson. Amounts equal to or below NT\$ 50,000,000 shall be submitted to the Chairperson for approval and reported afterwards in the latest Board of Directors' meeting. Amounts over NT\$ 50,000,000 shall be approved by the Board of Directors.</p> <p>(Omitted)</p> <p>(ii) Acquisition or disposal of plants and equipment shall be implemented in any of the following methods: inquiry, bidding, price negotiation or tendering. Amounts below (including) NT\$ 200,000 shall be approved by the Company's approval authority based on their authorization limits; amounts over NT\$ 200,000 and below (including) NT\$ 30,000,000 shall be submitted to the Chairperson for approval and reported afterwards in the latest Board of Directors' meeting. Amounts over NT\$ 30,000,000 must be approved by the Board of Directors.</p> <p>(iii) Regarding the Company's acquisition or disposal of assets which shall be passed by the Board of Directors according to the procedures stipulated herein or other laws, if any director expresses objections on the recorded or in writing, the Company shall submit such director's objection to each <u>supervisor</u>. In addition, when the Company reports the transactions of asset acquisition or disposal to the Board of Directors pursuant to regulations, it shall fully consider each independent director's opinions and include his/her comments and reasons for consent or objection in the meeting minutes.</p>	<p>estate, etc. to determine the trading terms and price and submit an analysis report to the Chairperson. Amounts equal to or below NT\$ 50,000,000 shall be submitted to the Chairperson for approval and reported afterwards in the latest Board of Directors' meeting. Amounts over NT\$ 50,000,000 shall be approved by the Board of Directors.</p> <p>(Omitted)</p> <p>(ii) Acquisition or disposal of plants and equipment shall be implemented in any of the following methods: inquiry, bidding, price negotiation or tendering. Amounts below (including) NT\$ 200,000 shall be approved by the Company's approval authority based on their authorization limits; amounts over NT\$ 200,000 and below (including) NT\$ 30,000,000 shall be submitted to the Chairperson for approval and reported afterwards in the latest Board of Directors' meeting. Amounts over NT\$ 30,000,000 must be approved by the Board of Directors.</p> <p>(iii) Regarding the Company's acquisition or disposal of assets which shall be passed by the Board of Directors according to the procedures stipulated herein or other laws, if any director expresses objections on the recorded or in writing, the Company shall submit such director's objection to each <u>audit committee member</u>. In addition, when the Company reports the transactions of asset acquisition or disposal to the Board of Directors pursuant to regulations, it shall fully consider each independent director's opinions and include his/her comments and reasons for consent or objection in the meeting minutes.</p>	

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	(Omitted)	(Omitted)	
Article 8	<p>Acquisition or disposal procedures for marketable securities</p> <p>(Omitted)</p> <p>(iv) Regarding the acquisition or disposal of Company's assets which shall be passed by the Board of Directors according to the provisions herein or of other laws, if any director expresses objections on the record or in writing, the Company shall submit the objections to <u>each supervisor</u>. In addition, when the Company reports the transactions of asset acquisition or disposal to the Board of Directors pursuant to regulations, the Company shall fully consider each independent director's opinions and include his/her comments and reasons for consent or objection in the meeting minutes.</p> <p>(Omitted)</p>	<p>Acquisition or disposal procedures for marketable securities</p> <p>(Omitted)</p> <p>(iv) Regarding the acquisition or disposal of Company's assets which shall be passed by the Board of Directors according to the provisions herein or of other laws, if any director expresses objections on the record or in writing, the Company shall submit the objections to <u>the audit committee</u>. In addition, when the Company reports the transactions of asset acquisition or disposal to the Board of Directors pursuant to regulations, the Company shall fully consider each independent director's opinions and include his/her comments and reasons for consent or objection in the meeting minutes.</p> <p>(Omitted)</p>	<p>Due to the establishment of an audit committee to carry out supervisors' responsibilities, the term "supervisor" is removed and amendments are made for regulatory compliance.</p>
Article 9	<p>Procedures for related party transaction</p> <p>(1) Regarding acquisition or disposal of assets between the Company and related parties, in addition to compliance with Article 7, "Procedures for acquisition or disposal of real estate, plants and equipment", the related resolution procedures and reasonableness assessment of the transaction, etc. shall be carried out in accordance with the following regulations. Where the trading amount exceeds 10 percent of the Company's total assets, the Company shall obtain appraisal reports produced by professional appraisers or CPA's opinions in accordance with Article 7 herein. The calculation of trading amount shall be conducted in accordance with Article 10-1 herein. Moreover, in judging whether the trading counterparty is a related party, the Company shall, in addition to paying attention to the legal formalities, consider the substantive relations.</p>	<p>Procedures for related party transaction</p> <p>(1) Regarding acquisition or disposal of assets between the Company and related parties, in addition to compliance with Article 7, "Procedures for acquisition or disposal of real estate, plants and equipment", the related resolution procedures and reasonableness assessment of the transaction, etc. shall be carried out in accordance with the following regulations. Where the trading amount exceeds 10 percent of the Company's total assets, the Company shall obtain appraisal reports produced by professional appraisers or CPA's opinions in accordance with Article 7 herein. The calculation of trading amount shall be conducted in accordance with Article 10-1 herein. Moreover, in judging whether the trading counterparty is a related party, the Company shall, in addition to paying attention to the legal formalities, consider the substantive relations.</p>	<p>Due to the establishment of an audit committee to carry out supervisors' responsibilities, the term "supervisor" is removed and amendments are made for regulatory compliance.</p>

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	<p>(2) Assessment and operation procedures Where the Company acquires or disposes of real estate or other non-real estate assets from or to a related party and the trading amount exceeds 20 percent of the Company's paid-in capital, 10 percent of the Company's total assets or NT\$ 300,000,000, the following information shall be passed by the Board of Directors and acknowledged by <u>supervisors</u> before signing the contract and making payments:</p> <ul style="list-style-type: none"> (i) Purpose, necessity and expected benefits of the asset acquisition or disposal. (ii) Reasons for choosing the related party as trading counterparty. (iii) Information related to the assessment of reasonableness of preliminary trading terms in accordance with Subparagraphs 1 and 4 of Paragraph 3 of this Article for real estate acquisition from related party. (iv) Items such as the related party's original acquisition date, price, trading counterparty and the counterparty's relations to the Company and the related party. (v) Monthly cash flow forecasts of the coming year starting from the estimated contract-signing month and the assessments on necessity of trading and reasonableness of fund utilization. (vi) Appraisal reports produced by professional appraisers or CPAs' opinions which are obtained in accordance with the above paragraphs. (vii) Restrictions and other important stipulations for the trading. (viii) The calculation of trading amount shall be conducted in accordance with Article 14 herein. The term "within one year" means one year calculated retrospectively from the transaction date, which is considered as the base date. The 	<p>(2) Assessment and operation procedures Where the Company acquires or disposes of real estate or other non-real estate assets from or to a related party and the trading amount exceeds 20 percent of the Company's paid-in capital, 10 percent of the Company's total assets or NT\$ 300,000,000, the following information shall be passed by the Board of Directors and acknowledged by <u>the audit committee</u> before signing the contract and making payments:</p> <ul style="list-style-type: none"> (i) Purpose, necessity and expected benefits of the asset acquisition or disposal. (ii) Reasons for choosing the related party as trading counterparty. (iii) Information related to the assessment of reasonableness of preliminary trading terms in accordance with Subparagraphs 1 and 4 of Paragraph 3 of this Article for real estate acquisition from related party. (iv) Items such as the related party's original acquisition date, price, trading counterparty and the counterparty's relations to the Company and the related party. (v) Monthly cash flow forecasts of the coming year starting from the estimated contract-signing month and the assessments on necessity of trading and reasonableness of fund utilization. (vi) Appraisal reports produced by professional appraisers or CPAs' opinions which are obtained in accordance with the above paragraphs. (vii) Restrictions and other important stipulations for the trading. (viii) The calculation of trading amount shall be conducted in accordance with Article 14 herein. The term "within one year" means one year calculated retrospectively from the transaction date, which is considered as the base date. The 	

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	<p>part which has been approved by the Board of Directors <u>and acknowledged by the supervisors</u> in accordance with the Procedures is excluded from the calculation.</p> <p>(ix) Regarding acquisition or disposal of operating machinery and equipment between the Company and its subsidiaries, the Board of Directors may authorize the Chairperson to approve within a certain amount in accordance with Article 7 herein and report it afterwards for acknowledgement in the latest Board of Directors' meeting.</p> <p>(x) When the Company reports the acquisition or disposal trading to the Board of Directors, it shall fully consider each independent director's opinions and include his/her comments and reasons for consent or objection in the Board of Directors' meeting minutes.</p> <p>(Omitted)</p> <p>(v) Regarding the Company's real estate acquisitions from related parties, if all of the results assessed in accordance with Subparagraphs 1 and 2 of Paragraph 3 of this Article are lower than the trading price, the following matters shall be carried out:</p> <p>A. In respect of the difference between the trading price and the assessed cost of the real estate, the Company shall recognize a special reserve in accordance with Paragraph 1 of Article 41 of the Act. It shall not be distributed or used for capital increase and issuance of bonus share. If an investor, who accounts for its investment in another company under equity method, is a publicly listed company, the special reserve pursuant to Paragraph 1 of</p>	<p>part which has been approved by the Board of Directors in accordance with the Procedures is excluded from the calculation.</p> <p>(ix) Regarding acquisition or disposal of operating machinery and equipment between the Company and its subsidiaries, the Board of Directors may authorize the Chairperson to approve within a certain amount in accordance with Article 7 herein and report it afterwards for acknowledgement in the latest Board of Directors' meeting.</p> <p>(x) When the Company reports the acquisition or disposal trading to the Board of Directors, it shall fully consider each independent director's opinions and include his/her comments and reasons for consent or objection in the Board of Directors' meeting minutes.</p> <p>(Omitted)</p> <p>(v) Regarding the Company's real estate acquisitions from related parties, if all of the results assessed in accordance with Subparagraphs 1 and 2 of Paragraph 3 of this Article are lower than the trading price, the following matters shall be carried out:</p> <p>A. In respect of the difference between the trading price and the assessed cost of the real estate, the Company shall recognize a special reserve in accordance with Paragraph 1 of Article 41 of the Act. It shall not be distributed or used for capital increase and issuance of bonus share. If an investor, who accounts for its investment in another company under equity method, is a publicly listed company, the special reserve pursuant to Paragraph 1 of Article 41 of the Act shall be recognized in proportion to</p>	

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	<p>Article 41 of the Act shall be recognized in proportion to the shareholding percentage of the investor in the investee company.</p> <p>B. <u>Supervisors</u> shall comply with Article 218 of the Company Act.</p> <p>C. Actions taken pursuant to Subparagraphs 1 and 2 shall be reported to the shareholders' meeting and the trading details shall be disclosed in the annual report and prospectus.</p> <p>The publicly listed company which recognizes a special reserve in accordance with the preceding paragraph may use such reserve upon approvals from competent securities authority and after assets purchased at a premium had recognized losses from decline of market value or been disposed of; compensated appropriately; or restored to original status, or there are other evidences indicating the transaction is not unreasonable.</p> <p>(Omitted)</p>	<p>the shareholding percentage of the investor in the investee company.</p> <p>B. <u>Audit committee members</u> shall comply with Article 218 of the Company Act.</p> <p>C. Actions taken pursuant to Subparagraphs 1 and 2 shall be reported to the shareholders' meeting and the trading details shall be disclosed in the annual report and prospectus.</p> <p>The publicly listed company which recognizes a special reserve in accordance with the preceding paragraph may use such reserve upon approvals from competent securities authority and after assets purchased at a premium had recognized losses from decline of market value or been disposed of; compensated appropriately; or restored to original status, or there are other evidences indicating the transaction is not unreasonable.</p> <p>(Omitted)</p>	
Article 10	<p>Procedures for acquisition or disposal of membership certificates or intangible assets</p> <p>(1) Assessment and operation procedures The acquisition or disposal of the Company's membership certificates or intangible assets shall be conducted in accordance with the real estate, plants and equipment cycle procedures under the Company's internal control system.</p> <p>(2) Determination of trading terms and authorization limit</p> <p>(i) Regarding the acquisition or disposal of membership certificates, the Company shall refer to the fair value of the market in determining the trading terms and trading price and submit</p>	<p>Procedures for acquisition or disposal of membership certificates or intangible assets</p> <p>(1) Assessment and operation procedures The acquisition or disposal of the Company's membership certificates or intangible assets shall be conducted in accordance with the real estate, plants and equipment cycle procedures under the Company's internal control system.</p> <p>(2) Determination of trading terms and authorization limit</p> <p>(i) Regarding the acquisition or disposal of membership certificates <u>or intangible assets</u>, the Company shall refer to the fair value of the market in determining the trading terms and trading price and submit an</p>	Amended in accordance with the Company's authorization level.

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	<p>an analysis report to the <u>General Manager</u>. Amounts below 1 percent of the paid-in capital or NT\$ 3,000,000 shall be submitted to the <u>General Manager</u> for approval <u>and reported afterwards in the latest Board of Directors' meeting</u>. Amounts exceed NT\$ 3,000,000 must be passed by the Board of Directors.</p> <p>(ii) <u>Regarding the acquisition or disposal of intangible assets, the Company shall refer to expert assessment reports or the fair value of the market in determining the trading terms and trading price and submit an analysis report to the Chairperson</u>. Amounts below 10 percent of the paid-in capital or NT\$ 20,000,000 shall be submitted to the <u>Chairperson</u> for approval and reported afterwards in the latest Board of Directors' meeting. Amounts exceed NT\$ 20,000,000 must be passed by the Board of Directors.</p> <p>(iii) <u>Regarding the Company's acquisition or disposal of assets which shall be passed by the Board of Directors according to the procedures stipulated herein or other laws, if any director expresses objections on the recorded or in writing, the Company shall submit such director's objection to each Supervisor. In addition, the Company reports the trading of asset acquisition or disposal to the Board of Directors.</u></p> <p>(Omitted)</p>	<p>analysis report to the <u>Chairperson</u>. Amounts below 1 percent of the paid-in capital or NT\$ 3,000,000 shall be submitted to the <u>Chairperson</u> for approval. Amounts exceed NT\$ 3,000,000 must be passed by the Board of Directors.</p> <p>(ii) <u>The Company's acquisition or disposal of membership certificates or intangible assets shall be approved by the majority of all audit committee members and submitted to the Board of Directors for resolutions. The transaction may be undertaken upon the consent of two-thirds of the total number of directors if the majority of audit committee members does not approve. In such a case, the resolutions of the audit committee shall be recorded in the minutes of the Board of Directors' meeting.</u></p> <p>(Omitted)</p>	
Article 12	<p>Procedures for acquisition or disposal of financial derivative instruments</p> <p>(Omitted)</p> <p>(iv) Regarding the Company's acquisition or disposal of assets</p>	<p>Procedures for acquisition or disposal of financial derivative instruments</p> <p>(Omitted)</p> <p>(iv) Regarding the Company's acquisition or disposal of assets</p>	<p>The term "supervisor" is removed due to the establishment</p>

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	<p>which shall be passed by the Board of Directors according to the procedures stipulated herein or other laws, if any director expresses objections on the recorded or in writing, the Company shall submit such director's objection to <u>each supervisor</u>. In addition, when the Company reports the trading of asset acquisition or disposal to the Board of Directors, the Company shall fully consider each independent director's opinions and include his/her comments and reasons for consent or objection in the meeting minutes.</p> <p>B. Audit department Audit Department is responsible for understanding the adequacy of internal control over trading of financial derivative instruments and auditing the trading department's compliance with operation procedures. It should analyze the trading cycle in order to prepare audit reports and report to the <u>supervisors</u> and the Board of Directors when significant negligence occurs.</p> <p>(Omitted)</p> <p>(3) Internal audit system</p> <p>(i) The internal auditors shall regularly review the adequacy of internal control on the trading of financial derivative instruments. They shall monthly audit the trading department's compliance with relevant procedures and analyze the trading cycle to prepare audit reports. If significant violation is found, they shall notify the <u>supervisors</u> in writing.</p> <p>(Omitted)</p>	<p>which shall be passed by the Board of Directors according to the procedures stipulated herein or other laws, if any director expresses objections on the recorded or in writing, the Company shall submit such director's objection to <u>the audit committee</u>. In addition, when the Company reports the trading of asset acquisition or disposal to the Board of Directors, the Company shall fully consider each independent director's opinions and include his/her comments and reasons for consent or objection in the meeting minutes.</p> <p>B. Audit department Audit Department is responsible for understanding the adequacy of internal control over trading of financial derivative instruments and auditing the trading department's compliance with operation procedures. It should analyze the trading cycle in order to prepare audit reports and report to the <u>audit committee</u> and the Board of Directors when significant negligence occurs.</p> <p>(Omitted)</p> <p>(3) Internal audit system</p> <p>(i) The internal auditors shall regularly review the adequacy of internal control on the trading of financial derivative instruments. They shall monthly audit the trading department's compliance with relevant procedures and analyze the trading cycle to prepare audit reports. If significant violation is found, they shall notify the <u>audit committee</u> in writing.</p> <p>(Omitted)</p>	<p>of an audit committee to carry out supervisors' responsibilities.</p>
Article 13	<p>Procedures for merger, spin off, acquisition or transfer of shares</p> <p>(1) Assessment and operation procedures</p> <p>(i) For mergers, spin off,</p>	<p>Procedures for merger, spin off, acquisition or transfer of shares</p> <p>(1) Assessment and operation procedures</p> <p>(i) For mergers, spin off,</p>	<p>Amendments are made for regulatory compliance</p>

