



Yeong Guan Energy Technology Group Company Limited

Meeting Agenda for the 2015 Annual General Meeting of Shareholders

Meeting Time: 9:00 a.m. on Tuesday, June 2, 2015

Meeting Place: No.777, Dagan Rd., Dayuan Dist., Taoyuan County, Taiwan
(Taoyuan Hall on the Second floor of Hotel Orchard Park)

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I. Meeting Procedure

Yeong Guan Energy Technology Group Company Limited Procedure for the 2015 Annual General Meeting of Shareholders

1. Call the Meeting to Order
2. Chairman Remarks
3. Management Presentation
4. Proposals
5. Discussion
6. Questions and Motions
7. Adjournment

II. Meeting Agenda

Yeong Guan Energy Technology Group Company Limited

Year 2015

Agenda of Annual General Meeting of Shareholders

Time: 9:00 a.m. on Tuesday, June 2nd, 2015

Place: No.777, Dagan Rd., Dayuan Dist., Taoyuan County, Taiwan
(Taoyuan Hall on the Second floor of Hotel Orchard Park)

1. Call the Meeting to Order
2. Chairman Remarks
3. Management Presentations
 - (1) 2014 Business Report
 - (2) 2014 Audit Committee's Review Report
 - (3) 2014 Status of the Company's 1st Issue of Domestic (ROC) Unsecured Convertible Bonds
 - (4) Report on the Amendment of the "Corporate Social Responsibility Best Practice Principles"
 - (5) Report on the Amendment of the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct"
4. Proposals
 - (1) Adoption of the 2014 Business Report and Consolidated Financial Statements
 - (2) Adoption of the Proposal for Distribution of 2014 Profits
5. Discussion
 - (1) Approval of the change in authorized capital of the company.
 - (2) Approval of the amendment of the Memorandum and Articles of Association of the company.
6. Questions and Motions
7. Adjournment

1. Management Presentations

Report No. 1:

2014 Business Report

Explanation:

The 2014 Business Report of the company is attached hereto as Exhibit 1.
Please refer to page 9~10.

Report No. 2

2014 Audit Committee's Review Report

Explanation:

1. The Audit Committee has reviewed all 2014 financial statements.
2. The 2014 Audit Committee's Review Report is attached hereto as Exhibit 2.
Please refer to page 11

Report No. 3:

2014 Status of the Company's 1st Issue of Domestic (ROC) Unsecured Convertible Bonds

Explanation:

1. In order to repay bank loans and enrich the working capital, the company issued the first Domestic (ROC) Unsecured Convertible Bonds.
2. The 2014 Status of the Company's 1st Issue of Domestic (ROC) Unsecured Convertible Bonds is attached hereto as Exhibit 3. Please refer to page 12.

Report No. 4:

Report on the Amendment of the "Corporate Social Responsibility Best Practice Principles"

Explanation:

1. The amendment of the "Corporate Social Responsibility Best Practice Principles" of the company is in accordance with Letter No. Taiwan-Stock-Governance-1030022825 of the Taiwan Stock Exchange Corporation issued on 7 November 2014 and refers to specifications of major international Corporate Social Responsibility Best Practice guidelines and human right conventions.
2. The comparison table for the amendment is attached hereto as Exhibit 4. Please refer to page 13~33.

Report No. 5:

Report on the Amendment of the “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct”

Explanation:

1. The amendment of the “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct” of the company is in accordance with Letter No. Taiwan-Stock-Governance-1030022825 of the Taiwan Stock Exchange Corporation issued on 7 November 2014 and conforms to the international topics of operation in good faith and anti-corruption for establishing a business culture of good faith.
2. The comparison table for the amendment is attached hereto as Exhibit 5. Please refer to page 34~69.

2. Proposals

Proposal No. 1: Proposed by the Board of Directors
Adoption of the 2014 Business Report and Consolidated Financial Statements

Explanation:

1. The company's 2014 Consolidated Financial Statements were audited by independent auditors, Dongfeng Lee and Zeli Gong of Deloitte & Touche Tohmatsu Limited (DTTL), approved by the Board of Directors on March 13, 2015, and reviewed by the Audit Committee. The Audit Committee's Review Report is provided.
2. The 2014 Business Report, Independent Auditors' Audit Report, and Consolidated Financial Statements are attached hereto as Exhibit 1 and Exhibit 6. Please refer to page 9~10(Exhibit 1) and page 70~76 (Exhibit 6).

Resolution:

Proposal No. 2: Proposed by the Board of Directors
Adoption of the proposal for Distribution of 2014 Profits

Explanation:

1. 2014 net profit after tax is NTD\$1,002,164,317. After setting aside legal reserve of NTD\$100,216,431 (10%) in accordance with the law, and then adding beginning retained earnings of NTD\$1,180,503,362, the unappropriated earnings are NTD\$2,082,451,248.
2. It is proposed to set aside NTD\$667,094,135 from the distributable net profit of 2014 to distribute NTD\$6.36 per share to shareholders as cash dividend. Also NT\$ 18,200,000 is proposed to be employee bonus sharing. The distribution of cash dividend will be calculated by the method of "rounding down the digits below dollar", and the total reduction of less than one dollar will be counted as the other income of the company. After the approval of the Annual General Meeting, it is proposed that the Board is authorized to take any actions that may be required in connection with the related issues of dividend distribution.
3. It is proposed not to distribute director compensation. The Board of Directors approved the distribution amounts for director compensation and employee bonus of 2014 on March 13, 2015.
4. In the event of capital injection or other causes, it is proposed that the Board of Directors will be authorized to adjust the cash and stock to be distributed to each share based on the number of actual shares outstanding.
5. 2014 Profit Distribution Table is attached hereto as Appendix 7. Please refer to page 77.

3. Discussion

Discussion No. 1:

Proposed by the Board of Directors

Proposal for the changes in authorized capital of the company. Please proceed to discuss.

Explanation:

1. It is proposed to amend the company's Memorandum and Articles of Association in order to change the current authorized capital NTD\$1,200,000,000, divided into 120,000,000 shares of NTD\$10 each to be NTD\$1,500,000,000, divided into 150,000,000 shares of NTD\$10 each.
2. It is proposed that Chairman Hsien Ming Chang and Director Wen Lung Chang are authorized to take any action that may be required in connection with the enforcement of the new authorized capital.
3. It is proposed the registration agent of the company is authorized to give necessary declarations to the Registry of Companies of Cayman Islands.

Resolution: upon inquiry by the chair, the proposal was adopted unanimously by all attending shareholders.