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	<p>acquisitions or transfer of shares, the Company shall appoint lawyers, CPAs and underwriters to jointly propose a schedule for legal procedures and organize a task force to implement in accordance with legal procedures. Before convening the Board of Directors' meeting for resolution, the Company shall appoint CPAs, lawyers or underwriters to express their opinions regarding the reasonableness of stock conversion ratio, acquisition price or cash or other assets allotted to shareholders.</p> <p>(Omitted)</p>	<p>acquisitions or transfer of shares, the Company shall appoint lawyers, CPAs and underwriters to jointly propose a schedule for legal procedures and organize a task force to implement in accordance with legal procedures. Before convening the Board of Directors' meeting for resolution, the Company shall appoint CPAs, lawyers or underwriters to express their opinions regarding the reasonableness of stock conversion ratio, acquisition price or cash or other assets allotted to shareholders.</p> <p><u>Opinions on reasonableness from the above-mentioned professionals are not required when the Company mergers a subsidiary whose shares issued or paid-in capital are 100 percent owned, directly or indirectly, by the Company or the merger occurs between subsidiaries whose shares issued or paid-in capital are 100 percent owned, directly or indirectly, by the Company.</u></p> <p>(Omitted)</p>	
Article 17	<p>Implementation and amendment <u>Once the Company's "Procedures for Acquisition or Disposal of Assets" is approved by the Board of Directors, it shall be submitted to the Supervisors and proposed to the shareholders' meeting for approval. The same applies to amendments.</u> If any director expresses objections on the recorded or in writing, the Company shall submit such director's objection to the Supervisors. When the Company reports the Procedures to the Board of Directors, it shall fully consider each independent director's opinions and include his/her comments and reasons for consent or objection in the meeting minutes.</p>	<p>Implementation and amendment <u>The Company has established an audit committee pursuant to relevant laws and regulations. The adoption of Procedures or amendments thereof shall be approved by the majority of all audit committee members and submitted to the Board of Directors for resolutions.</u> <u>The Procedures may come into force upon the consent of two-thirds of the total number of directors if the majority of audit committee members does not approve. In such a case, the resolutions of the audit committee shall be recorded in the minutes of the Board of Directors' meeting.</u> <u>The terms "All audit committee members" in Paragraph 2 and "total number of directors" in the preceding paragraph refer to ones that are currently</u></p>	<p>The term "supervisor" is removed due to the establishment of an audit committee to carry out supervisors' responsibilities. The article is amended by reference to Article 6 of Regulations Governing the Acquisition and Disposal of Assets by</p>

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
		<p><u>holding those positions.</u></p> <p>If any director expresses objections on the recorded or in writing, the Company shall submit such director's objection to the <u>shareholders' meeting</u>. When the Company reports the Procedures to the Board of Directors, it shall fully consider each independent director's opinions and include his/her comments and reasons for consent or objection in the meeting minutes.</p>	Public Companies.
Article 18	<p>Additional provisions</p> <p>Any other matter not set forth in the Procedures shall be handled in accordance with related laws and regulations.</p> <p>The Procedures was established on April 15, 2000.</p> <p>The first amendment was made on March 7, 2003.</p> <p>The second amendment was made on May 9, 2007.</p> <p>The third amendment was made on June 3, 2008.</p> <p>The fourth amendment was made on June 18, 2010.</p> <p>The fifth amendment was made on August 30, 2010.</p> <p>The sixth amendment was made on June 9, 2011.</p> <p>The seventh amendment was made on June 13, 2012.</p> <p>The eighth amendment was made on June 17, 2013.</p>	<p>Additional provisions</p> <p>Any other matter not set forth in the Procedures shall be handled in accordance with related laws and regulations.</p> <p>The Procedures was established on April 15, 2000.</p> <p>The first amendment was made on March 7, 2003.</p> <p>The second amendment was made on May 9, 2007.</p> <p>The third amendment was made on June 3, 2008.</p> <p>The fourth amendment was made on June 18, 2010.</p> <p>The fifth amendment was made on August 30, 2010.</p> <p>The sixth amendment was made on June 9, 2011.</p> <p>The seventh amendment was made on June 13, 2012.</p> <p>The eighth amendment was made on June 17, 2013.</p> <p><u>The ninth amendment was made on May 26, 2017.</u></p>	To add the amendment date.

Attachment XI Comparison Table of Amendments to Procedures for Endorsement and Guarantee

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
Article 8	If the party to whom the Company provided endorsement and guarantee pursuant to Article 4 later failed to meet the criteria in the article, or the amount of endorsement and guarantee exceeds the prescribed limit due to the changes of basis on which the amounts of limits are calculated, the amount of endorsement and guarantee for such party or the excess shall be eliminated upon the expiry of agreement or within the certain period specified in the improvement plan. The plan shall be delivered to <u>all supervisors</u> and proposed at the Board Meetings after the completion of improvement according to the planned schedule.	If the party to whom the Company provided endorsement and guarantee pursuant to Article 4 later failed to meet the criteria in the article, or the amount of endorsement and guarantee exceeds the prescribed limit due to the changes of basis on which the amounts of limits are calculated, the amount of endorsement and guarantee for such party or the excess shall be eliminated upon the expiry of agreement or within the certain period specified in the improvement plan. The plan shall be delivered to <u>the audit committee</u> and proposed at the Board Meetings after the completion of improvement according to the planned schedule.	The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.
Article 13	The internal auditor of the Company shall perform auditing on the procedures for the endorsement and guarantee and the execution status at least quarterly and produce written auditing reports. Should there be any violation found, <u>all supervisors</u> shall be immediately notified in writing.	The internal auditor of the Company shall perform auditing on the procedures for the endorsement and guarantee and the execution status at least quarterly and produce written auditing reports. Should there be any violation found, <u>the audit committee</u> shall be immediately notified in writing.	The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities.
Article 17	Implementation and amendment The Procedures shall be approved by the <u>Board of Directors before sending to all supervisors and be proposed at the shareholders’ meeting for approval.</u> If any director expresses objection on the record or in writing, the Company shall submit the objection to <u>all supervisors and propose at the shareholders’ meeting for discussion.</u> The same applies to any amendment made to this Procedure. When the Procedures are submitted at the Board Meetings for discussion in accordance with the abovementioned rules, if the Company has independent directors, their opinions shall be fully taken into consideration by the Company. Their definite opinions on whether to approve and the reasons for disapproval shall be recorded in the minutes of the Board Meetings.	Implementation and amendment The Procedures shall be approved by the <u>majority of all audit committee members, submitted to the Board of Directors for resolutions</u> and proposed at the shareholders’ meeting for approval. <u>It may come into force upon the consent of two-thirds of the total number of directors if the majority of audit committee members does not approve, without being subject to the restrictions in the preceding paragraph. In such a case, the resolutions of the audit committee shall be recorded in the minutes of the Board meeting.</u> If any director expresses objection on the record or in writing, the Company shall submit the objection to the shareholders’ meeting for discussion. The same applies to any amendment made to this Procedure.	The term “supervisor” is removed due to the establishment of an audit committee to carry out supervisors’ responsibilities. The article is also amended in accordance with Article 14-5 of the Securities and Exchange Act.

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
		When the Procedures are submitted at the Board Meetings for discussion in accordance with the abovementioned rules, if the Company has independent directors, their opinions shall be fully taken into consideration by the Company. Their definite opinions on whether to approve and the reasons for disapproval shall be recorded in the minutes of the Board Meetings.	
Article 18	<p>The Procedures took effect on April 15, 2000 after being approved by the shareholders' meeting.</p> <p>The first amendment was made on May 26, 2003.</p> <p>The second amendment was made on June 8, 2006.</p> <p>The third amendment was made on May 9, 2007.</p> <p>The fourth amendment was made on June 16, 2009.</p> <p>The fifth amendment was made on June 18, 2010.</p> <p>The sixth amendment was made on June 17, 2013.</p> <p>The seventh amendment was made on June 24, 2014.</p> <p>The eighth amendment was made on May 27, 2016.</p>	<p>The Procedures took effect on April 15, 2000 after being approved by the shareholders' meeting.</p> <p>The first amendment was made on May 26, 2003.</p> <p>The second amendment was made on June 8, 2006.</p> <p>The third amendment was made on May 9, 2007.</p> <p>The fourth amendment was made on June 16, 2009.</p> <p>The fifth amendment was made on June 18, 2010.</p> <p>The sixth amendment was made on June 17, 2013.</p> <p>The seventh amendment was made on June 24, 2014.</p> <p>The eighth amendment was made on May 27, 2016.</p> <p><u>The ninth amendment was made on May 26, 2017.</u></p>	To add the amendment date.

Attachment XII Comparison Table of Amendments to Procedures for Lending Funds to Other Parties

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
Article 10	<p>Guidelines for financing other parties:</p> <p>(1) The Company shall carefully assess if the fund lending complies with the Procedures and submit the assessment to the Board of Directors for resolution before financing other parties. The authorization for approval cannot be delegated to other persons.</p> <p>(2) The internal auditor of the Company shall at least quarterly audit the procedures for financing other parties and execution status and prepare written record accordingly. If material violation is found, the Company should submit relevant improvement plan to <u>all supervisors</u>. Improvement should be executed by schedule and reported to the Board of Directors upon completion.</p> <p>(3) When change of circumstances results in Borrower's failure to meet the criteria of the Procedures or lending balance exceeds the limit, the audit department of the Company shall urge the Financial Department to set a deadline to recover the exceeding amount and send the improvement plan to <u>all supervisors</u>.</p> <p>(4) The Company's person-in-charge shall prepare the details of fund lending of previous month by the fifth day of every month and submit it for review level-by-level.</p>	<p>Guidelines for financing other parties:</p> <p>(1) The Company shall carefully assess if the fund lending complies with the Procedures and submit the assessment to the Board of Directors for resolution before financing other parties. The authorization for approval cannot be delegated to other persons.</p> <p>(2) The internal auditor of the Company shall at least quarterly audit the procedures for financing other parties and execution status and prepare written record accordingly. If material violation is found, the Company should submit relevant improvement plan to <u>the audit committee</u>. Improvement should be executed by schedule and reported to the Board of Directors upon completion.</p> <p>(3) When change of circumstances results in Borrower's failure to meet the criteria of the Procedures or lending balance exceeds the limit, the audit department of the Company shall urge the Financial Department to set a deadline to recover the exceeding amount and send the improvement plan to <u>the audit committee</u>.</p> <p>(4) The Company's person-in-charge shall prepare the details of fund lending of previous month by the fifth day of every month and submit it for review level-by-level.</p>	<p>The term "supervisor" is removed due to the establishment of an audit committee to carry out supervisors' responsibilities.</p>
Article 13	<p>Implementation and amendment</p> <p>The Procedures <u>come into force once they are</u> approved by the <u>board of directors</u>, sent to all supervisors and adopted at the shareholders' meeting. If any director expresses objection on the record or in writing, the Company shall submit the objection to <u>all</u></p>	<p>Implementation and amendment</p> <p>The Procedures <u>shall</u> be approved by the <u>majority of all audit committee members</u>, submitted to the <u>Board of Directors for resolutions</u> and adopted at the shareholders' meeting. <u>It may come into force upon the consent of two-thirds of the total</u></p>	<p>The term "supervisor" is removed due to the establishment of an audit committee to carry out</p>

Articles	Before the amendment	After the amendment	The basis and reasons of the amendment
	<p>supervisors and propose it at the shareholders' meeting for discussion. The same applies to any amendment made to the Procedures.</p> <p>If the Company has independent directors, their opinions shall be fully considered while submitting the Procedures to the Board of Directors for discussion in accordance with the aforesaid regulations. The definite opinions on whether to approve the Procedures and the reasons for disapproval shall be recorded in the minutes of the Board of Directors.</p>	<p><u>number of directors if the majority of audit committee members does not approve, without being subject to the restrictions in the preceding paragraph. In such a case, the resolutions of the audit committee shall be recorded in the minutes of the Board Meeting.</u></p> <p>If any director expresses objection on the record or in writing, the Company shall submit the objection to the shareholders' meeting for discussion. The same applies to any amendment made to the Procedures.</p> <p>If the Company has independent directors, their opinions shall be fully considered while submitting the Procedures to the Board of Directors for discussion in accordance with the aforesaid regulations. The definite opinions on whether to approve the Procedures and the reasons for disapproval shall be recorded in the minutes of the Board of Directors.</p>	<p>supervisors' responsibilities. The article is also amended in accordance with Article 14-5 of the Securities and Exchange Act.</p>
Article 14	<p>The Procedures come into force after adoption by the shareholders' meeting on April 15, 2000.</p> <p>The first amendment was made on June 21, 2002.</p> <p>The second amendment was made on March 7, 2003.</p> <p>The third amendment was made on June 16, 2009.</p> <p>The fourth amendment was made on June 18, 2010.</p> <p>The fifth amendment was made on June 13, 2012.</p> <p>The sixth amendment was made on June 17, 2013.</p> <p>The seventh amendment was made on June 24, 2014.</p> <p>The eighth amendment was made on May 27, 2016.</p>	<p>The Procedures come into force after adoption by the shareholders' meeting on April 15, 2000.</p> <p>The first amendment was made on June 21, 2002.</p> <p>The second amendment was made on March 7, 2003.</p> <p>The third amendment was made on June 16, 2009.</p> <p>The fourth amendment was made on June 18, 2010.</p> <p>The fifth amendment was made on June 13, 2012.</p> <p>The sixth amendment was made on June 17, 2013.</p> <p>The seventh amendment was made on June 24, 2014.</p> <p>The eighth amendment was made on May 27, 2016.</p> <p><u>The ninth amendment was made on May 26, 2017.</u></p>	<p>To add the amendment date.</p>

Attachment XIII List of Director Candidates

Taiflex Scientific Co., Ltd.