Discussion No. 2:

Proposed by the Board of Directors

Proposal for the amendment of the Memorandum and Articles of Association of the company. Please proceed to discuss.

Explanation:

1. In order to meet the needs of the company and pursuant to the amendment of the Checklist for Shareholder's Rights Protection Measures at Foreign Issuer's Domicile (for foreign issuers) of Letter No. Taiwan-Stock-Listing-I-1031706311 published by the Taiwan Stock Exchange Corporation on November 10, 2014, it is proposed to amend the Memorandum and Articles of Association of the company. The amended Memorandum and Articles of Association will replace the current Memorandum and Articles of Association and come into effect after being approved by the Annual General Meeting of shareholders.
2. The amended Memorandum and Articles of Incorporation supersedes the current version and shall come into effect immediately upon approval by resolution of the shareholders meeting.
3. The amended Memorandum and Articles of Incorporation and the comparison table for the amendments is attached hereto as Appendix 8. Please refer to page 78~125.
4. It is proposed the registration agent of the company is authorized to give necessary declarations to the Registry of Companies of Cayman Islands.
5. Approval shall be given by extraordinary resolution of the shareholders meeting.

Resolution: upon inquiry by the chair, the proposal was adopted unanimously by all attending shareholders.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

4. Questions and Motions

5. Adjournment

III. Exhibits

Exhibit 1: 2014 Business Report

Business Report

1. Operating Performance in 2014

(1) Implementation of Business Plan:

Total consolidated revenue for 2014 was NTD\$7.206 billion, an increase of 22.2% compared to the same period of the previous year. The shipments reached 134,471 tons, an increase of 19.7% compared to the same period of the previous year. In terms of product applications, the revenue weights of energy, injection molding machine, industrial machinery, and medical equipment were 47.9%, 24.9%, 22.1% and 5.1% respectively. The company smoothly reached and surpassed the goal of 120 thousand tons of annual shipments and a 15% growth. In terms of profit, the gross profit margin and operating profit margin were 31.3% and 18.7% respectively, which increased 2.7% and 4.1% compared to 28.6% and 14.6% in the same period of the previous year. Furthermore, the EPS was as high as NTD\$9.78, a huge increase of NTD\$5.36 compared to the same period of the previous year.

(2) Budget implementation:

The estimated net profit after tax was NTD\$963,764, and the actual net profit after tax was NTD\$1,002,164. The budget-achieving rate was 104%.

(3) Analysis of financial revenues and profitability: Please refer to the Consolidated Income Statements.

(4) Research and Development Status:

The 2013 R&D expenditure comprised 1.52% of net operating revenue while the 2014 R&D expenditure comprised 1.25%. The company will continue on research and improvement of production process to cut down the R&D time and rejection ratio of new product development and gradually improve the ability and technology of new products.

2. 2015 Business Plan Summary:

Yeong Guan is a primary casting supplier of the world's largest manufacturers of wind turbine, injection molding machine, and industrial machinery. The company owns advanced process technology and high-tech metallurgical and engineering technology. It provides excellent quality products with stable delivery time and is highly recognized and relied upon by customers. The core competencies of the company are the production scale that stays ahead of competition, detailed casting process, and vertical integration capabilities; meanwhile, the company is committed to pursuing a better performance than competitors and the growth on both revenue and profit.

Looking ahead to 2015, the overall customer order demand is still strong. To response to the global trends in renewable energy, we focus on developing large-scale products and moving toward offshore product development, so the shipment capacity proportion for energy products will reach 50%. The Group is committed to reach all customer orders and challenge a total shipment of 150 thousand tons and a growth rate of above 10%. It will continue the production base expansion plan started in 2014 in order to reach the goal of increasing 75% of production capacity in the next 5 years.

Yeong Guan will maintain a cash dividend distribution rate of above 50% and pursue a long-term profitable growth in the nodular cast iron market to maximize shareholder returns. Looking ahead to the future, In the industrial growth trend of high-end products, Yeong Guan will continue to expand customer resources, penetrate into new product market, and increase the proportion of production outsourcing from a long-term trend perspective in order to further integrate and grow in the nodular cast iron industry, whose market structure is still disperse, and steadily grow in revenue and profit.

Chairman:

General Manager:

Chief Accountant:

Exhibit 2: 2014 Audit Committee's Review Report

Yeong Guan Energy Technology Group Company Limited

Audit Committee's Review Report

To: Shareholders' Annual General Meeting for Year 2015

The Board of Directors has prepared and submitted to the undersigned, Audit Committee of the company the Business Report, Consolidated Financial Statements and Dividend Distribution proposal. The above Business Report, Consolidated Financial Statements and Dividend Distribution proposal have been examined and determined to be correct and accurate by the undersigned. This Report is duly submitted in accordance with applicable laws.

Yeong Guan Energy Technology Group Company Limited

The Audit Committee, Chairman:

March 13, 2015

Exhibit 3: 2014 Status of the Company's 1st Issue of Domestic (ROC) Unsecured Convertible Bonds

Current Status of Company Bonds

Type of Corporate Bond		1 st Issue of Domestic (ROC) Unsecured Convertible Bonds
Issue (offer) Date		June 3, 2014
Denomination		NTD\$100,000 each
Issuing and Traction Place		Gre Tai Securities Market
Issuing Price		fully issued at par price
Total Amount		NTD\$1,500,000,000
Interest Rate		0%
Deadline		5-year period; Due Date: June 3, 2019
Guarantee Agency		None
Trustee		Trusts Department of Land Bank of Taiwan
Underwriter		KGI Securities Co. LTD.
Certified Lawyer		Attorney Tian-Hsiang Song from Lee an Li Attorneys-At-Law
Certified Accountant		Deloitte Touche Tohmatsu Limited (DTTL) Accountants Dong-fong Lee and Zhe-li Gong
Payback method		Except that the company redeemed, bondholders sold back, and those who transferred, the bonds will be bought back with bond denomination plus interest compensation, which is 105.10% of the denomination (annual yield is about 1%) in cash at one time.
Outstanding Principles		NTD\$1,351,100,000
Provisions of redemption and prepayment		Please refer to the issuance and conversion procedures.
Restrictions		None
Credit rating agency, credit rating date, and corporate bond rating results		None
Other rights	Converted (exchanged or subscribed) common shares, global depository receipts, or amount of other securities.	By April 4, 2015, a total of NT\$148,900 have been converted into 978,182 ordinary shares of a face value of NT\$10 each.
	Issuance and conversion (exchange or subscription) procedures	Please refer to the market observation post system for bond issuance information
Issuance and conversion, exchange and subscription, possible dilution on stock equity and impact on shareholder's equity from issuance conditions		According to the current conversion price of NTD\$153, if all shares are converted to common shares, 8,831 thousand shares need to be issued. The impact on shareholders' equity is limited so far. Please refer to the issuance and conversion procedures.
Commissioned agency for exchanged object		Not applicable

Exhibit 4: Comparison table for the amendments of "Corporate Social Responsibility Best Practice Principles"

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>Article 1 In order to fulfill its corporate social responsibility initiatives and to <u>promote</u> economic, <u>environmental, and social</u> advancement <u>for purposes</u> of sustainable development, the company hereby adopt the Principles to be followed.</p>	<p>Article 1 In order to fulfill its corporate social responsibility initiatives and to promote economic, social and environmental ecosystem for purposes of balance and sustainable development, the company hereby adopt the Principles to be followed.</p>	<p>This article was amended in consideration of definitions of corporate social responsibility by international organizations. For instance, the general policy principles of the Guidelines for Multinational Enterprises of the Organization for Economic Co-operation and Development (OECD) clearly state that enterprises should promote economic, environmental, and social advancement to achieve the goal of sustainable development. The European Union believes that corporate social responsibility connotes the responsibility of enterprises for social impacts. This article was therefore amended to clearly express these concepts.</p>
<p>Article 2 The Principles applies to the company and its business group. The Principles encourages the company to actively fulfill its corporate social responsibility in the course of its business operations so as to follow international <u>development</u> trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.</p>	<p>Article 2 The Principles applies to the company and its business group. The Principles encourages the company to actively fulfill its corporate social responsibility in the course of its business operations so as to follow international development trends of environment balance, social and corporate governance contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.</p>	<p>It must be ensured that the practice of corporate social responsibility is in sync with and conforms to international development trends. This is not confined to specific aspects. The phrase "Of environment balance, social and corporate governance" has therefore been deleted.</p>
<p>Article 3 In fulfilling corporate social responsibility initiatives, the</p>	<p>Article 3 In fulfilling corporate social responsibility initiatives, the</p>	<p>In consideration of the fact that the meaning of "Social Ethics" in this article is vague, this term</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>company shall, in its corporate management <u>guidelines</u> and business <u>operations</u>, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.</p>	<p>company shall, in its corporate management guidelines and business operations, respect social ethics and give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.</p>	<p>has been deleted to provide more clarity.</p>
<p>Article 4 To implement corporate social responsibility initiatives, the company is advised to follow the principles below: 1. Exercise corporate governance. 2. Foster a sustainable environment. 3. Preserve public welfare. 4. Enhance disclosure of corporate social responsibility information.</p>	<p>Article 4 To implement corporate social responsibility initiatives, the company is advised to follow the principles below: 1. Exercise Promote corporate governance. 2. Foster a sustainable environment. 3. Preserve public welfare. 4. Enhance disclosure of corporate social responsibility information.</p>	<p>In consideration of the fact that “exercise corporate governance” is consistent with the intent of the term corporate social responsibility, Clause 1 of this article has been amended to clarify the content of the article.</p>
<p>Article 5 The company shall <u>take into consideration the correlation between</u> the development of domestic and international corporate social responsibility principles and <u>corporate core business operations</u>, and the effect of the operation of the company and of its business groups as a whole on <u>stakeholders</u>, in establishing its policies, systems or relevant management guidelines, and <u>concrete promotion plans</u> for corporate social responsibility programs, which shall be approved by the board of directors and then <u>reported to the shareholders meeting</u>. <u>When a shareholder proposes a motion involving corporate social responsibility, the company's board of directors</u></p>	<p>Article 5 The company shall comply with regulations set forth in laws and articles of incorporation as well as relevant norms and contracts signed with TWSE and TPEX and shall take into consideration the development of domestic and international corporate social responsibility principles and the operation of the company and of its business groups as a whole on stakeholders, in establishing its social responsibility programs, rules or relevant management system which shall be approved by the board of directors.</p>	<p>1. In consideration of the fact that legal compliance is a basic requirement of the business operations of TWSE/GTSM listed companies, it is not necessary to emphasize that the company shall comply with relevant regulations. The passage “shall comply with regulations set forth in laws and articles of incorporation as well as relevant norms and contracts signed with TWSE and TPEX” has therefore been deleted. 2. In consideration of the national and international development of the concept of corporate social responsibility, the company should take account of the correlation between CSR issues and corporate core</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p><u>is advised to review and consider including it in the shareholders meeting agenda.</u></p>		<p>business operations and integrate these concepts into its business model. In addition, the company should not only focus on the interests of its shareholders but also those of other stakeholders (including employees, suppliers, consumers or clients, society, and the natural environment). A corresponding phrase has therefore been added as a reference for the establishment of CSR policies and systems, or relevant management guidelines, and concrete promotion plans.</p> <p>3. TWSE/GTSM listed companies shall establish CSR policies and systems or relevant management guidelines and formulate concrete promotion plans for these policies, systems, and management guidelines. The relevant passage has therefore been amended. In addition, concrete promotion plans affect budget planning. The phrase “reported to the shareholders meeting” has therefore been added to safeguard shareholders’ rights and interests.</p> <p>4. Based on the understanding of domestic scholars and the actual practice with regard to shareholders’ proposal rights, one of the legislative intents and functions of shareholders’ proposal rights lies in the communication and conveyance of ideas. Company managers must be urged to attach</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
		<p>importance to social responsibility issues, which is an important mechanism in the fulfillment of CSR. Issues involving corporate social responsibility may therefore be listed as shareholder motions which serve as a reference for decision making or used to announce results. A corresponding passage has therefore been added to paragraph 2 of this article.</p>
<p>Chapter 2 Exercising Corporate Governance</p>	<p>Chapter 2 Exercising Promote Corporate Governance</p>	<p>This chapter title has been revised in accordance with the amendment of Clause 1, Paragraph 1, Article 4</p>
<p>Article 6 The company is advised to follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, <u>the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies</u>, and the Code of Ethical Conduct for TWSE/GTSM Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.</p>	<p>Article 9 The company is advised to follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and the Code of Ethical Conduct for TWSE/GTSM Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.</p>	<p>1. The Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies were formulated on September 3, 2010. These principles assist TWSE/GTSM Listed Companies in the establishment of a corporate culture which is characterized by ethical corporate management and the promotion of sound development. They also serve as a reference framework for positive commercial operations. The company must abide by these norms and principles which have been added to this article for clarification.</p> <p>2. In addition, it was also taken into account that priority should be given to the compliance with relevant laws and regulations in the implementation of corporate governance. The provisions of Article 9 have therefore been moved to</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
		Article 6 of the amended version to ensure a clearer chapter structure.
<p>Article <u>7</u></p> <p>The directors of the company shall exercise the due care of good administrators to urge the company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.</p> <p>The board of directors of the company <u>is advised to include the following matters in the company's performance of its corporate social responsibility initiatives:</u></p> <ol style="list-style-type: none"> 1. <u>Identifying the company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines;</u> 2. <u>Making corporate social responsibility the guiding principle of the company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives; and</u> 3. <u>Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.</u> <p><u>The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting</u></p>	<p>Article 6</p> <p>The board of directors of the company shall exercise the due care of good administrators to urge the company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.</p> <p>The board of directors of the company is advised to include the following matters in the company's performance of its corporate social responsibility initiatives:</p> <ol style="list-style-type: none"> 1. Making corporate social responsibility the guiding principle of the company's operations and development; and 2. Identifying the company's corporate social responsibility mission (or vision or value), and declaring its corporate social responsibility policy statement; 3. Enhancing the disclosure of corporate social responsibility information. 	<ol style="list-style-type: none"> 1. Pursuant to the regulations set forth in Article 8 and 23 of the Company Act, the exercise of the due care of good administrators shall be the responsibility of the directors instead of the board. "Board of directors" was therefore changed to "Directors". In addition, the identification of the company's corporate social responsibility mission and vision is a key task. The order of clause 1 and 2 of paragraph 2 of the current version has therefore been modified and it has been ensured that the used terms are consistent with "Corporate social responsibility policies, systems, or relevant management guidelines" in Article 5 to provide more clarity. 2. Clause 2, Paragraph 2 of this article has been amended in line with the revision of the provisions in Paragraph 1, Article 5 which require the establishment of concrete promotion plans and the phrase "and ratifying concrete promotional plans" was added. 3. To guarantee the timeliness and accuracy of the disclosure of corporate social responsibility information, the provisions of Clause 3 of this article have been amended. 4. The GRI Guidelines Ver.4 (hereinafter referred to as GRI G4) formulated by the