List of Director Candidates

Type of Candidates	Name	Education	Work Experience	Name of the Government or Corporate Represented	Shareholding (Shares)
Director	Ching-Yi Chang	Ph.D. in Business Administration, Shanghai Jiao Tong University	<ul style="list-style-type: none"> ▪ Director of Taiflex Scientific Co., Ltd. ▪ Founder/Chairperson of the CID Group ▪ Executive Director of Taiwan Venture Capital Association ▪ Chairperson of HuaHe Cultural & Creative Management Consultant Corp. ▪ Chairperson of HuaWei International Technologies Consultant Corp. ▪ Chairperson of Global Vision Venture Capital Co., Ltd. ▪ Chairperson of HuaWei Century Venture Capital Co., Ltd. ▪ Supervisor of Quanta Storage Inc. ▪ Corporate Director (Representative) of Huasheng International Investment Corp. 	None	4,599,282
Director	Ta-Wen Sun	B.S. Degree in Business Administration, Fu Jen Catholic University	<ul style="list-style-type: none"> ▪ Chairperson/President of Taiflex Scientific Co., Ltd. ▪ Chairperson of Qiao Mei Development Corporation ▪ Chairperson of Innatech Co., Ltd. ▪ Chairperson of Yu Pen Investment Corp. ▪ Chairperson of Kunshan Taiflex Electronic Material Co., Ltd. ▪ Supervisor of BIONET Corp. ▪ Independent Director of Advanced Ceramic X Corp. ▪ Corporate Director (Representative) of San Far Property Limited ▪ Executive Director of Puren Youth Care Foundation ▪ Director General of Youth Career Development Association Headquarters, R.O.C. 	Qiao Mei Development Corporation	14,963,729
Director	Jun-Yan Jiang	EMBA, Entrepreneur Business Administration Class, National Chengchi University	<ul style="list-style-type: none"> ▪ Corporate Director (Representative) of Taiflex Scientific Co., Ltd. ▪ Chairperson of Taiflex Scientific (Kunshan) Co., Ltd. ▪ Director of Kunshan Taiflex Electronic Material Co., Ltd ▪ Former President of Taiflex Scientific Co., Ltd. 	Qiao Mei Development Corporation	14,963,729
Director	Re-Zhang Lin	B.S. Degree in Accounting, Soochow University	<ul style="list-style-type: none"> ▪ Corporate Supervisor (Representative) of Taiflex Scientific Co., Ltd. ▪ Chairperson of Taiwan Fu Hsing Industrial Co., Ltd. ▪ Chairperson of Fortress Industrial Co., Ltd. ▪ Chairperson of Tong Hsing Co., Ltd. ▪ Chairperson of ARCTEK Industrial Co., Ltd. ▪ Director of Fu Hsing Americas Inc. ▪ Director of Fine Blanking & Tool Co., Ltd. ▪ Director of Launch Technologies Co., Ltd. ▪ Supervisor of Advanced International Multitech Co. Ltd. ▪ Director of Arctek (Shanghai) Co., Ltd. ▪ Director of Allegion Fu Hsing Limited ▪ Director of Allegion Fu Hsing Holdings., Ltd. 	Fuding Investment Co., Ltd.	1,020,000

Taiflex Scientific Co., Ltd.
List of Director Candidates (Continued)

Type of Candidates	Name	Education	Work Experience	Name of the Government or Corporate Represented	Shareholding (Shares)
Director	Chun-Chi, Lin	EMBA, College of Management, National Taiwan University	<ul style="list-style-type: none"> ▪ Independent Director of Favite Inc. ▪ Independent Director of Yield Microelectronics Corporation ▪ Director/President of TEN Incubator Management Co., Ltd. ▪ Director of Capital TEN Inc. ▪ Director of Tze Chiang Foundation of Science and Technology ▪ Former President of KANTO-PPC Inc. ▪ Former Executive Vice President of Global Unichip Corporation ▪ Former CEO of Xintec Inc. ▪ Former CEO/President of VisEra Technologies Co., Ltd. 	None	0
Director	Fu-Le Lin	Ph.D. in Polymer Science, University of Akron	<ul style="list-style-type: none"> ▪ Director/Senior R&D Director of Taiflex Scientific Co., Ltd. ▪ Chairperson of Koatech Technology Corporation 	None	370,249
Independent Director	Chein-Ming, Hsu	Electrical Engineering, Chung Yuan Christian University	<ul style="list-style-type: none"> ▪ Former CEO of 3M Thailand Limited 	None	0
Independent Director	Wen-I Lo	M.S. Degree in Business Administration, National ChengChi University	<ul style="list-style-type: none"> ▪ Chairperson of FengYi Capital Management Co., Ltd. ▪ Independent Director of Allied Biotech Corporation ▪ Independent Director of BASO Precision Optics, Ltd. ▪ Supervisor of REC Technology Corporation ▪ Former Vice President of CDIB Capital Management Corporation ▪ Former President of China Venture Management, Inc. ▪ Former President of R.O.C. Strategic Company Ltd. ▪ Former President of R.O.C. Venture Co., Ltd. 	None	0
Independent Director	Shi-Chern Yen	Ph.D. in Chemical Engineering, University of Wisconsin	<ul style="list-style-type: none"> ▪ Professor of Chemical Engineering, National Taiwan University ▪ Independent Director of LandMark Optoelectronics Corporation ▪ Independent Director of Shin Foong Specialty and Applied Materials Co., Ltd. ▪ Independent Director of Subtron Technology Co., Ltd. 	None	0

Attachment XIV Concurrent Positions Held by Director Candidates

Taiflex Scientific Co., Ltd. Concurrent Positions Held by Director Candidates

Title	Name	Name of Other Companies	Concurrent Position Held
Representative of Corporate Director	Qiao Mei Development Corporation Representative: Ta-Wen Sun	Advanced Ceramic X Corp.	Independent Director
Director	Fu-Le Lin	Koatech Technology Corporation	Director and Chairperson
Director	Chun-Chi, Lin	Favite Inc. Yield Microelectronics Corporation	Independent Director Independent Director
Independent Director	Wen-I Lo	REC Technology Corporation	Supervisor
Independent Director	Shi-Chern Yen	LandMark Optoelectronics Corporation Subtron Technology Co., Ltd.	Independent Director Independent Director

Appendix I Articles of Incorporation (before amendment)

Taiflex Scientific Co., Ltd.

Articles of Incorporation

Chapter I General Provisions

- Article 1 The Company is incorporated as a company limited by shares in accordance with the Company Act and is named TAIFLEX Scientific Co., Ltd. in the English language.
- Article 2 The business scope of the Company is as follows:
1. Lead frame tape
 2. LOC tape
 3. TAB tape
 4. UV-tape
 5. Resin-coated copper clad laminate
 6. Polymer film based copper clad laminate
 7. CC01080 electronic parts and components manufacturing
 8. F119010 wholesale of electronic materials
 9. F219010 retail of electronic materials
 10. ZZ99999 other businesses which are not prohibited or restricted by the laws, in addition to business approved
- Article 3 The Company has its head office in Kaohsiung City. The Company may, if necessary, set up branch offices domestically and abroad upon resolution of the Board of Directors and approval of competent authority.
- Article 4 The Company may provide endorsement and guarantee for the outside parties due to business or investment needs.
- Article 5 The total reinvestment of the Company shall not be limited to less than forty percent of paid-up capital as provided in Article 13 of the Company Act.

Chapter II Capital stocks

- Article 6 The total amount of authorized capital stock of the Company is NT\$3,000,000,000, which is divided into 300,000,000 shares (including the technical shares of 3,000,000) at a par value of NT\$10 each. The Board of Directors is authorized to issue the unissued shares by multiple installments. The sum of NT\$150,000,000 may be divided into 15,000,000 shares at a par value of NT\$10 each and issued in a series of employees' stock options, prefer shares with subscription rights, or corporate bonds with subscription rights upon resolution of the Board of Directors.
- Article 7 The shares of the Company shall be name-bearing certificates. They are issued after signed and sealed by more than three Directors and certified by the competent authority or the approved agency. The shares issued by the Company are exempted from printing, however, they shall be registered in the central securities depository.
- Article 8 Unless otherwise provided in relevant laws or regulations, affairs concerning shareholder services need to be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authority.
- Article 9 The transfer of shares shall be suspended sixty days before the general meeting of shareholders is held, thirty days before the special meeting of shareholders is held or five days before the base date on which the Company decides to distribute the dividend and bonus or other benefits.

Chapter III Shareholders' Meeting

- Article 10 The shareholders' meeting of the Company shall be classified into the following two types:

1. The general meeting shall be annually convened within six months from the end of each fiscal year.
 2. The special meeting shall be convened in accordance with the relevant laws and regulations, whenever is necessary.
- Article 11 The Chairperson of the Board of Directors shall preside at the shareholders' meeting if the meeting is convened by the Board. When the Chairperson is on leave or unable to exercise power, the person who may preside the meeting shall be determined in accordance with Article 208 of the Company Act. If the shareholders' meeting is convened by a person entitled to convene the meeting, the person shall preside at the meeting. When there are two or more persons entitled to convene, they shall elect a person from among themselves to preside at the meeting.
- Article 12 Written notices shall be sent to all shareholders thirty days prior to the general meeting and fifteen days prior to the special meeting. The notice shall specify the date, place and reasons to convene. Pursuant to relevant laws and regulations, the notice served to the shareholder who owns less than 1,000 shares of nominal stocks may be given in the form of a public announcement.
- Article 13 Shareholders who are unable to attend the shareholders' meeting may designate a proxy to attend the shareholders' meeting with a power of attorney indicating the scope of authority in accordance with Article 177 of the Company Act and the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meeting of Public Companies.
- Article 13-1 When the Company convenes the shareholders' meeting, the shareholders may exercise their voting rights in writing or by electronic transmission. A shareholder who exercises his/her voting right in writing or by electronic transmission is deemed to have attended the shareholders' meeting in person. However, he/she shall be deemed to have waived his/her voting right in respect of any extemporary motions and amendments to the original proposals at the shareholders' meeting. The declaration of intention by such shareholders shall be handled according to Article 177-2 of the Company Act.
- Article 14 Shareholders are entitled to one vote for each share held. However, this shall not apply to circumstances restricted by laws and regulations nor shares with no voting rights.
- Article 15 The resolutions of shareholders' meeting, unless otherwise stated in the relevant laws and regulations, shall be agreed by the majority of votes represented by the attending shareholders or proxies who represents the majority of total number of issued shares. The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed or sealed with the chop of the Chairperson of the meeting. The meeting minutes shall be kept within the Company along with the signing booklet bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies.

Chapter IV Directors, Supervisors and Managers

- Article 16 The Company shall have seven to eleven directors and three supervisors who are elected from the shareholders with legal capacity to serve a term of three years. According to relevant laws and regulations, the directors and supervisors may be eligible for re-election. The Company shall purchase liability insurances for compensation which the directors and supervisors shall assume within scope of practice during the term upon resolution of the Board of Directors' meeting.
- Article 16-1 The number of independent directors within the number of directors in the preceding article shall not be less than two nor one-fifth of the total number of directors. The Company adopts the candidate nomination system described in Article 192-1 of the Company Act. Directors (including independent directors) and supervisors of the Company shall be elected from the respective candidates of directors (including independent directors) and supervisors nominated at the shareholders' meeting. The professional qualification, shareholding, concurrent serving restrictions, nomination and election methods of independent directors and other compliance issues shall be subject to

the relevant regulations stipulated by the competent securities authority.

Each share has the same number of voting rights as the number of directors and supervisors to be elected. The voting rights may all go to one candidate or be allocated to several candidates. The candidates with more voting rights shall be elected as directors and supervisors. The election for independent and non-independent directors shall be held at the same time, but the numbers to be elected shall be calculated separately.

Article 17 The Board of Directors is composed of directors. Their duties and responsibilities are listed below:

1. Prepare the business plan
2. Submit the profit distribution or deficit compensation proposal
3. Set forth the capital increase and reduction proposal
4. Formulate important articles and organizational regulations
5. Appoint and dismiss the general manager and manager
6. Establish and remove the branch offices
7. Compile the budget and final accounts
8. Perform other duties and responsibilities stipulated by the Company Act or resolved at the shareholders' meeting

Article 18 The directors shall elect a Chairperson from among themselves in the Board of Directors' meeting with the consent of majority of attending directors which represents more than two-third of all directors. A Vice Chairperson may be elected in the same manner. The Chairperson shall have the authority to represent the Company.

Article 19 Unless otherwise stipulated in the Company Act, the Board of Directors' meeting shall be convened by the Chairperson. All directors and supervisors shall be notified of the meeting seven days in advance via mail, e-mail or fax. In case of emergency, the Board meeting can be convened via mail, e-mail or fax at a shorter period.

Article 20 The Chairperson shall preside at the Board of Directors' meeting. When the Chairperson is on leave or unable to exercise power, the person who may preside the meeting shall be determined in accordance with Article 208 of the Company Act.

The directors shall attend the Board meeting in person. If a director is unable to attend the meeting for some reason, he/she shall authorize other director to stand proxy with a power of attorney indicating the scope of authority with reference to the subjects to be discussed at the meeting. No director may act as proxy for more than one other director. If a director lives abroad, he/she may authorize other shareholders in Taiwan to act as proxy in series of meetings with a written power of attorney. For Board meetings conducted through video-conferencing, a director who participates through video-conferencing is deemed to attend in person.

Article 20-1 Resolutions in a board meeting, unless otherwise stipulated in the Company Act, shall be adopted by the majority of attending directors which represents the majority of all directors.

Resolutions adopted at a board meeting shall be recorded in the minutes of the meeting, which shall be signed or sealed by the Chairperson of the meeting and the recorder and filed as an important document of the Company to be retained properly throughout the life of the Company. The preparation and distribution of the minutes may be conducted in electronic form.

Article 21 The duties and responsibilities of supervisors are as follows:

1. Review and audit the financial conditions of the Company
2. Review and audit the accounting statements, books and documents
3. Investigate the business operation of the Company
4. Audit the budget and final accounts
5. Review and audit the profit distribution or deficit compensation proposal
6. Perform other duties and responsibilities stipulated by the Company Act.

Article 22 The Compensation Committee would evaluate the involvement of directors and supervisors (including the independent directors) in the business operation of the Company and their contributions to the Company, and make recommendations to the

Board concerning their remuneration. The Board of Directors has been delegated to determine the remuneration based on the recommendations from the Compensation Committee with reference to the remuneration standard of the industry.

Article 23 The Company shall have several managers. The appointment, dismissal and remuneration of managers shall be subject to Article 29 of the Company Act.

Article 24 Directors shall exercise their powers pursuant to the resolutions adopted in the Board and shareholders' meetings. Moreover, the general manager shall carry out the business activities of the Company in accordance with the resolutions of the Board meetings.

Chapter V Accounting

Article 25 The fiscal year of the Company shall be from January 1 to December 31 of the same year.

Article 26 Pursuant to Article 228 of the Company Act, the Board of Directors shall prepare the following documents after the end of each fiscal year and forward them to the supervisors for auditing thirty days prior to the general meeting of shareholders before submitting them to the general meeting of shareholders for approval.

1. Business report
2. Financial statement
3. Profit distribution or deficit compensation proposal

Article 27 The distribution of dividend and bonus shall be based on the shareholding percentage of each shareholder.

Article 28 When the Company makes a profit for the year, the compensation to employees shall not be lower than five percent of the balance and the remuneration to the directors and supervisors shall not be higher than four percent of the balance.

The compensation can be made in the form of stock or cash based on the Board resolution. Parties eligible to receive the said compensation shall include employees in affiliated companies who met certain conditions set by the Board. The distribution plan of compensation to employees and remuneration to the directors and supervisors shall be submitted to the shareholders' meeting.

However, if the Company has an accumulated deficit, the profit shall cover the deficit before it can be used for compensation to employees and remuneration to the directors and supervisors based on the above-mentioned ratios.

Article 28-1 Current year's earnings of the Company, if any, shall be distributed in the following order:

1. Taxes and dues
2. Deficit compensation
3. 10% of net profit as legal capital reserves. However, this shall not apply when the accumulated legal capital reserve has equaled the total capital of the Company.
4. Special capital reserve appropriated or reversed as stipulated by relevant laws and regulations or competent securities authority
5. For the remaining profits, if any, the Board of Directors shall draft a proposal for the distribution of bonus to shareholders and submit it to the Shareholders' meeting for resolution

Article 29 After taking into account the environment and development stage of the Company, the needs of capital in the future, long-term financial planning and shareholders' demand for cash, the Board of Directors shall draw up an earnings distribution proposal according to the distributable earnings calculated pursuant to Article 28-1 and submit it to the shareholders' meeting for approval. At least forty percent of the distributable earnings calculated shall be appropriated as shareholders' dividends. The cash dividend shall not be lower than 10 percent of the total dividends and shall be capped at 100 percent.

Article 30 The distribution of dividends shall be limited to shareholders recorded in the register of shareholders five days prior to the base date on which the dividend and bonus are distributed.

Chapter VI Additional Provisions

- Article 31 The Company may provide guarantee to external parties in accordance with the regulations stipulated by the government.
- Article 32 Rules governing the organization and the procedures of the Company shall be separately stipulated.
- Article 33 Matters not set forth in the Articles of Incorporation shall be subject to the Company Act.
- Article 34 The Articles of Incorporation was established after approval of all promoters on August 5, 1997. It took effect on the date when the competent authority approved the registration.
- The first amendment was made on October 17, 1997.
- The second amendment was made on November 1, 1997.
- The third amendment was made on December 8, 1997.
- The fourth amendment was made on April 23, 1998.
- The fifth amendment was made on March 6, 1999.
- The sixth amendment was made on April 15, 2000.
- The seventh amendment was made on April 14, 2001.
- The eighth amendment was made on June 21, 2002.
- The ninth amendment was made on May 26, 2003.
- The tenth amendment was made on May 28, 2004.
- The eleventh amendment was made on May 28, 2004.
- The twelfth amendment was made on June 17, 2005.
- The thirteenth amendment was made on June 17, 2005.
- The fourteenth amendment was made on August 28, 2006.
- The fifteenth amendment was made on May 9, 2007.
- The sixteenth amendment was made on June 3, 2008.
- The seventeenth amendment was made on June 18, 2010.
- The eighteenth amendment was made on June 9, 2011.
- The nineteenth amendment was made on June 13, 2012.
- The twentieth amendment was made on June 17, 2013.
- The twenty-first amendment was made on June 24, 2014.
- The twenty-second amendment was made on May 27, 2016.

TAIFLEX SCIENTIFIC CO., LTD.
Chairperson: SUN, TA-WEN

Appendix II Rules of Procedure for Shareholders' Meeting (before amendment)

Taiflex Scientific Co., Ltd.