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p><u>from the business operations of the company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.</u></p>		<p>Global Reporting Initiative require that enterprises clearly state whether or not the highest governance body has appointed management-level positions to take charge of economic, environmental, and social issues and directly report to the highest governance body as well as specify the procedures pertaining to the authorization and appointment of the executive-level positions and other personnel. Clause 3 of this article has therefore been amended to clarify organizational management procedures and reduce the economic, environmental, and social risks and impacts of business operations</p> <p>5. Article 9 of the current version is listed as Article 6 in the amended version and this article is listed as Article 7.</p>
<p><u>Article 8</u> The company is advised to, on a regular basis, organize education and training on the <u>implementation of corporate social responsibility initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.</u></p>	<p>Article 11 The company is advised to, on a regular basis, organize education and training on business ethics for directors, independent directors, and employees and promote matters prescribed in the preceding article as well as incorporate such matters into the staff performance evaluation system and establish a clear and effective reward and penalty system.</p>	<p>1. In consideration of the fact that Article 10 of the current version has been deleted and Article 11 of the current version only mentions the organization of education and training on “Business ethics”, this article has been revised and now refers to “matters prescribed in paragraph 2 of the preceding article” to achieve the purpose of these Best Practice Principles. For instance, the revisions with regard to the corporate social responsibility mission and vision of the company and CSR policies, systems, or</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
		<p>relevant management guidelines, and concrete promotion plans serve the purpose of implementing and promoting CSR planning.</p> <p>2. In line with the revisions of the content of the education and training, Article 11 of the current version is listed as Article 8 of the amended version.</p>
<p>Article <u>9</u> For the purpose of managing corporate social responsibility initiatives, the company is advised to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis. <u>The company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.</u> <u>It is advised that the employee performance evaluation system be combined with corporate social responsibility policies, and that a clear and effective incentive and discipline system be established.</u></p>	<p>Article <u>7</u> For the purpose of managing corporate social responsibility initiatives, the company is advised to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies or systems, and to report on the same to the board of directors on a periodic basis.</p>	<p>1. In line with the fact that Article 9 and 11 of the current version are listed as Article 6 and 8 in the amended version, this article is listed as Article 9.</p> <p>2. To ensure consistency with the terms “Corporate social responsibility policies, systems, or relevant management guidelines” in the amended Article 5, the provisions of this article have been revised.</p> <p>3. In consideration of the required disclosure items of GRI G4, the provisions in paragraph 2 have been added to Article 9 to ensure that remuneration arrangements support the strategic aims of the organization and to safeguard stakeholder interests.</p> <p>4. Due to the similarity of the norm contents, the second part of Article 10 of the current version has been amended and moved to paragraph 3 of Article 9 of the amended version to ensure conformity with relevant norms and international trends.</p>
<p>Article <u>10</u> The company shall, based on respect for the rights and</p>	<p>Article <u>8</u> The company shall, based on respect for the rights and</p>	<p>1. In line with the disclosed content of the Corporate Governance Roadmap</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>interests of stakeholders, identify stakeholders of the company, <u>and establish a designated section for stakeholders on the company website</u>; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.</p>	<p>interests of stakeholders, identify stakeholders of the company, understand the reasonable expectations and demands of stakeholders through proper communication with them and through their participation, and adequately respond to the important corporate social responsibility issues which stakeholders are concerned about.</p>	<p>2013, TWSE/GTSM Listed Companies should establish a stakeholder contact platform to ensure that the company values the opinions of shareholders and stakeholders. In addition, the phrase “establish a designated section for stakeholders on the company website” has been added and relevant provisions have been revised in line with Paragraph 1, Article 5 of the amended version to emphasize the fact that companies should give simultaneous consideration to stakeholder interests and provide more clarity.</p> <p>2. In line with the fact that Article 9 and 11 of the current version are listed as Article 6 and 8 in the amended version, this article is listed as Article 10.</p>
	<p>Article 10 This company shall comply with relevant laws and regulations and implement the following matters to ensure an environment of fair competition when it engages in business operations— 1. Refrain from engaging in any behavior that violates the spirit of fair competition 2. Fulfill the obligation to pay taxes— 3. Oppose bribery and corruption and establish and appropriate management system— 4. Corporate donations and contributions conform to internal operating procedures</p>	<p>Due to the fact that the amended provisions of Article 6 of these Best Practice Principles already state that TWSE/GTSM Listed Companies are advised to comply with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and comprehensive norms are stated in these principles, this article has been deleted.</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>Article <u>11</u> The company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to <u>promote</u> a sustainable environment when engaging in <u>business operations</u> and <u>internal management</u>.</p>	<p>Article 12 The company shall follow relevant environmental laws and rules, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business activities and internal management.</p>	<p>To ensure consistency with the term “International Guidelines” in Article 25 of the current version and in consideration of the fact that the scope of business operations is wider than that of business activities, relevant provisions have been amended and the article sequence has been changed</p>
<p>Article <u>12</u> The company is advised to endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.</p>	<p>Article 13 The company is advised to endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources</p>	<p>Article sequence changed</p>
<p>Article <u>13</u> The company is advised to establish proper environment management systems based on the characteristics of their industries. <u>Such systems shall include the following tasks:</u></p> <ol style="list-style-type: none"> 1. Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment. 2. Establishing measurable goals for <u>environmental sustainability</u>, and examining whether the <u>development</u> of such goals should be maintained and whether it is still relevant on a regular basis. 3. <u>Adopting enforcement measures such as concrete plans or action plans, and examining the results of its operation</u> on a regular basis. 	<p>Article 14 The company is advised to establish proper environment management systems based on the characteristics of their industries. The company's environment management systems shall include the following tasks:</p> <ol style="list-style-type: none"> 1. Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment. 2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis. 3. <u>Examining the results of purposes of goals for environmental sustainability</u> on a regular basis. 	<ol style="list-style-type: none"> 1. The second part of the first paragraph has been revised to avoid redundancy. 2. Clause 3 was amended and the phrase “Adopting enforcement measures such as concrete plans or action plans” has been added to ensure a sound environmental management system and strengthen the implementation. The article sequence has been changed.

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>Article <u>14</u> The company shall, if necessary, establish a dedicated unit or assign dedicated personnel <u>for drafting, promoting, and maintaining relevant environment management systems and concrete action plans</u>, and should hold environment education courses for its managerial officers and other employees on a periodic basis.</p>	<p>Article 15 The company shall, if necessary, establish a dedicated unit or assign dedicated personnel for maintaining <u>relevant environment management systems</u> and concrete action plans, and should hold environment education courses for its managerial officers and other employees on a periodic basis.</p>	<p>Provisions have been revised and article sequence has been changed to ensure consistency with the term “Management System” as specified in Article 14 of the current version and clarify the tasks of dedicated units or personnel including the drafting, promotion, and maintenance of relevant environmental management systems and concrete action plans.</p>
<p>Article <u>15</u> The company is advised to take into account the effect of <u>business operations</u> on ecological efficiency, promote and <u>advocate</u> the concept of sustainable consumption, and conduct research and development, <u>procurement</u>, production, <u>operations</u>, and services in accordance with the following principles to reduce the impact on the natural environment <u>and human</u> beings from its business operations:</p> <ol style="list-style-type: none"> 1. Reduce resource and energy consumption of its products and services. 2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly. 3. Improve recyclability and reusability of raw materials or products. 4. Maximize the sustainability of renewable resources. 5. Enhance the durability of products. 6. Improve efficiency of products and services. 	<p>Article 16 The company is advised to take into account the effect of business operations on ecological efficiency, promote and educate consumers the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from its business operations:</p> <ol style="list-style-type: none"> 1. Reduce resource and energy consumption of its products and services. 2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly. 3. Improve recyclability and reusability of raw materials or products. 4. Maximize the sustainability of renewable resources. 5. Enhance the durability of products. 6. Improve efficiency of products and services. 	<p>The provisions of the current version have been revised and the article sequence has been changed to encourage the company to take into account the effect of business operations on ecological efficiency, reduce the impact of business operations on the natural environment and human beings, and promote the concept of sustainable consumption not only by educating consumers.</p>
<p>Article <u>16</u></p>	<p>Article 17</p>	<p>The provisions of paragraph 2</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>To improve water use efficiency, the company shall properly and sustainably use water resources and establish relevant management measures.</p> <p>The company shall <u>construct and improve environmental protection treatment facilities</u> to avoid polluting water, air and land, and use its best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.</p>	<p>To improve water use efficiency, the company shall properly and sustainably use water resources and establish relevant management measures.</p> <p>The company shall avoid polluting water, air and land when engaging in business operations; If pollution is unavoidable the company shall use its best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures while taking into consideration cost efficiency and technical and financial feasibility. .</p>	<p>of the current version have been revised and the article sequence has been changed with reference to the regulations set forth in Article 32 of the Basic Environment Act and based on the fact that businesses should improve and construct environmental protection treatment facilities.</p>
<p>Article <u>17</u></p> <p><u>The company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:</u></p> <ol style="list-style-type: none"> 1. <u>Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.</u> 2. <u>Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.</u> <p>The company is advised to monitor the impact of climate change on its operations and should establish company strategies for energy conservation and carbon and greenhouse gas reduction based upon its operations and</p>	<p>Article 18</p> <p>The company is advised to monitor the impact of climate change on its operations and should establish company strategies for energy conservation and carbon and greenhouse gas reduction based upon its operations and the result of a greenhouse gas inventory. Such strategies should include obtaining carbon credits to promote and minimize the impact of its business operations on natural environment.</p>	<ol style="list-style-type: none"> 1. The provisions of paragraph 1 have been added in consideration of the growing international concern for GHG (greenhouse gas) emission related issues (for instance, as of 2013 publicly listed companies are required to disclose GHG emission amounts in the UK), the Reporting Guidelines for GHG Emission Amounts promulgated by the Environmental Protection Administration in June 2013, and the GHG inventory categories of GRI G4 to implement GHG inventories and disclosures thereof in sync with international trends. 2. "Natural environment" in paragraph 2 of the current version has been changed to "Climate change" in consideration of the correlation between GHG issues and climate change