Rules of Procedure for Shareholders' Meeting

- Article 1: The rules of procedures for shareholders' meeting of the Company shall conform to the provisions of the Rules unless otherwise stipulated in the applicable laws and regulations or Articles of Incorporation.
- Article 2: The Company shall prepare the signing booklet for the attending shareholders or their appointed proxies (hereinafter referred to as "Shareholders") to sign in, or the attending Shareholders shall hand in the attendance cards in lieu of signing in. The Company shall deliver the meeting agenda, annual report, attendance permit, speaker's slip, voting ballot and other meeting materials to the Shareholders attending the shareholders' meeting. Where directors and supervisors are to be elected, ballots shall also be provided. The Shareholders shall attend the shareholders' meeting with attendance permit, attendance card or other attendance certificates. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- When the government or a juristic person is a shareholder, the representative attending the shareholders' meeting is not limited to one person only.
- Article 3: The attendance at the shareholders' meeting shall be calculated based on the number of shares. The number of shares in attendance shall be calculated in accordance with the shares indicated by the signing booklet or attendance card submitted plus the number of shares with voting rights exercised by correspondence or electronically.
- Shares held by Shareholders with no voting rights shall not be included in the total number of issued shares with respect to resolutions of the shareholders' meeting.
- Shareholders shall not participate in voting on agenda items of which they have a personal interest and may impair the interest of the Company, and shall not exercise the voting rights as proxy for other Shareholders.
- The shares held by Shareholders with no voting rights under the preceding paragraph shall not be included in the calculation of voting rights of attending Shareholders.
- With the exception of trust enterprises or shareholder service agents approved by the competent securities authority, when one person is appointed as proxy by two or more shareholders concurrently, the voting rights represented by such proxy shall not exceed 3 percentage of the voting rights represented by the total number of issues shares. The voting rights in excess of the percentage shall not be calculated.
- Article 4: The shareholders' meeting shall be convened at the premises of the Company or an appropriate venue convenient for Shareholders to attend. The meeting shall begin no earlier than 9 a.m. or no later than 3 p.m. Full consideration shall be given to the opinions of independent directors with respect to the venue and time of meeting.
- Article 5: The shareholders' meeting is presided by the chairperson of the board of directors if convened by the board. If the chairperson is on leave or unable to exercise power, the vice chairperson of the board shall stand proxy. If there is no vice chairperson of the board or the vice chairperson is also on leave or unable to exercise power, the chairperson may appoint one of managing directors to stand proxy. If there is no managing director, the chairperson may appoint one director to stand proxy. If the chairperson does not appoint a proxy, the managing directors or directors shall elect one person from among themselves to preside at the meeting. If the shareholders' meeting is convened by any other party entitled to convene the meeting, the convening party shall preside at the meeting. When there are two or more convening parties, they shall elect a person from among themselves to preside at the meeting.
- Article 6: The Company may appoint designated attorneys, certified public accountants or related persons to attend the shareholders' meeting. The staff involved in the meeting affairs shall wear identification cards or armbands.

- Article 7: The process of shareholders' meeting shall be tape-recorded or videotaped and kept for at least one year. If Shareholders file lawsuits pursuant to Article 189 of the Company Act, the recordings shall be kept until the lawsuit is concluded.
- Article 8: The chairperson shall call the meeting to order at the scheduled time. When the majority of the total number of issued shares are not represented by the attending Shareholders, the chairperson may announce to postpone the meeting. The postponement is limited to two times with a combined duration of less than one hour. If the quorum is not met after two postponements and the attending Shareholders do not represent one-third or more of the total number of issued shares, the chairperson shall announce the adjournment of meeting. If the quorum is not met after two postponements as mentioned in the preceding paragraph, but one-third or more of the total number of issued shares are represented by the attending Shareholders, tentative resolutions may be made pursuant to Paragraph 1 of Article 175 of the Company Act. All Shareholders shall be notified of the tentative resolutions and the shareholders' meeting shall be convened within one month. If the attending Shareholders represent majority of the total number of issued shares before the conclusion of meeting, the chairperson may resubmit the tentative resolutions for voting at the shareholders' meeting pursuant to Article 174 of the Company Act.
- Article 9: The board of directors shall set the meeting agenda if the shareholders' meeting is convened by the board of directors. The meeting shall proceed according to the agenda which shall not be changed without a resolution of the shareholders' meeting. The above provisions apply mutatis mutandis to the shareholders' meeting convened by a party entitled to convene other than the board of directors. The chairperson shall not announce adjournment of the meeting before completion of the agenda (including extraordinary motions) referred to in the two preceding paragraphs unless otherwise resolved at the shareholders' meeting. If the chairperson announces the adjournment in violation of the Rules, other members of the board shall promptly assist the attending Shareholders in electing a chairperson pursuant to the statutory procedures with the consent of the majority of voting rights represented by the attending Shareholders to continue the meeting. After the meeting is adjourned, the Shareholders shall not elect another chairperson to continue the meeting at the original or other venue.
- Article 10: Before speaking, the attending Shareholder shall complete the speaker's slip indicating the subject of speech, Shareholder's account number (or the number of attendance permit) and account name. The sequence of speeches shall be determined by the chairperson. If the attending Shareholder submits a speaker's slip without speaking, it shall be deemed as making no speeches. If the contents of speech are inconsistent with the contents of speaker's slip, the contents of speech shall prevail. When the attending Shareholder speaks, other Shareholders shall not interrupt the speech unless they are permitted by the chairperson and the speaking Shareholder. Otherwise, the chairperson shall stop such interruption.
- Article 11: The Shareholder shall not make a speech concerning the same proposal for more than two times without the consent of chairperson, and the duration of each speech shall not exceed five minutes. If the Shareholders speaks in violation of the provisions or beyond the scope of agenda item, the chairperson may stop the speech.
- Article 12: The attending Shareholders shall be obliged to abide by the meeting rules, obey the resolutions and maintain the order at the meeting place.
- Article 13: When a juristic person is appointed to attend the shareholders' meeting, it may designate only one person to attend on its behalf. If a corporate shareholder appoints two or more representatives to attend the shareholders' meeting, only one representative may speak for each agenda item.
- Article 14: After the attending Shareholder has spoken, the chairperson may respond in person or appoint an appropriate person to respond.
- Article 15: The chairperson shall give ample opportunity for explanation and discussion of the proposals and amendments or extraordinary motions proposed by the Shareholders. When the

chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson shall announce the discussion closed and call for a vote.

The proposal shall be deemed adopted if all attending Shareholders are solicited by the chairperson and no objection is voiced. Its validity is the same as voted by casting ballots.

Article 16: Shareholders are entitled to one vote for each share held, but the case shall not apply to restricted shares and non-voting shares specified in Paragraph 2 of Article 179 of the Company Act.

The ballot supervisors and ballot counters of proposal voting shall be appointed by the chairperson, but the ballot supervisors shall be Shareholders. The ballot counting shall be publicly conducted at the venue of shareholders' meeting. The voting results shall be announced at the meeting and recorded in the minutes.

Article 17: When the meeting is in progress, the chairperson may announce a break at his/her discretion. If force majeure events occur, the chairperson may decide to temporarily suspend the meeting and announce the time to resume the meeting depending on the situation. If the meeting venue becomes unavailable before meeting agenda (including extraordinary motions) has been completed, another venue can be used to resume the meeting upon resolution at the shareholders' meeting.

It may be resolved at the shareholders' meeting to defer or resume the meeting within five days pursuant to Article 182 of the Company Act.

Article 18: Unless otherwise provided in the Company Act and Articles of Incorporation, the adoption of resolution shall be approved by the majority of voting rights represented by the attending Shareholders.

Article 19: When there is an amendment or an alternative to a proposal, the chairperson shall present the amendment or alternative together with the original proposal and decide their voting orders. If one proposal among them has been adopted, the others shall be deemed overruled and no further voting is required.

Article 20: The chairperson shall direct the disciplinary officers (or security guards) to assist with order maintenance depending on meeting conditions. The disciplinary officers or security guards shall wear armbands marked "disciplinary officer" or identification cards while assisting with order maintenance on the site.

If the venue is equipped with public address system, the chairperson may stop Shareholders from making a speech through other devices.

If a Shareholder violates the Rules and defies the chairperson's correction, obstructs the proceedings and refuses to heed calls to stop, the chairperson may direct the disciplinary officers or security guards to escort the Shareholder from the meeting.

Article 21: Any other matters not set forth in the Rules shall be subject to the Company Act, Articles of Incorporation and other applicable rules and regulations.

Article 22: The Rules and any amendment hereto shall take effect after adoption by the shareholders' meeting.

The Rules were established on March 6, 1999.

The first amendment was made on June 21, 2002.

The second amendment was made on June 8, 2006.

The third amendment was made on June 17, 2013.

Appendix III Director and Supervisor Election Procedures (before amendment)

Taiflex Scientific Co., Ltd.

Director and Supervisor Election Procedures

- Article 1: The Procedures are established in compliance with “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” for a fair, just and open election of directors and supervisors.
- Article 2: Except for matters regulated in applicable laws or the Articles of Incorporation, the election of directors and supervisors shall be in compliance with the Procedures.
- Article 3: Board composition shall be taken into consideration for director election. Board members shall possess knowledge, skills and qualities necessary to carry out their duties. Abilities needed for each member are presented as follows:
1. Operational judgment
 2. Accounting and financial analysis
 3. Business management
 4. Crisis management
 5. Industrial knowledge
 6. International market perspective
 7. Leadership
 8. Decision-making
- Article 4: The supervisors shall meet the following criteria:
1. Integrity and practicality
 2. Fair judgment
 3. Professional knowledge
 4. Rich experience
 5. Ability to comprehend financial statements
- Besides those stated above, at least one supervisor shall be in the profession of accounting or finance.
- Article 5: The qualification and election of the Company’s independent directors shall be in compliance with “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.”
- Article 6: (Deleted.)
- Article 7: The directors and supervisors of the Company are elected using the open-ballot, cumulative voting method. Each share shall have voting rights equivalent to the number of seats to be elected, and such voting rights can be combined to vote for one person, or divided to vote for several persons.
- The independent and non-independent directors shall be elected simultaneously with the number of votes and elected directors calculated separately.
- Article 8: The Company shall prepare the same number of ballots as directors and supervisors to be elected and the number of voting rights shall be specified on the ballots, which would be distributed to shareholders attending the Shareholders’ Meeting. The attendance card numbers may be used to replace the names of shareholders on the ballots.
- Article 9: For the number of seats set forth in the Articles of Incorporation, candidates who acquire more votes in the director and independent director or supervisor election of the Company shall win the seats sequentially. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified available seats, such persons acquiring the same votes shall draw lots to decide who should win the seats, and the Chairperson shall draw lots on behalf of the candidate who is not present.
- If a shareholder is elected as director and supervisor at the same time pursuant to the preceding paragraph, the person shall decide whether to take the seat of director or supervisor. The election would be invalid if the elected director or supervisor is unqualified upon verification or otherwise provided by law.
- Article 9-1: More than half of the directors and at least one seat among supervisors or among

supervisors and directors shall not have the following relationships:

1. A spousal relationship.
2. A familial relationship within the second degree of kinship.

Article 9-2: If the originally-elected directors or supervisors fail to meet the conditions under Article 26-3 of the Securities and Exchange Act, directors or supervisors to be elected shall be determined according to the following provisions:

1. When there are some among the directors who fail to meet the conditions, the director receiving the lowest number of votes among those not meeting the conditions is not elected.
2. When there are some among the supervisors who fail to meet the conditions, the provisions of the preceding subparagraph shall apply mutatis mutandis.
3. When there are some among the directors and supervisors who fail to meet the conditions, the supervisor receiving the lowest number of votes among those not meeting the conditions is not elected.

Article 10: Before the election, the Chairperson shall appoint several persons each to check and record the ballots. The persons to check the ballots have to be appointed from among the shareholders present. The ballot box used for voting shall be prepared by the Company or the Board and checked in public by the person to check the ballots before voting.

Article 11: If the candidate is a shareholder, voters shall fill in the "candidate" column with the candidate's name and shareholder number. If the candidate is not a shareholder of the Company, voters shall fill in the "candidate" column with the candidate's name and ID number. If the candidate is a government agency or a corporate shareholder, the "candidate" column shall be filled in with the full name of the government agency or the corporate shareholder or the full name and the name(s) of their representative(s). If there are multiple representatives, their names shall be filled in separately.

Article 12: If the ballot is missing, filled in incorrectly or modified, it will not be reissued or provided.

Article 13: Ballots shall be deemed void in any of the following circumstances:

1. Ballots not prepared by the Company's Board of Directors
2. Blank ballots
3. Illegible writing or modification
4. If the candidate is a shareholder, the name or shareholder number of the candidate filled in the ballot is inconsistent with the shareholders' register. If the candidate is not a shareholder, the name or ID number of the candidate filled in the ballot is incorrect
5. Ballots with written characters or symbols in addition to candidate's name, shareholder number (ID number) and the number of votes cast for the candidate
6. The name of the candidates filled in the ballots being the same as another candidate's name and the shareholder number or ID number are not provided for identification

Article 14: The ballots shall be calculated during the meeting right after the vote casting and the results of the election for directors and supervisors shall be announced by the Chairperson at the meeting.

Article 15: The Board will issue elected notices to elected directors and supervisors.

Article 16: The Procedures were established on March 25, 2005 and became effective after approval at the shareholders' meeting, as would any revision thereof.

The first revision was made on June 8, 2006.

The second revision was made on May 9, 2007.

Appendix IV Procedures for Acquisition or Disposal of Assets (before amendment)

Taiflex Scientific Co., Ltd.

Procedures for Acquisition or Disposal of Assets

- Article 1: Purpose
The Procedures are established to safeguard assets and implement information disclosure. Acquisition or disposal of the Company's asset shall comply with the Procedures.
- Article 2: Legal basis
These Procedures are established pursuant to Article 36-1 of the Securities Exchange Act (hereinafter referred to as the "Act").
- Article 3: Scope of assets
- (1) Marketable securities: including investment in stocks, government bonds, corporate bonds, marketable securities representing interest in a fund, overseas mutual funds, depositary receipts, call (put) warrants, beneficiary securities and asset-backed securities
 - (2) Real estate, plants and equipment
 - (3) Membership certificates
 - (4) Intangible assets: including patents, copyrights, trademarks and licenses
 - (5) Financial institutions' claims (including receivables, bills purchased and discounted, loans, and overdue receivables)
 - (6) Financial derivative instrument
 - (7) Assets acquired or disposed of through legal mergers, spin off, acquisitions or transfers of shares
 - (8) Other important assets
- Article 4: Definition of terms
- (1) Financial derivative instrument: The term refers to contracts with value derived from commodities such as assets, interest rates, foreign exchange rates, indexes or other interests; for instance, forward, option, futures, leverage, swap contracts and hybrid contracts consisting of the above commodities. The aforementioned forward contracts do not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, and long-term purchase (sale) agreements.
 - (2) Assets acquired or disposed of through legal mergers, spin off, acquisitions or transfers of shares: The term means assets acquired or disposed of through legal mergers, spin off or acquisitions pursuant to Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act or other laws; or through issuing new shares as consideration for transfers of shares from other companies pursuant to Paragraph 6 of Article 156 of the Company Act (hereinafter referred to as "transfer of shares").
 - (3) Related parties: The term is determined by "Regulations Governing the Preparation of Financial Reports by Securities Issuers".
 - (4) Subsidiaries: The term is determined by "Regulations Governing the Preparation of Financial Reports by Securities Issuers".
 - (5) Professional appraiser: The term means real estate appraisers or others who are legally permitted to engage in real estate, plants and equipment appraisal business.
 - (6) Date of occurrence: The term means the contracting date, payment date, consignment date, transfer date, resolution date of the Board of Directors' meeting or other dates on which the transaction counterparty and transaction amount can be ascertained, whichever is earlier. However, for investments which require competent authorities' approval, it shall mean aforementioned dates or the date on which approval letter from the competent authority is received, whichever is earlier.
 - (7) Investment in China: The term means investments in China conducted in accordance with the Rules for Governing the Investment or the Technical Cooperation in Mainland China stipulated by Investment Commission, Ministry of Economic Affairs.

- (8) Within one year: The term means one year calculated retrospectively from the asset acquisition or disposal date, which is considered as the base date. The part which has been publicly announced shall not be included.
- (9) The latest financial statements: The term means the Company's financial statements which are legally and publicly certified or reviewed by certified public accountants (CPAs) before the acquisition or disposal of assets.

Article 5: Investment limits of non-operating real estate and securities

- (1) The total amount of non-operating real estate acquired individually by the Company and its subsidiaries shall not exceed 15 percent of the net worth.
- (2) The respective net investment of the Company and its subsidiaries in a listed or over-the-counter (OTC) company shall not exceed 10 percent of the net worth in respective companies' latest financial statements.
- (3) The total shareholding of the Company and its subsidiaries in a listed or OTC company shall not exceed 10 percent of the total issued shares of the said listed or OTC company.
- (4) The subsidiaries' shareholding in the Company shall not exceed 10 percent of the applicant company's total issued shares.

For investments which are intended to be held on a long-term basis and which the Company and its subsidiaries participate in investment establishment or act as directors or supervisors, they may be excluded when calculating the investment ratio in Subparagraphs 2 and 3 of the preceding paragraph.