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>the result of a greenhouse gas inventory. Such strategies should include obtaining carbon credits to promote and minimize the impact of its business operations on <u>climate change</u>.</p>		<p>to provide more clarity. 3. Article sequence has been changed.</p>
<p>Article <u>18</u> The company shall comply with relevant laws and regulations, and the International <u>Bill of Human Rights</u>, with respect to rights such as <u>gender equality, the right to work, and prohibition of discrimination</u>. The company, <u>to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:</u></p> <ol style="list-style-type: none"> 1. <u>Presenting a corporate policy or statement on human rights.</u> 2. <u>Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handling processes.</u> 3. <u>Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.</u> 4. <u>In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved.</u> <p><u>The company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring</u></p>	<p>Article 19 The company shall comply with relevant labor laws and regulations, safeguard the legal rights and interests of employees, and respect and refrain from violating internationally recognized basic labor rights principles. <u>Human resource policies of this company shall conform to basic labor rights principles and appropriate management methods and procedures shall be established.</u></p>	<ol style="list-style-type: none"> 1. The provisions of this article have been revised and human rights compliance concepts and the importance of gender equality, the right to work, and prohibition of discrimination are highlighted in paragraph 1 to ensure a minimum guarantee of human rights 2. Paragraph 2 has been added with reference to the responsibility of enterprises to safeguard human rights as prescribed in item 11 to 24 of the Guiding Principles on Business and Human Rights of the United Nations and the norms of GRI G4 to strengthen the implementation of human right safeguards and ensure conformity with international development trends. 3. Paragraph 3 which sets out internationally recognized human rights of labor has been revised to clarify the concept of human right safeguards. 4. Paragraph 4 which states that he company shall adopt remedial measures and provide an effective and appropriate grievance mechanism with respect to human right infringements was added with reference to item 22 to 24 and 31 of

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p><u>for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that its human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities. The company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. A company shall respond to any employee's grievance in an appropriate manner.</u></p>		<p>the aforementioned Guiding Principles. The company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to safeguard labor rights and interests.</p> <p>5. The article sequence has been changed.</p>
<p>Article <u>19</u> The company shall provide information for its employees so that the employees have knowledge of the labor laws <u>and</u> the rights they enjoy in the countries where the company has business operations.</p>	<p>Article 20 The company shall provide information for its employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the company has business operations.</p>	<p>In consideration of the semantics of this article, the text has been revised and the article sequence has been changed.</p>
<p>Article <u>20</u> The company is advised to provide safe and healthful work environments for its employees, including necessary health and first-aid facilities and shall endeavor to curb <u>dangers</u> to employees'</p>	<p>Article 21 The company is advised to provide safe and healthful work environments for its employees, including necessary health and first-aid facilities and shall endeavor to curb the risk factors to</p>	<p>The text has been revised and the article sequence changed.</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>safety and health and to prevent occupational accidents.</p> <p>The company is advised to organize training on safety and health for its employees on a regular basis.</p>	<p>employees' safety and health and to prevent occupational accidents.</p> <p>The company is advised to organize training on safety and health for its employees on a regular basis.</p>	
<p>Article <u>21</u></p> <p>The company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.</p> <p><u>The company shall appropriately reflect the corporate business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.</u></p>	<p>Article 22</p> <p>The company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills</p>	<p>Paragraph 2 has been added and the article sequence has been changed in response to the growing demands for distributive justice in Taiwan in recent years and with reference to the concepts regarding remuneration and incentive measures in GRI G4 requiring the disclosure of remuneration policies formulated to ensure the recruitment, retention, and motivation of employees to ensure conformity with international trends.</p>
<p>Article <u>22</u></p> <p>The company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions.</p> <p><u>The company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.</u></p> <p><u>The company shall, by</u></p>	<p>Article 23</p> <p>The company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions</p>	<p>Paragraphs 2 and 3 have been added and the article sequence has been changed.</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p><u>reasonable means, inform employees of operation changes that might have material impacts.</u></p>		
<p><u>Article 23</u> The company shall take responsibility for its products and services, and <u>take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of its products and services. It further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.</u></p>	<p>Article 24 The company is advised to take responsibility for its products and establish and disclose policies on consumer rights and interests, and enforce policies on consumer rights.</p>	<ol style="list-style-type: none"> 1. Provisions have been added in response to food safety problems that have occurred in recent years, the extension of the acknowledgement of product and service quality by the market and consumers to research and development, procurement, production, operations, and services, and the fulfillment of CSR to guarantee the transparency and safety of product and service information. 2. In addition, the second part of this article has been revised to fully clarify its purpose and take account of the fact that the company is advised to implement policies on consumer rights and interests and enforce them in the course of business operations. 3. The article sequence has been changed
<p><u>Article 24</u> The company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industries. The company shall follow <u>relevant laws, regulations and international guidelines when marketing or labeling its products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray</u></p>	<p>Article 25 The company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industries. The company shall follow government laws and relevant international guidelines when marketing and advertising its products or services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray</p>	<p>The word “label” was added and the article sequence was changed with reference to the regulations set forth in Article 7 of the Consumer Protection Law which prescribe that “where goods or services may endanger the lives, bodies, health or properties of consumers, a warning and the methods for emergency handling of such danger shall be labeled at a conspicuous place” to safeguard consumer rights and interests.</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>consumers' trust or damage consumers' rights or interests.</p> <p><u>Article 25</u> The company is advised to <u>evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.</u> The company is advised to provide a clear and <u>effective</u> procedure for accepting <u>consumer</u> complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the <u>Personal Information Protection Act</u> for respecting <u>consumers'</u> rights of privacy and shall protect personal data provided by <u>consumers</u>.</p>	<p>consumers' trust or damage consumers' rights or interests.</p> <p>Article 26 The company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle client complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting clients' rights of privacy and shall protect personal data provided by clients.</p>	<ol style="list-style-type: none"> 1. It is necessary to make extra investments in resource management due to the possibility of problems causing interruptions in operations in all industries (such as communications and transportation) and the wide impact of such interruptions. The first paragraph which prescribes that the company shall manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society and safeguard consumer rights and interests was therefore added. 2. In line with the addition of provisions to the first paragraph to this article, the text of the first paragraph of the current version has been moved to paragraph 2 of the amended version. In addition, the Personal Information Protection Act which came into effect on October 1, 2012 was included in the second paragraph for clarification purposes. 3. Article sequence has been changed
<p><u>Article 26</u> The company is advised to assess the impact its procurement has on society as well as the environment of the community that it is procuring from, and shall cooperate with its suppliers to jointly</p>	<p>Article 27 The company is advised to assess the impact its procurement has on society as well as the environment of the community that it is procuring from, and shall cooperate with its suppliers to jointly promote</p>	<ol style="list-style-type: none"> 1. The second part of the first paragraph of the current version has been revised for semantics purposes 2. Paragraph 2 has been added to take account of the fact that enterprises