Article 6: The professional appraisers and related appraising personnel from whom the Company obtains appraisal reports and the CPAs, lawyers or securities underwriters from whom the Company acquires opinions shall not be related parties to the trading parties.

Article 7: Procedures for acquisition or disposal of real estate, plants and equipment:

- (1) Assessment and operation procedures

Acquisition or disposal of the Company's real estate, plants and equipment shall be handled in accordance with the real estate, plants and equipment cycle procedures under the Company's internal control system.
- (2) Determination of trading terms and authorization limit
 - (i) To acquire or dispose of real estate, the Company shall refer to the publicly announced current value, assessed value, actual trading price of neighboring real estate, etc. to determine the trading terms and price and submit an analysis report to the Chairperson. Amounts equal to or below NT\$ 50,000,000 shall be submitted to the Chairperson for approval and reported afterwards in the latest Board of Directors' meeting. Amounts over NT\$ 50,000,000 shall be approved by the Board of Directors.
 - (ii) Acquisition or disposal of plants and equipment shall be implemented in any of the following methods: inquiry, bidding, price negotiation or tendering. Amounts below (including) NT\$ 200,000 shall be approved by the Company's approval authority based on their authorization limits; amounts over NT\$ 200,000 and below (including) NT\$ 30,000,000 shall be submitted to the Chairperson for approval and reported afterwards in the latest Board of Directors' meeting. Amounts over NT\$ 30,000,000 must be approved by the Board of Directors.
 - (iii) Regarding the Company's acquisition or disposal of assets which shall be passed by the Board of Directors according to the procedures stipulated herein or other laws, if any director expresses objections on the recorded or in writing, the Company shall submit such director's objection to each supervisor. In addition, when the Company reports the transactions of asset acquisition or disposal to the Board of Directors pursuant to regulations, it shall fully consider each independent director's opinions and include his/her comments and reasons for consent or objection in the meeting minutes.
- (3) Implementation departments

After approved by the aforementioned approval authority, the acquisition or disposal of the Company's real estate, plants and equipment shall be implemented by the user

departments and the Management Division.

(4) Appraisal reports for real estate, plants and equipment

Regarding the acquisition or disposal of real estate, plants and equipment, except for transactions with government agencies, commissioned construction on own land, commissioned construction on leased land or acquisition or disposal of operating machinery and equipment, the Company shall obtain an appraisal report produced by a professional appraiser (please refer to related laws and regulations for details on items to be included in an appraisal report) before the date of occurrence and meet the following criteria when the trading amount exceeds twenty percent of the Company's paid-in capital or NT\$ 300,000,000:

- (i) When a limited price, specific price or special price must be used as reference for the trading price due to special circumstances, such trading shall be submitted to the Board of Directors for approval. The above procedures shall apply for any changes to the trading terms in the future.
- (ii) Trading amounts exceed NT\$ 1,000,000,000 shall have appraisal reports from two or more professional appraisers.
- (iii) If any of the following situation occurs, unless all of the appraisal values for asset acquisition are higher than the trading amount or all of the appraisal values for asset disposal are lower than the trading price, the Company shall contact CPAs to take actions in accordance with Auditing Standards No. 20 published by Accounting Research and Development Foundation and to express specific comments on the reasons for the discrepancy and the fairness of the trading price.
 - A. The difference between the appraisal results and the trading amount exceeds 20 percent of the trading amount or more.
 - B. The difference between the appraisal results from more than two professional appraisers exceeds 10 percent of the trading amount.
- (iv) The date of report issued by a professional appraiser shall not be more than three months earlier than the contract date. However, if the same period of publicly announced current value is applicable and the report is no earlier than six months, the original professional appraiser may issue an opinion.
- (v) Where the Company acquires or disposes of assets through court auctions, certificates issued by the court may substitute for appraisal reports or CPAs' opinions.

Article 8: Acquisition or disposal procedures for marketable securities

(1) Assessment and operation procedures

The Company's purchase and sale of long and short-term marketable securities shall be handled in accordance with the investment cycle operation under the Company's internal control system.

(2) Determination of trading terms and authorization limit

- (i) Regarding marketable securities which are traded in a centralized or OTC market, the Company's in-charge department shall make judgments and decisions based on market conditions. Amounts below (including) NT\$ 30,000,000 shall be submitted to the Chairperson for approval and reported afterwards in the latest Board of Directors' meeting. An analysis report on the unrealized gain or loss of long and short-term marketable securities shall be presented concurrently. Amounts over NT\$ 30,000,000 shall be passed by the Board of Directors.
- (ii) Regarding marketable securities which are not traded in a centralized or OTC market, the Company shall, before the date of occurrence, obtain the target company's latest CPA-certified or reviewed financial statements as a reference for assessment of the trading price and take into accounts its book value per share, profitability, future development potential, etc. In addition, where the trading amount exceeds 20 percent of the Company's paid-in capital or NT\$ 300,000,000, the Company shall, before the date of occurrence, contact CPAs to express opinions on the reasonableness of the trading price. If the CPA requires expert reports,

actions shall be taken in accordance with Auditing Standards No. 20 published by Accounting Research and Development Foundation. Investment amounts below (including) NT\$ 50,000,000 shall be approved by the Chairperson and reported afterwards in the latest Board of Directors' meeting. An analysis report on the unrealized gain or loss of long and short-term marketable securities shall be presented concurrently. Amounts over NT\$ 50,000,000 must be passed by the Board of Directors. However, if the timing of acquisition or disposal does not fall on the Board of Directors' meeting session, it may be approved by the Chairperson and ratified afterwards in the latest Board of Directors' meeting.

- (iii) Regarding short-term investments which use money market instruments as the main operating objects and earn fixed interest income, investment amounts below (including) NT\$ 50,000,000 shall be approved by the Chairperson and reported afterwards in the latest Board of Directors' meeting. Amounts over NT\$ 50,000,000 shall be passed by the Board of Directors.
- (iv) Regarding the acquisition or disposal of Company's assets which shall be passed by the Board of Directors according to the provisions herein or of other laws, if any director expresses objections on the record or in writing, the Company shall submit the objections to each supervisor. In addition, when the Company reports the transactions of asset acquisition or disposal to the Board of Directors pursuant to regulations, the Company shall fully consider each independent director's opinions and include his/her comments and reasons for consent or objection in the meeting minutes.

(3) Implementation departments

After approval of the aforementioned approval authority, the Company's long and short-term marketable securities investments shall be implemented by the Finance Division.

(4) Engagement in investments in China shall proceed in accordance with regulations by Investment Commission, Ministry of Economic Affairs.

Article 9: Procedures for related party transaction

- (1) Regarding acquisition or disposal of assets between the Company and related parties, in addition to compliance with Article 7, "Procedures for acquisition or disposal of real estate, plants and equipment ", the related resolution procedures and reasonableness assessment of the transaction, etc. shall be carried out in accordance with the following regulations. Where the trading amount exceeds 10 percent of the Company's total assets, the Company shall obtain appraisal reports produced by professional appraisers or CPA's opinions in accordance with Article 7 herein. The calculation of trading amount shall be conducted in accordance with Article 10-1 herein. Moreover, in judging whether the trading counterparty is a related party, the Company shall, in addition to paying attention to the legal formalities, consider the substantive relations.

(2) Assessment and operation procedures

Where the Company acquires or disposes of real estate or other non-real estate assets from or to a related party and the trading amount exceeds 20 percent of the Company's paid-in capital, 10 percent of the Company's total assets or NT\$ 300,000,000, the following information shall be passed by the Board of Directors and acknowledged by supervisors before signing the contract and making payments:

- (i) Purpose, necessity and expected benefits of the asset acquisition or disposal.
- (ii) Reasons for choosing the related party as trading counterparty.
- (iii) Information related to the assessment of reasonableness of preliminary trading terms in accordance with Subparagraphs 1 and 4 of Paragraph 3 of this Article for real estate acquisition from related party.
- (iv) Items such as the related party's original acquisition date, price, trading counterparty and the counterparty's relations to the Company and the related party.
- (v) Monthly cash flow forecasts of the coming year starting from the estimated contract-signing month and the assessments on necessity of trading and

- reasonableness of fund utilization.
- (vi) Appraisal reports produced by professional appraisers or CPAs' opinions which are obtained in accordance with the above paragraphs.
 - (vii) Restrictions and other important stipulations for the trading.
 - (viii) The calculation of trading amount shall be conducted in accordance with Article 14 herein. The term "within one year" means one year calculated retrospectively from the transaction date, which is considered as the base date. The part which has been approved by the Board of Directors and acknowledged by the supervisors in accordance with the Procedures is excluded from the calculation.
 - (ix) Regarding acquisition or disposal of operating machinery and equipment between the Company and its subsidiaries, the Board of Directors may authorize the Chairperson to approve within a certain amount in accordance with Article 7 herein and report it afterwards for acknowledgement in the latest Board of Directors' meeting.
 - (x) When the Company reports the acquisition or disposal trading to the Board of Directors, it shall fully consider each independent director's opinions and include his/her comments and reasons for consent or objection in the Board of Directors' meeting minutes.
- (3) Assessment of reasonableness of trading cost
- (i) To acquire real estate from a related party, the Company shall assess the reasonableness of trading cost in the following methods:
 - A. The related party's trading price plus the necessary interest of funding and the cost to be borne by the buyer pursuant to laws and regulations. The term "necessary interest of funding" shall be calculated using the weighted average interest rate for borrowings in the year of which the company acquired the assets. However, the interest rate shall not be higher than the maximum borrowing rate for non-financial industry announced by the Ministry of Finance.
 - B. Total loan value appraised by the financial institution if the related party has been granted a mortgage loan on the subject matter from the financial institution, provided the accumulative loans from the financial institution exceed 70 percent of the total appraised loan value and the period of loan has been over one year. But this shall not apply where the financial institution and one of the trading parties are related parties mutually.
 - (ii) Where both land and buildings of the same subject matter are purchased, the Company may use one of the above methods to assess the trading cost of land and buildings separately.
 - (iii) To acquire real estate from a related party, the Company shall assess the cost of real estate in accordance with Subparagraphs 1 and 2 of Paragraph 3 of this Article and contact CPAs to review and express specific comments.
 - (iv) Regarding the Company's real estate acquisitions from related parties, if all values assessed in accordance with Subparagraphs 1 and 2 of Paragraph 3 of this Article are lower than the trading price, actions shall be taken in accordance with Subparagraphs 5 of Paragraph 3 of this Article. The rule does not apply to the following circumstances with objective evidences and professional real estate appraisers' and CPAs' concrete opinions on reasonableness provided.
 - A. Where the related party acquired bare land or leased land for construction, the Company may submit evidences of compliance with one of the following conditions:
 - a. With the bare land assessed in an aforementioned method and the buildings assessed on the basis of the related party's construction cost plus reasonable construction profit, the total assessed amount exceeds the actual trading price. The term "reasonable construction profit" refers to profits calculated based on the 3-year average gross profit margin of the

related party's construction department or the latest gross profit margin of the construction industry announced by Ministry of Finance, whichever is lower.

- b. Transactions completed by non-related parties within one year involving other floors of the same subject matter or in the neighborhood area with similar land area and equivalent trading terms, after taking into account the reasonable price difference in floor or location according to standard real estate market practices.
 - c. Transactions completed by non-related parties within one year involving leasing of other floors of the same subject matter with equivalent trading terms after taking into account the reasonable price difference in floor according to standard real estate leasing practices.
- B. The Company provides evidence that the real estate purchased from a related party has trading terms equivalent to real estate transactions by non-related parties within one year of items with similar land areas in the neighborhood. The said cases transacted "in the neighborhood" basically refers to those in the same or neighbored street within 500 meters from the subject matter of trading or with similar publicly announced current values. The said "with similar land areas" basically means the land areas of cases transacted by non-related parties is no less than 50% of the subject matter of trading. The said "within one year" means one year calculated retrospectively from the transaction date, which is considered as the base date.
- (v) Regarding the Company's real estate acquisitions from related parties, if all of the results assessed in accordance with Subparagraphs 1 and 2 of Paragraph 3 of this Article are lower than the trading price, the following matters shall be carried out:
- A. In respect of the difference between the trading price and the assessed cost of the real estate, the Company shall recognize a special reserve in accordance with Paragraph 1 of Article 41 of the Act. It shall not be distributed or used for capital increase and issuance of bonus share. If an investor, who accounts for its investment in another company under equity method, is a publicly listed company, the special reserve pursuant to Paragraph 1 of Article 41 of the Act shall be recognized in proportion to the shareholding percentage of the investor in the investee company.
 - B. Supervisors shall comply with Article 218 of the Company Act.
 - C. Actions taken pursuant to Subparagraphs 1 and 2 shall be reported to the shareholders' meeting and the trading details shall be disclosed in the annual report and prospectus.
- The publicly listed company which recognizes a special reserve in accordance with the preceding paragraph may use such reserve upon approvals from competent securities authority and after assets purchased at a premium had recognized losses from decline of market value or been disposed of; compensated appropriately; or restored to original status, or there are other evidences indicating the transaction is not unreasonable.
- (vi) Regarding the Company's acquisition of real estate from related parties, if any of the following exists, actions shall be taken in accordance with the provisions related to assessment and operation procedures in Paragraphs 1 and 2 of this Article. The provisions related to assessment of reasonableness of trading cost in Subparagraphs 1, 2 and 3 of Paragraphs 3 of this Article are not applicable.
- A. The related party acquired real estate by inheritance or gift.
 - B. It is more than five years from the time the related party signed the acquisition contract of real estate to the date of this trading.
 - C. The Company acquired real estate by signing a joint construction contract with the related party.
- (vii) Regarding the Company's acquisition of real estate from related parties, if there

are other evidences showing non-compliance of business practices, actions shall be taken in accordance with Subparagraph 5 of Paragraph 3 of this Article.

Article 10: Procedures for acquisition or disposal of membership certificates or intangible assets

(1) Assessment and operation procedures

The acquisition or disposal of the Company's membership certificates or intangible assets shall be conducted in accordance with the real estate, plants and equipment cycle procedures under the Company's internal control system.

(2) Determination of trading terms and authorization limit

A. Regarding the acquisition or disposal of membership certificates, the Company shall refer to the fair value of the market in determining the trading terms and trading price and submit an analysis report to the General Manager. Amounts below 1 percent of the paid-in capital or NT\$ 3,000,000 shall be submitted to the General Manager for approval and reported afterwards in the latest Board of Directors' meeting. Amounts exceed NT\$ 3,000,000 must be passed by the Board of Directors.

B. Regarding the acquisition or disposal of intangible assets, the Company shall refer to expert assessment reports or the fair value of the market in determining the trading terms and trading price and submit an analysis report to the Chairperson. Amounts below 10 percent of the paid-in capital or NT\$ 20,000,000 shall be submitted to the Chairperson for approval and reported afterwards in the latest Board of Directors' meeting. Amounts exceed NT\$ 20,000,000 must be passed by the Board of Directors.

C. Regarding the Company's acquisition or disposal of assets which shall be passed by the Board of Directors according to the procedures stipulated herein or other laws, if any director expresses objections on the recorded or in writing, the Company shall submit such director's objection to each Supervisor. In addition, when the Company reports the trading of asset acquisition or disposal to the Board of Directors pursuant to regulations, the Company shall fully consider each independent director's opinions and include his/her comments and reasons for consent or objection in the meeting minutes.

(3) Implementation departments

After approval from the approving authority pursuant to the above paragraphs, the Company's acquisition or disposal of membership certificates or intangible assets shall be implemented by the user departments and the finance department or the management department.

(4) Expert assessment reports for membership certificates or intangible assets

(i) Where the trading amount of the Company's acquisition or disposal of membership certificates exceeds 1 percent of the paid-in capital or NT\$ 3,000,000, the Company shall ask an expert to produce an appraisal report.

(ii) Where the trading amount of the Company's acquisition or disposal of intangible assets exceeds 10 percent of the paid-in capital or NT\$ 20,000,000, the Company shall ask an expert to produce an appraisal report.

(iii) Where the trading amount of the Company's acquisition or disposal of certificates or intangible assets exceeds 20 percent of the Company's paid-in capital or NT\$ 300,000,000, the Company shall contact CPAs to express an opinion on the reasonableness of the trading price before the day of occurrence. The CPAs shall take actions in accordance with Auditing Standards No. 20 published by Accounting Research and Development Foundation.

Article 10-1: The calculation of trading amount in Articles 7, 8 and 10 of the Procedures shall be conducted in accordance with Paragraph 1 of Article 14. The said "within one year" means one year calculated retrospectively from the date of trading, which is considered as the base date. The part for which the Company has obtained appraisal reports produced by professional appraisers or CPA's opinions in accordance with the Procedures shall not be included.

Article 11: Procedures for acquisition or disposal of financial institutions' claims

In principle, the Company does not engage in the acquisition or disposal of financial institutions' claims. In the future, if the Company intends to engage in such matters, the Company will submit the proposal to the Board of Directors for approval before stipulating its assessment and operation procedures.