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p><u>implement</u> the corporate social responsibility initiative. <u>Prior to engaging in commercial dealings, the company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.</u> <u>When the company enter into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.</u></p>	<p>the corporate social responsibility initiative.</p>	<p>are advised to assess whether there is any record of a supplier's impact on the environment and society and avoid conducting transactions with those against corporate social responsibility policy.</p> <p>3. Paragraph 3 has been added due to the increase of environmental and social impact assessments of supply chains in the world and with reference to the concept mentioned in GRI G4 that businesses are authorized to terminate contracts with suppliers who are in violation of corporate social responsibility policies.</p> <p>4. Article sequence has been changed</p>
<p>Article <u>27</u> The company <u>shall</u> evaluate the impact of its business operations on the community, and <u>adequately</u> employ personnel <u>from the location of the business operations</u>, to <u>enhance</u> community acceptance. The company <u>is advised to</u>, through commercial activities, non-cash property endowments, volunteering service or other <u>charitable</u> professional services, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.</p>	<p>Article 28 The company is advised evaluate the impact of its business operations on the community, and adequately employ personnel, to enhance community acceptance. The company shall, through commercial activities, non-cash property endowments, volunteering service or other free of charge professional services, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.</p>	<p>1. The text of paragraph 1 has been revised and it is now emphasized that the company shall evaluate the impact of its business operations on the community, and adequately employ personnel from the location of the business operations to enhance community acceptance of company operations, improve the company’s image, and clarify the meaning of the article.</p> <p>2. The phrase “free of charge” professional services in the current version is not fully consistent with the original intention of encouraging the company</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
		<p>to implement corporate social responsibility and has therefore been changed to “charitable”, which is more appropriate.</p> <p>3. Article sequence has been changed</p>
<p>Article <u>28</u> The company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its corporate social responsibility initiatives to improve information transparency. Relevant information relating to corporate social responsibility which the company shall disclose includes:</p> <ol style="list-style-type: none"> 1. The policy, <u>systems or relevant</u> management guidelines, and <u>concrete promotion plans</u> for corporate social responsibility initiatives, as resolved by the board of directors. 2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3. Goals and measures for realizing the corporate social responsibility initiatives established by the company, and <u>performance in implementation.</u> 	<p>Article 29 The company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its corporate social responsibility initiatives to improve information transparency. Relevant information relating to corporate social responsibility which the company shall disclose includes:</p> <ol style="list-style-type: none"> 1. The governance-mechanism, strategy, policy and management guidelines for corporate social responsibility initiatives, as resolved by the board of directors. 2. The risks and the impact on the corporate operations and financial condition arising from exercising promoting corporate governance, fostering a sustainable environment and preserving social public welfare. 3. Goals and measures for realizing the corporate social responsibility initiatives established by the company. 4. Performance in implementation of the corporate social 	<ol style="list-style-type: none"> 1. To ensure consistency with the terms CSR policies, systems, or relevant management guidelines and concrete promotion plans in Article 5, the text of clause 1, paragraph 2 has been revised. 2. In line with revisions of clause 1, paragraph 1 of Article 4 “exercising promoting corporate governance” in clause 2, paragraph 2 has been changed to “exercising corporate governance”. 3. Clauses 2 and 4 of paragraph 2 of the current version have been merged into clause 3 of the same paragraph. 4. Stakeholder issues are a key item of the OECD Principles of Corporate Governance and an indispensable part of a company’s business operations. Clause 4 has therefore been added to paragraph 2 to complete the content of this article. 5. Clause 5 has been added to paragraph 2 with reference to GRI G4’s emphasis on the disclosure of information on the environmental and social impact of the supply chain and the required disclosure of information on the supply

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>4. <u>Major stakeholders and their concerns.</u></p> <p>5. <u>Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.</u></p> <p>6. Other information relating to corporate social responsibility initiatives.</p>	<p>responsibility initiatives.</p> <p>5. Other information relating to corporate social responsibility initiatives.</p>	<p>chain's management and performance with respect to major environmental, social, and corporate governance related issues (such as energy, GHG, water resources, labor, and toxic substances) by enterprises.</p> <p>6. Clause 5, paragraph 2 of the current version is listed as clause 6, paragraph 2 in the amended version.</p> <p>7. Article sequence has been changed.</p>
<p>Article 29</p> <p>The company shall <u>adopt internationally widely recognized standards or guidelines</u> when producing corporate social responsibility reports, to disclose the status of its implementation of the corporate social responsibility policy. It also <u>is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports.</u> The reports are advised to include:</p> <ol style="list-style-type: none"> 1. <u>The policy, system, or relevant management guidelines</u> and concrete promotion plans for implementing corporate social responsibility initiatives. 2. Major stakeholders and their concerns. 3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and <u>promotion of economic development.</u> 4. Future improvements and goals. 	<p>Article 30</p> <p>The company <u>is advised to</u> produce corporate social responsibility reports, to disclose the status of its implementation of the corporate social responsibility policy. The reports are advised to include:</p> <ol style="list-style-type: none"> 1. The institutional frame, policy and action plans for implementing corporate social responsibility initiatives. 2. Major stakeholders and their concerns. 3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and <u>promotion of economic development.</u> 4. Future improvements and goals. 	<ol style="list-style-type: none"> 1. Internationally widely recognized standards or guidelines should be consulted when producing corporate social responsibility reports (including corporate responsibility reports, sustainability reports, and sustainable development reports). To ensure the consistency and comparability of reports, the text of paragraph 1 has been revised to ensure conformity with international trends. 2. In addition, the passage "it is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports" has been added to enhance the reliability of included information and in consideration of the fact that the acquisition of third-party verification or assurance for CSR reports has turned into an international trend. 3. To ensure consistency with the terms CSR policies,

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
		<p>systems, or relevant management guidelines and concrete promotion plans in Article 5, the text of clause 1 has been revised.</p> <p>4. In line with revisions of clause 1, paragraph 1 of Article 4 “exercising promoting corporate governance” in clause 3 has been changed to “exercising corporate governance”.</p> <p>5. The phrase “promotion of economic development” has been added to clause 3 to provide more clarity in line with the text of article 1 of the current version.</p> <p>6. Article sequence has been changed.</p>
<p><u>Article 30</u> The company shall at all times monitor the development of domestic and <u>foreign</u> corporate social responsibility <u>standards</u> and the change of business environment so as to examine <u>and</u> improve their established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.</p>	<p>Article 31 The company shall at all times monitor the development of domestic and foreign corporate social responsibility systems and the change of business environment so as to examine and improve their established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy</p>	<p>In consideration of the semantics of this article, the text has been revised and the article sequence has been changed.</p>
<p><u>Article 31</u> The Corporate Social Responsibility Best Practice Principles of this company and all amendments thereof shall be implemented upon ratification by the board of directors. <u>The first version of these Best Practice Principles was ratified by the board of directors on October 14, 2011 and approved by the shareholders</u></p>	<p><u>Article 32</u> <u>The Corporate Social Responsibility Best Practice Principles of this company and all amendments thereof shall be implemented upon review by the audit committee and ratification by the board of directors and shall also be reported to the shareholders meeting. These guidelines were ratified by the board of directors on October 14, 2011</u></p>	<p>The amendment date has been added and the article sequence changed.</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<u>meeting on October 14, 2011.</u> <u>The second version was</u> <u>ratified by the board of</u> <u>directors on March 13, 2015.</u>	<u>and approved by the</u> <u>shareholders meeting on</u> <u>October 14, 2011.</u>	