Article 12: Procedures for acquisition or disposal of financial derivative instruments

(1) Trading principles and guidelines

(i) Types of trading

A. The financial derivative instruments in which the Company engages refer to trading contracts where the value is derived from commodities such as assets, interest rates, foreign exchange rates, indexes or other interests (for instance, forward, option, futures, interest rates, foreign exchange rates and swap contracts and hybrid contracts consisting of the above commodities)

B. Regarding bond margin trading, the provisions hereof shall also apply mutatis mutandis. The provisions hereof may not apply to engagement in bond repurchase trading.

(ii) Operating (hedging) strategies

The trading of financial derivative instruments engaged by the Company shall be for hedging purposes. The Company shall mainly choose to use trading commodities which hedge risks arising from its operations. The foreign currencies held must be consistent with the demand of foreign currencies resulting from the import and export transactions of the Company. It is mainly for squaring off the Company's overall internal positions (refers to the inflows and outflows of foreign currency) so as to reduce the Company's overall foreign exchange risks and the cost of exchange trading. Other trading for specific purposes must be subject to thorough evaluation and shall be approved by the Board of Directors before implementation.

(iii) Division of responsibilities

A. Finance department

a. Trading staff

i. Responsible for establishing the Company's trading strategies of financial derivative instrument.

ii. Every two weeks, the trading staff shall calculate exposures, collect market information, conduct trend analysis and risk assessment and establish trading strategies which will be the basis for trading after being approved by the approval authority.

iii. Execute transactions as per authorization limit and the established strategies.

iv. When there are significant changes in the financial markets and the trading staffs deem the established strategies inapplicable, they can submit an evaluation report at any time and reformulate strategies. After approval of the General Manager, it will be the basis for trading.

b. Accounting staff

i. Confirmation of transaction execution.

ii. Review whether trading is conducted as per authorization limit and the established strategies.

iii. Conduct evaluation monthly and present the evaluation report to the General Manager.

iv. Accounting bookkeeping.

v. Make filing and public announcements in accordance with regulations of the competent securities authority.

c. Settlement staff: Implement settlement tasks.

d. Approval authority of financial derivative instruments:

- i. Hedge trading - approval authority of preorder/presale forward exchange rates contracts

Approval authority	Authorization limit for daily trading	Authorization limit for trading of accumulative net positions
Chief finance/accounting executive	Below US\$ 1.5M	Below (incl.) US\$ 4.5M
General manger	US\$ 1.5M-6M (Incl.)	Below (incl.) US\$ 15M
Chairperson	Over US\$ 6M	Below (incl.) US\$ 30M

- ii. Hedging trading - approval authority of non-preorder/presale forward exchange rates contracts

Approval authority	Authorization limit for daily trading	Authorization limit for trading of accumulative net positions
Chief finance/accounting executive	Below US\$ 0.5M	Below (incl.) US\$ 1.5M
General manager	US\$ 0.5M-2M (incl.)	Below (incl.) US\$ 5M
Chairperson	Over US\$ 2M	Below (incl.) US\$ 10M

- iii. Other trading for specific purposes shall be approved by the Board of Directors before implementation.

- iv. Regarding the Company's acquisition or disposal of assets which shall be passed by the Board of Directors according to the procedures stipulated herein or other laws, if any director expresses objections on the recorded or in writing, the Company shall submit such director's objection to each supervisor. In addition, when the Company reports the trading of asset acquisition or disposal to the Board of Directors, the Company shall fully consider each independent director's opinions and include his/her comments and reasons for consent or objection in the meeting minutes.

B. Audit department

Audit Department is responsible for understanding the adequacy of internal control over trading of financial derivative instruments and auditing the trading department's compliance with operation procedures. It should analyze the trading cycle in order to prepare audit reports and report to the supervisors and the Board of Directors when significant negligence occurs.

C. Performance evaluation

a. Hedge trading

- i. The profit/loss arising from the difference between the cost of exchange rate and the trading of financial derivative instruments is used as a basis for performance evaluation.
- ii. To fully control and express the evaluation risk of trading, the Company adopts the monthly evaluation method to evaluate profit/loss.
- iii. The finance department shall provide evaluation of foreign exchange position and foreign exchange market trends together with market analysis to the General Manager as reference and guidance for management.

b. Trading for specific purposes

The actual profit/loss incurred is used as a basis for performance evaluation, and the accounting staff shall prepare position reports regularly as a reference for management.

D. Total contract amount and the upper limit for loss

a. Total contract amount

- i. Hedge trading

The finance department shall understand the Company's overall positions when hedging for trading risks. The amount of hedge trading is capped at two-thirds of the Company's net positions of foreign currency assets (such as accounts receivable and bank deposits) less liabilities as of the end of previous month.
 - ii. Trading for specific purposes

The Finance Division shall formulate strategies based on the market forecasts and the strategies can only be carried out upon approvals from the General Manager and the Chairperson. The total contract amount of the Company's trading for specific purposes is capped at US\$ 10,000,000.
 - b. Upper limit for loss
 - i. Loss is capped at 10 percent of the overall trading amount.
 - ii. The loss of individual contract is capped at 10 percent of the contract.
 - iii. If it is a contract of specific purposes, the loss of individual contract is capped at US\$ 50,000 or 10 percent of the trading amount, whichever is lower.
 - iv. The Company's annual loss on trading for specific purposes is capped at US\$ 300,000.
- (2) Risk management measures
 - (i) Credit risk management:
 - A. As market fluctuates by various factors, trading of financial derivative instruments is easily exposed to risks. Therefore, market risk management shall be conducted in accordance with the following principles:
 - B. Trading counterparty: Mainly the well-known domestic and foreign financial institutions.
 - C. Trading commodity: Commodities provided by well-known domestic and foreign financial institutions only.
 - D. Trading amount: The outstanding amount of the same trading counterparty shall not exceed 10 percent of the total amount authorized unless approved by the General Manager.
 - (ii) Market risk management:

Transactions are conducted mainly in public foreign exchange markets provided by banks; futures markets are not taken into consideration for now.
 - (iii) Liquidity risk management:

To ensure market liquidity, financial derivative instruments with higher liquidity (i.e., readily available on market for trading) are chosen in principle. The financial institutions entrusted with trading must have sufficient information and the ability to readily conduct trading at any market.
 - (iv) Cash flow risk management

To ensure the stability of working capital, the trading of financial derivative instruments are limited to the Company's equity funds and the trading amount shall take into account the capital needs forecasted by the cash in and outflows for the next three months.
 - (v) Operational risk management
 - A. The Company's authorization limit and operation procedures shall be followed thoroughly and incorporated into internal audit to avoid operational risks.
 - B. The staff engaged in trading of financial derivative instruments and the staff engaged in confirmation and settlement shall segregate their duties.
 - C. The staff involved in risk evaluation, supervision and control and the staff in the preceding paragraph shall belong to different departments, and shall report to the Board of Directors or to top executives who do not assume the

decision-making responsibilities for trading or position.

D. Positions held in the trading of financial derivative instruments shall be assessed at least once a week. However, the hedge trading required in business shall be assessed at least twice a month. The assessment report shall be presented to the top executives authorized by the Board of Directors.

(vi) Commodity risk management

The internal staff shall have complete and correct professional knowledge in financial derivative instruments and demand banks to fully disclose risks involved to avoid the risk of misusing the instruments.

(vii) Legal risk management:

Documents to be signed with financial institutions shall be reviewed by specialists in foreign exchange and legal affairs or legal consultancy before they are officially signed so as to avoid legal risks.

(3) Internal audit system

(i) The internal auditors shall regularly review the adequacy of internal control on the trading of financial derivative instruments. They shall monthly audit the trading department's compliance with relevant procedures and analyze the trading cycle to prepare audit reports. If significant violation is found, they shall notify the supervisors in writing.

(ii) The internal auditors shall, by the end of February of next year, declare the audit reports together with the annual internal audit results to the Securities and Futures Institute. Improvements on abnormal items shall be filed to the same institute by the end of May the latest.

(4) Methods for regular assessment

(i) The Board of Directors shall authorize top executives to regularly supervise and assess whether derivatives trading complies with the trading procedures stipulated by the Company and whether the risks undertaken are acceptable. When the assessment report on market price indicates an abnormal situation (such as when the positions held exceed the upper limit for loss), it shall be reported to the Board of Directors immediately and countermeasures shall be taken.

(ii) Positions held in the trading of financial derivative instruments shall be assessed at least once a week. The hedge trading required in business shall be assessed at least twice a month. The assessment report shall be presented to the top executives authorized by the Board of Directors.

(5) Supervision and management principles of the Board of Directors when engaging in the trading of financial derivative instruments

(i) The Board of Directors shall designate top executives to constantly monitor the supervision and control of risks of financial derivative instruments trading. The management principles are as follows:

A. Regularly assess whether the risk management measures currently in use are adequate and proceeded in accordance with the procedures for trading of financial derivative instruments stipulated by the Company.

B. Monitor trading and profit/loss. When an abnormal event is identified, countermeasures shall be taken and the Board of Directors shall be notified immediately. If the Company has independent directors, they shall attend the Board of Directors' meeting and express opinions.

(ii) Regularly assess whether the performance of financial derivative instruments trading meets the established management strategies and whether the risks undertaken are acceptable.

(iii) When the Company engages in the trading of financial derivative instruments, matters delegated to related staff according to relevant procedures shall be reported afterwards to the Board of Directors.

(iv) When engaged in the trading of financial derivative instruments, the Company shall establish a memorandum book to record details on transaction type and

amount, resolution date of the Board of Directors and matters which shall be carefully assessed according to Subparagraph 2 of Paragraph 4 and Subparagraphs 1 and 2 of Paragraph 5 of this Article.

Article 13: Procedures for merger, spin off, acquisition or transfer of shares

(1) Assessment and operation procedures

- (i) For mergers, spin off, acquisitions or transfer of shares, the Company shall appoint lawyers, CPAs and underwriters to jointly propose a schedule for legal procedures and organize a task force to implement in accordance with legal procedures. Before convening the Board of Directors' meeting for resolution, the Company shall appoint CPAs, lawyers or underwriters to express their opinions regarding the reasonableness of stock conversion ratio, acquisition price or cash or other assets allotted to shareholders.
- (ii) Regarding the important terms in the contracts and relevant matters of the merger, spin off or acquisition, the Company shall compile an open report to shareholders before the shareholders' meeting. This together with the expert opinions referred to in Subparagraph 1 of Paragraph 1 of this Article and the shareholders' meeting notice shall be delivered to shareholders as reference materials in deciding whether to approve the merger, spin off or acquisition. The rule does not apply where under other laws and regulations it is not required to convene the shareholders' meeting for resolution on merge, spin off or acquisition. In addition, if any of the companies participated in the merger, spin off or acquisition is unable to convene the meeting, make a resolution or have the motion passed by the shareholders' meeting due to lack of a quorum, insufficient voting rights or other legal restrictions, the companies shall immediately and publicly explain the causes, subsequent procedures and the scheduled date to convene the shareholders' meeting.

(2) Other matters to be noted

- (i) The date of the Board of Directors' meeting: Unless otherwise stipulated by other laws or where there are special circumstances that have already been reported and approved by the competent securities authority, companies participating in the merger, spin off or acquisition shall convene the Board of Directors' meeting and shareholders' meeting on the same day to resolve matters related to the merger, spin off or acquisition. Unless otherwise stipulated by other laws or where there are special circumstances that have already been reported and approved by the competent securities authority, companies participating in the transfer of shares shall convene the Board of Directors' meeting on the same day.
- (ii) The signing of prior confidentiality agreement: All personnel who participate in or are aware of the merger, spin off, acquisition or transfer of shares of the company shall sign the written confidentiality agreements. Before information become public, they shall neither disclose the project contents nor buy or sell, in their own or other people's names, the shares and other equity-type marketable securities of any of the companies associated with the merger, spin off, acquisition or transfer of shares.
- (iii) Guidelines for determining and changing the stock conversion ratio or acquisition price: Companies participating in the merger, spin off, acquisition or transfer of shares shall, before the Board of Directors' meetings of both parties, appoint CPAs, lawyers or underwriters to express their opinions regarding the reasonableness of stock conversion ratio, acquisition price or cash or other assets allotted to shareholders. Those opinions would be submitted to the shareholders' meeting. In principle, stock conversion ratio or acquisition price cannot be changed arbitrarily unless the conditions for change have been stipulated in the contract and publicly disclosed. Conditions for changing the stock conversion ratio or acquisition price are as follows:
 - A. Cash capital increase, issuance of convertible corporate bonds, bonus shares

- or issuance of corporate bonds with warrants, preferred shares with warrants, stock option certificates and other equity-type marketable securities.
- B. Actions that affect the Company's financial operations, such as disposal of the Company's major assets.
 - C. Occurrence of major disasters or significant technical changes that affect shareholders' rights and interests or share price of the Company.
 - D. Adjustment due to treasury stocks buyback pursuant to relevant laws and regulations by one of the companies participating in the merger, spin off, acquisition or transfer of shares.
 - E. Changes in the entities or the number of companies participating in the merger, spin off, acquisition or transfer of shares.
 - F. Other conditions that allow changes as stipulated in the contract and have been publicly disclosed.
- (iv) Matters to be included in the contract: In addition to compliance with Article 317-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act, the contract of the companies participating in the merger, spin off, acquisition or transfer of shares shall contain the following items:
- A. Handling of violations.
 - B. Guidelines on the handling of equity-type marketable securities already issued or treasury stocks already bought back by the company eliminated due to the merger or split.
 - C. The volume and handling principles of treasury stocks that may be legally bought back by a participating company after the record date for calculation of stock conversion ratio.
 - D. Methods to handle the changes in the main entities or in the number of participating companies.
 - E. Estimated implementation progress and completion date of the project.
 - F. Estimated date to legally convene the shareholders' meeting and other related procedures when the project fails to be completed as scheduled.
- (v) The change of numbers of companies participating in the merger, spin off, acquisition or transfer of shares: Once the project is publicly disclosed, if any of the companies participating in the merger, spin off, acquisition or transfer of shares intends to merge, spin off, acquire, or transfer shares with other companies, the procedures or legal actions which have been completed in the original project shall be repeated by all participating companies. Where there is a decrease in the number of participating companies and the shareholders' meeting has resolved and delegated the authorization for changes to the Board of Directors, the participating companies are not required to convene the shareholders' meeting for resolution again.
- (vi) The Company shall sign an agreement with non-publicly listed companies participating in the merger, spin off, acquisition or transfer of shares and take actions in accordance with Subparagraph 1, "The date of the Board of Directors' meeting"; Subparagraph 2, "The signing of prior confidentiality agreement"; and Subparagraph 5, "the change of numbers of companies participating in the merger, spin off, acquisition or transfer of shares" of Paragraph 2 of this Article.
- (vii) Publicly-listed or OTC companies participating in the merger, spin off, acquisition or transfer of shares shall make a complete written record of the following information and retain it for five years.
- A. Basic information of the staff: including job titles, names and identification card number (or passport number for a foreigner) of all persons who participated in or implemented the merger, spin off, acquisition or share transfer of shares before the news is publicized.
 - B. Dates of important events: including the signing of the letter of intent or memorandum, the engagement of financial or legal consultants, the execution

of a contract, and the convening of the Board of Directors' meeting.

- C. Important documents and minutes: including the plans for merger, spin off, acquisition or transfer of share, letter of intent or memorandum, important contracts and Board of Directors' meeting minutes.

Publicly-listed or OTC companies participating in the merger, spin off, acquisition or transfer of shares shall declare the information referred to in Subparagraphs 1 and 2 of the preceding paragraph to the competent securities authority in the prescribed format and through Internet within two days from the day it is passed by resolution of the Board of Directors (the date of resolution being the first day).

The publicly-listed or OTC companies participating in the merger, spin off, acquisition or transfer of shares shall sign an agreement with non-listed or non-OTC companies in the project and actions shall be taken in accordance with Paragraphs 3 and 4.

Article 14: Procedures for public disclosure of information

(1) Items to be announced and declared and the standards for announcement and declaration

- (i) Acquisition or disposal of real estate from or to a related party or non-real estate assets from or to a related party with trading amount exceeds 20 percent of the Company's paid-in capital, 10 percent of the Company's total assets or NT\$ 300,000,000. This does not apply to the purchase or sale of government bonds or bonds with repurchase or resale agreements.
- (ii) Engagement in a merger, spin off, acquisition or transfer of shares.
- (iii) Engagement in the trading of financial derivative instruments with losses exceeding the upper limit for aggregate or individual contracts as stipulated in the procedures.
- (iv) Other than the three preceding subparagraphs, any trading of assets, disposals of financial institutions' claims or engagement in investment in China with trading amount exceeding 20 percent of the Company's paid-in capital or NT\$ 300,000,000. The following situations are exceptions:
 - A. Purchase or sale of government bonds.
 - B. If the Company specializes in investment, the purchase or sale of marketable securities in domestic or overseas securities exchanges or OTC markets.
 - C. Purchase or sale of bonds with repurchase or resale agreements.
 - D. Acquisition or disposal of assets classified as operating machines and equipment from or to a non-related party with trading amount less than NT\$ 500,000,000.
 - E. For companies in the construction business, the real estate acquired or disposed of for construction use from or to a non-related party with trading amount less than NT\$ 500,000,000.
 - F. Real estate acquired by means of contracting others to construct on the Company's own land, contracting others to construct on rented land, distributing housing units in a joint construction project, distributing profit in a joint construction project or selling of housing units separately in a joint construction project with expected investment less than NT\$ 500,000,000.
- (v) The trading amount in the preceding Subparagraph 4 shall be calculated in the following methods. In addition, the said "within one year" means one year calculated retrospectively from the trading date, which is considered as the base date. The part which has been publicly announced in accordance with requirements shall not be included.
 - A. Every transaction amount.
 - B. The accumulative amount of acquisition or disposal of subject matters of the same category from the same counterparty within one year.
 - C. The accumulative amount of acquisition or disposal of real estate of the same development project within one year (the acquisition and disposal amounts

shall be accumulated separately).

D. The accumulative amount of acquisition or disposal of the same securities within one year (the acquisition and disposal amounts shall be accumulated separately).

(2) Deadline for public announcement and declaration

If the Company's acquisition or disposal of assets meets criteria in Paragraph 1 of this article, "Items to be announced and declared", and the trading amount meets the criteria for public announcement and declaration, the Company shall announce and declare it within two days from the date of the occurrence (the date of occurrence being the first day).

(3) Procedures for public announcement and declaration

(i) The Company shall announce and declare related information on the website designated by the competent securities authority.

(ii) The Company shall update the status of derivative trading of the Company and its non-domestic subsidiaries as of the end of previous month in the prescribed format at the information declaration website designated by the competent securities authority by the tenth of each month.

(iii) If the Company has to amend errors or omissions in items announced, the Company shall announce and declare all items again.

(iv) Regarding the Company's acquisition or disposal of assets, the Company shall keep related contracts, minutes, memorandum books, appraisal reports and opinions of CPAs, lawyers or securities underwriters available at its office. Unless otherwise provided in other laws, these documents shall be retained for five years at least.

(v) After the Company announces and declares trading in accordance with the preceding Article, the Company shall, under any of the following circumstances, announce and declare related information on the website designated by the competent securities authority within two days from the date of the occurrence.

A. The contract signed in relation to the original trading is changed, terminated or cancelled.

B. The merger, spin off, acquisition or transfer of shares fails to be completed as scheduled.

C. The original announcement and declaration have been changed.

Article 15: The Company's subsidiaries shall take actions in accordance with the following provisions:

(1) The subsidiary shall also establish the "Procedures for Acquisition or Disposal of Assets" in accordance with the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies". After being approved by the Board of Directors of the subsidiary, it shall be reported to the shareholders' meeting of the subsidiary. The same applies to amendments.

(2) Acquisition or disposal of assets by subsidiaries shall be in compliance with "Procedures for Acquisition or Disposal of Assets".

(3) Where the subsidiary is a non-publicly listed company and its asset acquisition or disposal meets the standards for announcement and declaration as stipulated in Article 30 of "Regulations Governing the Acquisition or Disposal of Assets by Public Companies", the Company shall make public announcement and declaration on behalf of the subsidiary.

(4) In the subsidiary's standards for the announcement and declaration, the said "over 20 percent of the company's paid-in capital or 10 percent of the company's total assets" is based on the paid-in capital or total assets of the parent company (the Company).

Article 16: Penalties

Any employee of the Company who undertakes asset acquisitions and disposals and violates these procedures shall be penalized depending on the severity of the case in accordance with the Rules of Rewards and Punishments for employees.

Article 17: Implementation and amendment

Once the Company's "Procedures for Acquisition or Disposal of Assets" is approved by the Board of Directors, it shall be submitted to the Supervisors and proposed to the shareholders' meeting for approval. The same applies to amendments. If any director expresses objections on the recorded or in writing, the Company shall submit such director's objection to the Supervisors. When the Company reports the Procedures to the Board of Directors, it shall fully consider each independent director's opinions and include his/her comments and reasons for consent or objection in the meeting minutes.

Article 18: Additional provisions

Any other matter not set forth in the Procedures shall be handled in accordance with related laws and regulations.

The Procedures was established on April 15, 2000.

The first amendment was made on March 7, 2003.

The second amendment was made on May 9, 2007.

The third amendment was made on June 3, 2008.

The fourth amendment was made on June 18, 2010.

The fifth amendment was made on August 30, 2010.

The sixth amendment was made on June 9, 2011.

The seventh amendment was made on June 13, 2012.

The eighth amendment was made on June 17, 2013.

Appendix V Procedures for Endorsement and Guarantee (before amendment)

Taiflex Scientific Co., Ltd.

Procedures for Endorsement and Guarantee

- Article 1: The Procedures are established to protect the shareholders' rights, improve the financial management in providing endorsement and guarantee to outside parties and reduce the risks. Any other matters not set forth in the Procedures shall be dealt with in accordance with applicable laws, rules and regulations.
- Article 2: The scope, counterparty, amount, procedure, authorization, chop safekeeping, public announcement and filing procedures concerning the endorsement and guarantee of the Company shall be subject to the Procedures.
- Article 3: The scope and details of endorsement and guarantee are as follows:
- (1) Financing endorsement and guarantee:
 - (i) Endorsement/guarantee to customers' notes for cash financing with a discount;
 - (ii) Endorsement and guarantee for the financing need of another company;
 - (iii) Endorsement and guarantee to notes issued by the Company to non-financial institutions and entities for the financing need of the Company.
 - (2) Endorsement and guarantee of customs duties:
Endorsement or guarantee of customs duties for the Company or other companies
 - (3) Other endorsements and guarantees:
Endorsements and guarantees which cannot be classified into categories in the preceding paragraphs (including pledge or mortgage on assets and real estate which the Company provides for the loans of other companies)
- Article 4: The parties to whom the Company may provide endorsement and/or guarantee include the following:
- (1) The companies having business relationship with the Company
 - (2) The companies in which the Company directly or indirectly holds more than 50 percent of voting shares
 - (3) The companies which directly or indirectly hold more than 50 percent of voting shares of the Company
 - (4) The endorsement and guarantee can be provided among companies in which the Company directly or indirectly holds more than 90 percent of voting shares and the amount shall not exceed 10 percent of the Company's net worth. However, the restriction shall not apply to the endorsement and guarantee among companies in which the Company directly or indirectly holds 100 percent of voting shares.
- Article 5: Application for endorsement and guarantee shall not be accepted under the following conditions:
- (1) The amount of endorsement and guarantee made exceeds the prescribed limit.
 - (2) Applicants with records of default or debt disputes
 - (3) Beyond the guarantee scope approved by the Board of Directors
 - (4) Total capital less than 40 percent of total assets
 - (5) Others: When it deems inappropriate to provide endorsement and guarantee due to other objective factors
- The restriction shall not apply to companies where the Company directly or indirectly holds 100 percent of voting shares.
- Article 6: Amount limits of endorsement and guarantee
- (1) The total amount of endorsement and guarantee provided by the Company for other parties shall not exceed 50 percent of the Company's net worth in the latest financial statements. The amount of endorsement and guarantee provided by the Company for an individual entity shall not exceed 20 percent of the Company's net worth in the latest financial statement. However, the restriction shall not apply to companies in which the Company directly or indirectly holds 100 percent of voting shares. Notwithstanding the foregoing, the amount of endorsement and guarantee provided by the Company for the

company in which the Company directly or indirectly holds 100 percent of voting shares shall still be subject to the limitation of 50 percent of the Company's net worth in the latest financial statements as stated above.

- (2) The total amount of endorsement and guarantee provided by the Company and its subsidiaries for other parties shall not exceed 50 percent of the Company's net worth in the latest financial statements. The total amount of endorsement and guarantee provided by the Company and its subsidiaries for an individual entity shall not exceed 20 percent of the Company's net worth in the latest financial statements. However, the restriction shall not apply to endorsement and guarantee provided for companies in which the Company directly or indirectly holds 100 percent of voting shares. Notwithstanding the foregoing, the amount of endorsement and guarantee provided by Company and its subsidiaries for the company in which the Company directly or indirectly holds 100 percent of voting shares shall still be subject to the limitation of 50 percent of the Company's net worth in the latest financial statements as stated above. When the total amount of endorsement and guarantee provided by the Company and its subsidiaries exceeds 50 percent of the Company's net worth in the latest financial statements, the necessity and reasonableness for the excess portion shall be stated at the Company's shareholders' meeting.
- (3) In addition to the abovementioned restrictions, the individual endorsement and guarantee amount for the company having business relationship with the Company shall not exceed the transaction amount between both parties. The term "transaction amount" refers to purchase or sales amount of the goods between the parties, whichever is higher.
- (4) The term "net worth" refers to the equity attributable to the owners of parent company in the balance sheet in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- (5) The subsidiaries or parent company set forth in the Paragraphs (2) and (4) shall be recognized in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 7: When the amount of endorsement and guarantee provided by the Company due to business needs would exceed the limit stipulated in Article 6, it shall be approved by the Board of Directors and over half of all the directors should jointly endorse the potential loss that may be brought about by the excess of limits. The Board of Directors should also revise the Procedures and has it ratified at the shareholders' meeting. If the revised Procedures are not ratified at the shareholders' meeting, the Board of Directors should furnish a plan containing a timetable to withdraw the excess portion.

The opinions of each independent directors of the Company shall be fully taken into consideration during the discussion at the Board of Directors' meetings ("Board Meetings"). Their definite opinions on whether to approve and the reasons for disapproval shall be recorded in the minutes of the Board Meetings.

Article 8: If the party to whom the Company provided endorsement and guarantee pursuant to Article 4 later failed to meet the criteria in the article, or the amount of endorsement and guarantee exceeds the prescribed limit due to the changes of basis on which the amounts of limits are calculated, the amount of endorsement and guarantee for such party or the excess shall be eliminated upon the expiry of agreement or within the certain period specified in the improvement plan. The plan shall be delivered to all supervisors and proposed at the Board Meetings after the completion of improvement according to the planned schedule.

Article 9: Processing and examining procedures for endorsement and guarantee

- (1) Companies requiring endorsement and guarantee from the Company shall file a written application with the Company's Financial Department together with the basic information and financial data. The Financial Department shall conduct detailed assessment and credit investigation. The assessment items include the necessity and rationality of the endorsement and guarantee; whether the amount of endorsement and guarantee for the company having business relationship with the Company is

commensurate to their transaction amount; impact on the Company's operating risk, financial position and shareholders' equity, and the necessity to acquire collateral and appraisal of collateral.

- (2) The person-in-charge at the Financial Department of the Company shall collect and organize relevant information and assessment results referred to in the preceding paragraph. If the cumulated balance is less than 30 percent of the Company's net worth in the latest financial statements at the time, the endorsement and guarantee can be processed upon the Chairperson's approval and later be submitted to the latest Board Meeting for ratification. If the cumulated balance of endorsement and guarantee exceeds 30 percent of the Company's net worth in the latest financial statement at the time, the application shall be submitted to the Board of Directors for approval and executed in accordance with the resolution of the Board Meetings.
- (3) The Financial Department shall prepare an "endorsement and guarantee registration form" to record as reference the party and amount of endorsement and guarantee, resolution date of the Board Meeting or decision date of Chairperson, date of endorsement and guarantee, matters to be carefully assessed in accordance with the Procedures, collateral details and its appraised value, and conditions and dates of being released from the endorsement and guarantee responsibilities.
- (4) When the company endorsed and guaranteed repays the loan, the Company shall be notified of the repayment to release its endorsement and guarantee responsibility and update the endorsement and guarantee registration form accordingly.
- (5) The Financial Department shall conduct regular assessment and recognize the contingent loss arising from the endorsement and guarantee. Information of endorsement and guarantee shall be properly disclosed in the financial reports and provided to the certified public accountants ("CPAs") for conducting due auditing and issuing audit reports.
- (6) If the party for which the Company or its subsidiary provides endorsement and guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, in addition to conducting the procedures in accordance with the Subparagraphs (1) to (5) of this Article, the Financial Department of the Company shall follow up to check on the financial condition, business activities and credit status of the endorsed and guaranteed party and produce a written report monthly. If a significant change occurs, the Chairperson shall be notified immediately to provide instructions for proper treatment.

If the shares of the subsidiary have no par value or the par value per share is not NT\$ 10, the paid-in capital calculated pursuant to Subparagraph (6) of this Article shall be the sum of capital plus "capital surplus – additional paid-in capital".

- Article 10:
- (1) The endorsement and guarantee among the companies having business relationship with the Company shall be approved by the Board of Directors before proceeding.
 - (2) The Company has delegated the Chairperson to approve the endorsement and guarantee for the subsidiary in which the Company directly or indirectly holds 100 percent of voting shares and the cumulated amount of endorsement and guarantee is below 30 percent of the Company's net worth in the latest financial statements. The matter shall later be reported to the upcoming Board Meeting for ratification.
 - (3) Before proceeding, the endorsement and guarantee among subsidiaries in which the Company directly or indirectly holds more than 90 percent of voting shares shall be resolved at the Board Meetings. However, the Company has delegated the Chairperson to approve the endorsement and guarantee among subsidiaries in which the Company directly or indirectly holds 100 percent of voting shares and the cumulated amount of endorsement and guarantee is below 30 percent of the Company's net worth in the latest financial statements. The matter shall later be reported to the upcoming Board Meeting for ratification.
 - (4) When the Company provides endorsement and guarantee for other parties, the opinions of each independent director shall be fully taken into consideration. Their definite

opinions on whether to approve and the reasons for disapproval shall be recorded in the minutes of the Board Meetings.

Article 11: Chops safekeeping:

- (1) The chops of the Company and its legal representative registered at the Ministry of Economic Affairs shall be the official chops for endorsement and guarantee. They shall be kept separately by the Chairperson or the designated person approved by the Board of Directors. Application for chops shall be handled in accordance with the Procedures for Administering the Chops.
- (2) Chops for issuing notes shall be kept by the authorized person.
- (3) Blank notes shall be kept by the cashier.
- (4) When the Company provides endorsement and guarantee for a foreign company, the letter of endorsement and guarantee shall be executed by the person delegated by the Board of Directors.

Article 12: Deadline and contents for public announcement and filing:

- (1) The Company shall input the endorsement and guarantee balance of the Company and its subsidiaries as of the end of previous month in Market Observation Post System by the tenth day of every month.
- (2) If the endorsement and guarantee balance of the Company meets one of the following criteria, the Company shall input the balance in Market Observation Post System within two days from the date of occurrence (the date of occurrence being the first day):
 - (i) The endorsement and guarantee balance of the Company and its subsidiaries exceeds 50 percent of the net worth of the Company in the latest financial statement.
 - (ii) The endorsement and guarantee balance of the Company and its subsidiaries for a single enterprise exceeds 20 percent of the net worth of the Company in the latest financial statement.
 - (iii) The endorsement and guarantee balance of the Company and its subsidiaries for a single enterprise exceeds NT\$10,000,000, and the sum of endorsement and guarantee, long-term investment and fund lending balance in the company exceed 30 percent of the net worth of the Company in the latest financial statement.
 - (iv) The incremental endorsement and guarantee amount of the Company or its subsidiaries exceeds NT\$30,000,000 and 5 percent of the net worth of the Company in the latest financial statement.

The date of occurrence specified in the Procedures refers to the contracting date, payment date, resolution date of the Board of Directors, or other dates on which the transaction party and transaction amount can be ascertained, whichever is earlier.

- (3) Provided that the subsidiaries of the Company are not listed in the domestic market, the Company shall announce and file the matters specified in Subparagraph 4 of the preceding paragraph in Market Observation Post System on behalf of the subsidiaries.
- (4) The Company shall assess or recognize the contingent loss arising from the endorsement and guarantee and properly disclose the relevant information in the financial report. The relevant information shall be provided to the CPAs to execute necessary auditing procedures.

Article 13: The internal auditor of the Company shall perform auditing on the procedures for the endorsement and guarantee and the execution status at least quarterly and produce written auditing reports. Should there be any violation found, all supervisors shall be immediately notified in writing.

Article 14: Control procedures for the endorsement and guarantee for the subsidiaries

- (1) The auditor of the Company shall verify if the subsidiaries provide endorsement and guarantee to other parties and if the assessments and executions are in accordance with the relevant operational guidelines while performing auditing in subsidiaries according to the annual auditing plan. The auditor shall follow up and submit status reports to the General Manager.

Article 15: (Deleted)

Article 16: Penalty

The managers and persons-in-charge who violate the Procedures shall be penalized based on the severity of violation in accordance with the Company's Rules of Rewards and Punishments for employees.

Article 17: Implementation and amendment

The Procedures shall be approved by the Board of Directors before sending to all supervisors and be proposed at the shareholders' meeting for approval. If any director expresses objection on the record or in writing, the Company shall submit the objection to all supervisors and propose at the shareholders' meeting for discussion. The same applies to any amendment made to this Procedure.

When the Procedures are submitted at the Board Meetings for discussion in accordance with the abovementioned rules, if the Company has independent directors, their opinions shall be fully taken into consideration by the Company. Their definite opinions on whether to approve and the reasons for disapproval shall be recorded in the minutes of the Board Meetings.

Article 18: The Procedures took effect on April 15, 2000 after being approved by the shareholders' meeting.

The first amendment was made on May 26, 2003.

The second amendment was made on June 8, 2006.

The third amendment was made on May 9, 2007.

The fourth amendment was made on June 16, 2009.

The fifth amendment was made on June 18, 2010.

The sixth amendment was made on June 17, 2013.

The seventh amendment was made on June 24, 2014.

The eighth amendment was made on May 27, 2016.

Appendix VI Procedures for Lending Funds to Other Parties (before amendment)

Taiflex Scientific Co., Ltd.

Procedures for Lending Funds to Other Parties

Article 1: Purpose

The Company shall follow the Procedures for lending funds to other companies (hereinafter referred to as the “Borrowers”) due to business needs. Any other matters not set forth in the Procedures shall be dealt with in accordance with applicable laws, rules, and regulations.

Article 2: The party to whom the Company may lend its funds

According to the provisions of the Company Act, the Company is not allowed to lend its funds to the shareholders or any other parties with the exception of the following conditions:

- (1) Companies or firms having business relationship with the Company.
- (2) Companies or firms requiring short-term financing from the Company. The lending amount shall not exceed 40 percent of the Company’s net worth. The aforementioned “short-term” means one year or a business operating cycle, whichever is longer, as interpreted in the letter of the Ministry of Economic Affairs.

The lending amount referred to in the Subparagraph (2) of Paragraph 1 is the accumulated balance of short-term financing funds of the Company.

The provision of Subparagraph (2) of Paragraph 1 is not applicable to financing between offshore companies whose voting shares are 100 percent held, directly or indirectly, by the Company. However, the amount limits and durations of lending shall be stipulated in the internal operating procedures pursuant to the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” issued by Securities and Futures Bureau, Financial Supervisory Commission, R.O.C.

Article 3: Reason and necessity for financing other parties

- (1) The financings between the Company and other companies or firms due to business relationship shall be in conformity with Paragraph 2 of Article 4. The aforementioned “business relationship” refers to parties with purchase or sales transactions with the Company.
- (2) Lending for short-term financing purpose is limited to any one of the following circumstances:
 - (i) The company, whose shares are 20 percent or more held by the Company, requires short-term financing due to business needs.
 - (ii) Other Borrowers approved by the Board of Directors of the Company.

Article 4: Total lending amount and credit limit of individual party

- (1) Total lending amount of the Company shall not exceed 40 percent of the Company’s net worth.
- (2) Total lending amount to firms or companies having business relationship with the Company shall not exceed 20 percent of the Company’s net worth. The lending amount to a single firm or company having business relationship with the Company is limited to the transaction amount between both parties. The transaction amount means the sales or purchasing amount between the parties, whichever is higher, and shall not exceed 10 percent of the Company’s net worth. Notwithstanding the foregoing, the lending amount to a single enterprise, whose voting shares are 100% held, directly or indirectly, by the Company, shall not exceed 20% of the Company’s net worth.
- (3) Total lending amount to firms or companies requiring short-term financing shall not exceed 40 percent of the Company’s net worth. The lending amount to a single enterprise requiring short-term financing shall not exceed 20 percent of the Company’s net worth.

The term “net worth” means the equity attributable to the owner of parent company in the balance sheet in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 5: Operating and review procedures for financing others

- (1) Application procedures

- (i) The Borrower shall provide basic information and financial data, together with a description of the purpose, duration and amount of the loan, and apply for credit from the Financial Department of the Company in writing.
 - (ii) Where financing is provided due to business relationship, the reviewer in the Financial Department of the Company shall evaluate if the lending amount is commensurate to the transaction amount. Where short-term financing is required, the reasons and circumstances for financing shall be listed and credit investigation shall be conducted. Relevant information and lending conditions shall be presented to the Director of the Financial Department and General Manager before submitted to the Board of Directors for a resolution. The authorization for approval cannot be delegated to other persons.
 - (iii) Financing between the Company and offshore company whose voting shares are 100 percent held, directly or indirectly, by the Company or between offshore companies whose voting shares are 100 percent held, directly or indirectly, by the Company, shall be submitted to the board of directors of the lending company for a resolution in accordance with Subparagraph (ii) of Paragraph 1 of this Article. Chairperson of the lending company may be authorized to finance a specific borrowing party, within a certain monetary amount resolved by the board and within a period not exceeding one year to provide loans in installments or to make a revolving credit line available for the Borrower to draw down. In addition, the financing status shall be approved by the latest board of directors' meeting.
 - (iv) "Certain monetary amount" mentioned in Subparagraph (iii) of Paragraph 1 of this Article shall be in conformity with Paragraph 3 of Article 2. In addition, the authorized lending amount to an individual enterprise by the Company or offshore company whose voting shares are 100 percent held, directly or indirectly, by the Company, shall not exceed 10 percent of the lending company's net worth, as stated on its latest financial statements.
 - (v) When the Company finances other parties, the opinions of each independent director shall be taken into full consideration. The definite opinions of each independent director on whether to approve the loan and the reasons for disapproval shall be recorded in the meeting minutes of the Board of Directors.
 - (vi) "Subsidiary" referred to in the Procedures shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- (2) Credit investigations
- (i) First-time Borrowers shall provide basic information and financial data to facilitate the credit investigation.
 - (ii) For non first-time Borrowers, credit investigations shall be conducted when they file for loan extensions. In significant or urgent cases, credit investigations can be conducted on demand depending on the circumstances.
 - (iii) Provided that the Borrower is in good financial condition and the certified public accountant has audited the Borrower's annual financial statements, the investigation report of less than one year can be used, together with the certified public accountant's audited report with the same period, as the investigation report as reference materials for lending.
 - (iv) The Company shall assess the impact of fund lending on the operating risk, financial condition and shareholders' equity of the Company when conducting credit investigation on Borrowers.
- (3) Loan approval and notification
- (i) If the Board of Directors approves the loan after credit investigation and assessment, the Company's person-in-charge shall soon notify the Borrower in a letter detailing the loan terms, including the credit limit, duration, interest rate, collateral and guarantors, and request the Borrower to sign the loan agreement within the prescribed period. If the Board of Directors disapproves the loan, the Company's person-in-charge shall promptly inform Borrower the reason of the

rejection.

- (4) Contract signing and identity verification
 - (i) The loan agreement will be signed after the provisions drawn by the Company's person-in-charge are reviewed by supervisors and verified by legal advisers.
 - (ii) The provisions of the loan agreement shall conform to the approved loan terms and conditions. After the Borrower and joint guarantor affix their signatures and seals to the agreement, the Company's person-in-charge shall complete the verification procedures.
- (5) Collateral assessment and pledge creation

Regardless of the loan amount, secured promissory note of equivalent value shall be obtained. The Borrower shall provide collaterals and complete the pledging procedures if necessary. In addition, the Company shall assess the value of the collateral to ensure its rights. Instead of providing collaterals, if the Borrower has individuals or companies of equivalent financial ability and credit to guarantee Borrower's loan, the Board of Directors may resolve to use the credit report from the Financial Department as reference. In case that a company guarantees Borrower's loan, the articles of incorporation of the company shall be reviewed to see if provisions thereunder allows such guarantee to be provided. However, the aforementioned limitation does not apply to financing between companies, whose voting shares are 100% held, directly or indirectly, by the Company.
- (6) Insurance
 - (i) All collaterals, except for land and securities, shall be covered by fire insurance and relevant insurances. In principle, the insured amount shall not be lower than the value of the pledged collateral. The Company shall be named as the beneficiary in the insurance policy. The name, quantity, location, insurance terms and insurance endorsement of the objects specified in the insurance policy shall be consistent with the loan terms and conditions approved by the Company.
 - (ii) The Company's person-in-charge shall notify the Borrower to renew the insurance before it expires.
- (7) Appropriation

The fund shall be appropriated after the loan terms are approved, loan agreement signed and pledge registration completed by the Borrower, and all procedures have been verified without any mistake.

Article 6: Lending duration and interest calculation

- (1) The lending duration shall be less than one year in principle. For companies with operating cycle longer than one year, the duration would be based on the cycle.
- (2) The interest rate of financing shall not be lower than the highest interest rate of the Company's short-term borrowings from the financial institutions. Borrowers shall pay the interests arising from financing on a quarterly basis. Under special circumstances, payment schedule can be adjusted accordingly upon approval of the Board of Directors.

Article 7: Subsequent control on loan amount and procedures for overdue credit

- (1) Following loan appropriation, the Company shall frequently evaluate the financial, operating and related credit conditions of the Borrower and its guarantor. If collateral is provided, the Company shall be aware of the fluctuations in collateral's value. In case of significant changes, the Company shall notify the Chairperson immediately and take actions according to instructions of the Chairperson.
- (2) Interest should be calculated when the Borrower repays the loan upon or before its due date. Once the principal and interest of the loan are repaid, the Company shall cancel and return the promissory note to the Borrower or cancel the pledge.
- (3) The Borrower shall immediately repay the principal and interest when the loan is due. If the Borrower fails to repay the loan and requires an extension, the request for extension shall be submitted beforehand and approved by the Board of Directors. The extension on each loan shall be less than three months and one-time only. The lending duration of such a loan, including the extension, shall be less than one year or one operating cycle

as defined in Paragraph (1) of Article 6. In case of violation, the Company shall be entitled to impose penalties and take legal actions to recover the loan from the collateral provided or from the guarantor.

Article 8: Procedures for public announcement and filing

- (1) The Company shall input previous month's balance of lending of the Company and its subsidiaries in Market Observation Post System by the tenth day of every month.
- (2) If the fund lending meets one of the following criteria, the Company shall input the balance of lending in Market Observation Post System within two days from the date of occurrence (the date of occurrence being the first day):
 - (i) The Company and its subsidiaries' balance of lending exceeds 20 percent of the Company's net worth, as disclosed by the Company's latest financial statements.
 - (ii) The Company and its subsidiaries' balance of lending to a single enterprise exceeds 10 percent of the Company's net worth, as disclosed by the Company's latest financial statements.
 - (iii) The amount of incremental lending by the Company or its subsidiaries exceeds NT\$10,000,000 and 2 percent of the Company's net worth, as disclosed by the Company's latest financial statements.

The date of occurrence specified in the Procedures refers to the contracting date, payment date, resolution date of the Board of Directors or other dates on which the transaction party and amount can be ascertained, whichever is earlier.

- (3) Provided that the subsidiaries of the Company are not publicly listed companies in the domestic market, the Company shall announce and file the matters specified in the Subparagraph (iii) of the preceding paragraph on behalf of subsidiaries.
- (4) The Company shall assess the financing status, recognize appropriate allowance for bad debts, properly disclose relevant information in the financial reports and provide related data for the certified public accountants to execute the necessary audit procedures.

Article 9: Case registration and safekeeping

- (1) The Company shall establish a memorandum book containing the financing party, amount, date of resolution of the Board of Directors, date of fund appropriation, and matters to be carefully assessed in accordance with the Procedures.
- (2) Following loan appropriation, the Company's person-in-charge of the loan shall organize and put the debt certificates, such as deed and promissory note, collateral supporting document, insurance policy and correspondences into a bag for safekeeping. The contents and Borrower's name should be indicated on the bag. After being inspected by the supervisor of Financial Department, the bag shall be sealed, and the safekeeping log shall be signed or affixed by both parties.

Article 10: Guidelines for financing other parties:

- (1) The Company shall carefully assess if the fund lending complies with the Procedures and submit the assessment to the Board of Directors for resolution before financing other parties. The authorization for approval cannot be delegated to other persons.
- (2) The internal auditor of the Company shall at least quarterly audit the procedures for financing other parties and execution status and prepare written record accordingly. If material violation is found, the Company should submit relevant improvement plan to all supervisors. Improvement should be executed by schedule and reported to the Board of Directors upon completion.
- (3) When change of circumstances results in Borrower's failure to meet the criteria of the Procedures or lending balance exceeds the limit, the audit department of the Company shall urge the Financial Department to set a deadline to recover the exceeding amount and send the improvement plan to all supervisors.
- (4) The Company's person-in-charge shall prepare the details of fund lending of previous month by the fifth day of every month and submit it for review level-by-level.

Article 11: Control procedures for financing other parties by subsidiaries

- (1) The Company shall request the company, in which the Company directly or indirectly owns 100 percent of its voting shares, to set its Procedures for Lending Funds to Other

Parties when planning to lend funds to others. The procedures shall be implemented after being passed by resolution of its Board Meeting and/or Shareholders' Meeting.

- (2) A company, in which the Company directly or indirectly owns 100 percent of its voting shares, shall prepare credit reports and comments, stipulate lending terms, and obtain approvals from its Board when planning to lend funds to others.
- (3) A company, in which the Company directly or indirectly owns 100 percent of its voting shares, shall provide related documents periodically to the Company for audit purpose when lending funds to others.

Article 12: Penalty

The managers and persons-in-charge who violate the Procedures shall be penalized based on the severity of violation in accordance with the Rules of Rewards and Punishments for the Company's employees.

Article 13: Implementation and amendment

The Procedures come into force once they are approved by the board of directors, sent to all supervisors and adopted at the shareholders' meeting. If any director expresses objection on the record or in writing, the Company shall submit the objection to all supervisors and propose it at the shareholders' meeting for discussion. The same applies to any amendment made to the Procedures.

If the Company has independent directors, their opinions shall be fully considered while submitting the Procedures to the Board of Directors for discussion in accordance with the aforesaid regulations. The definite opinions on whether to approve the Procedures and the reasons for disapproval shall be recorded in the minutes of the Board of Directors.

Article 14: The Procedures come into force after adoption by the shareholders' meeting on April 15, 2000.

The first amendment was made on June 21, 2002.

The second amendment was made on March 7, 2003.

The third amendment was made on June 16, 2009.

The fourth amendment was made on June 18, 2010.

The fifth amendment was made on June 13, 2012.

The sixth amendment was made on June 17, 2013.

The seventh amendment was made on June 24, 2014.

The eighth amendment was made on May 27, 2016.

Appendix VII Shareholdings of All Directors and Supervisors

Taiflex Scientific Co., Ltd.

Details on Shareholdings of All Directors and Supervisors

1. The table below lists the shareholdings of all directors and supervisors on the register of shareholders as of the book closure date (March 28, 2017) for 2017 annual shareholders' meeting.
2. The Company has issued 208,445,192 shares. Pursuant to Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the percentage of issued shares held by all directors shall be at least 7.1961% and no less than 12,000,000 shares, while the percentage held by all supervisors shall be at least 0.7196% and no less than 1,200,000 shares.

Note: The Company has two independent directors. Pursuant to Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum number of shares to be held shall be 80% of amount stipulated in Paragraph 1 of Article 2.

Details on Shareholdings of All Directors and Supervisors on the Register of Shareholders as of the Book Closure Date

Title	Name	Shareholding
Chairperson Director	Qiao Mei Development Corporation Representative: Ta-Wen Sun Representative: Chun-Yen Chiang	14,963,729
Director	Jyh-Bing Chen	237,450
Director	Ching-Yi Chang	4,599,282
Director	Fu-Le Lin	370,249
Independent Director	Ming-Tung Kuo	0
Independent Director	Po-Hsun Chen	0
Shareholdings of directors		20,170,710
Supervisor	Chuan-Sheng Kao	1,085,866
Supervisor	Pai-Chun Wu	0
Supervisor	Fiu Ding Trust & Investment Co., Ltd. Representative: Jui-Chang Lin	1,020,000
Shareholdings of supervisors		2,105,866

The number of shares held by directors and supervisors are in compliance with percentages stipulated by laws and regulations.

Other Explanatory Items

Procedure regarding shareholders proposals of this shareholders' meeting

- Explanation:
1. Pursuant to Article 172-1 of the Company Act, shareholders holding 1% or more of the total number of outstanding shares of a company may submit proposals in writing for discussion at annual shareholders' meeting. Each shareholder can submit only one proposal, otherwise such proposals would not be included in the agenda.
 2. Shareholders can submit proposals for 2017 annual shareholders' meeting from March 20, 2017 to March 29, 2017. Relevant information has been released in the Market Observation Post System website in accordance with relevant laws.
 3. The Company did not receive any shareholders proposals.