Exhibit 5: Comparison table for the amendments of "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct"

Comparison table for the amendments of "Ethical Corporate Management Best Practice Principles"

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>Article 1 (Purpose of adoption and scope of application) These Principles are adopted to assist the company to foster a corporate culture of ethical management and sound development, and offer a reference framework for establishing good commercial practices. These ethical corporate management best practice principles applicable to its business groups and organizations of the company, which comprise its subsidiaries, any foundation to which the company's direct or indirect <u>contribution of funds exceeds 50 percent of the total funds received</u>, and other institutions or juridical persons which are substantially controlled by such company ("<u>business group</u>").</p>	<p>Article 1 (Purpose of adoption and scope of application) These Principles are adopted to assist the company to foster a corporate culture of ethical management and sound development, and offer a reference framework for establishing good commercial practices. These ethical corporate management best practice principles applicable to its business groups and organizations of the company, which comprise its subsidiaries, any foundation to which the company's direct or indirect contribution of funds, and other institutions or juridical persons which are substantially controlled by such company</p>	<p>The relevant passage has been amended to clarify the scope of applicability</p>
<p>Article 2 (Prohibition against Unethical Conduct) When engaging in commercial activities, directors, <u>supervisors, managers, employees, and mandataries</u> of the company or persons having substantial control over the company ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any</p>	<p>Article 2 (Prohibition against Unethical Conduct) When engaging in commercial activities, directors, managers, <u>employees</u> of the company or persons having substantial control over the company ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts</p>	<p>The words "supervisors" and "mandatories" were added to the first paragraph of this article to clarify the scope of applicability and include members of the remuneration committee commissioned by the board of directors of the company and other mandataries.</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.</p> <p><u>Parties</u> referred to in the preceding paragraph include civil servants, political candidates, political parties or members of <u>political parties</u>, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.</p>	<p>including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.</p> <p><u>Objects</u> referred to in the preceding paragraph include civil servants, political candidates, political parties or members of <u>political parties</u>, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.</p>	
<p>Article 3 (Types of Benefits) Benefits" in these Principles <u>means</u> any valuable things, including money, endowments, <u>commissions</u>, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.</p>	<p>Article 3 (Types of Benefits) Benefits" in these Principles <u>means</u> any valuable things, including money, endowments, <u>commissions</u>, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.</p>	<p>Corrections made</p>
<p>Article 4 (Compliance) The company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, <u>Act on Recusal</u> of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or</p>	<p>Article 4 (Compliance) The company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or</p>	<p>Correction made to clarify the meaning</p>

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regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.	regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.	
<p>Article 5 (Policy) The company <u>shall</u> abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	<p>Article 5 (Policy) The company abides by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	Correction made to clarify the meaning
<p>Article 6 (Prevention Programs) <u>The company shall in their own ethical management policy clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training. When establishing the prevention programs, the company shall comply with relevant laws and regulations of the territory where the companies and their business group are operating. In the course of developing the prevention programs, the company is advised to negotiate with staff, labor unions members, important trading counterparties, or other stakeholders.</u></p>	Newly added article	This article was added to provide a definition of "Prevention Programs" to meet practical requirements
<p><u>Article 7</u> (Scope of Prevention)</p>	Newly added article	The scope of preventive programs is clearly defined in

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<p>Programs)</p> <p><u>When establishing the prevention programs, the company shall analyze which business activities within their business scope which are possibly at a higher risk of being involved in an unethical conduct, and strengthen the preventive measures.</u></p> <p><u>The prevention programs adopted by the company shall at least include preventive measures against the following:</u></p> <ol style="list-style-type: none"> 1. <u>Offering and acceptance of bribes.</u> 2. <u>Illegal political donations.</u> 3. <u>Improper charitable donations or sponsorship.</u> 4. <u>Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.</u> 5. <u>Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.</u> 6. <u>Engaging in unfair competitive practices.</u> 7. <u>Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.</u> 		<p>line with the addition of Article 6</p>
<p>Article 8 (Commitment and Exercise) The company and its respective <u>business group and</u></p>	<p>Article 6 (Commitment and Exercise) The company shall clearly specify <u>in</u> their rules and</p>	<ol style="list-style-type: none"> 1. The text of this article has been revised with reference to the regulations set forth in

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<p><u>organization</u> shall clearly specify in their rules and external <u>documents</u> the ethical corporate management policies <u>and</u> the commitment by the board of directors and the management on rigorous and thorough <u>implementation of such policies</u>, and shall carry out the policies in internal management and in commercial activities.</p>	<p>external documents the ethical corporate management policies and the commitment by the board of directors and the management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in external commercial activities.</p>	<p>Article 6.1.1 of the third edition of the Business Principles for Countering Bribery issued by Transparency International in 2013 which stipulate that the board of directors and persons with comparable authority shall demonstrate a clear and active commitment to implementing the Principles of Countering Bribery.</p> <p>2. Article sequence has been changed.</p>
<p>Article 9 (Principle of Ethical Management) The company shall engage in commercial activities in a fair and transparent manner <u>based on the principle of ethical management</u>. Prior to any commercial transactions, the company <u>shall</u> take into consideration the legality of their agents, suppliers, clients, or other trading <u>counterparties</u> and whether any of them <u>are involved</u> in unethical conduct, and shall avoid any dealings with persons <u>so involved</u>. When entering into contracts with their <u>agents, suppliers, clients, or other trading counterparties</u>, the company <u>shall</u> include in such contracts terms requiring compliance with ethical corporate management policy and that <u>in the event</u> the trading counterparties are involved in unethical conduct, the company may at any time</p>	<p>Article 7 (Principle of Ethical Management) The company shall engage in commercial activities in a fair and transparent manner. Prior to any commercial transactions, the company will take into consideration the legality of their agents, suppliers, clients, or other trading objects and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved. When entering into contracts with other persons, the company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the company may at any time terminate or rescind the contracts.</p>	<p>1. The third paragraph of this article has been amended in line with the national and international supply chain management practices requiring TWSE/GTSM listed companies to ensure compliance by commercial transaction counterparties with ethical management policies of the company through the signing of contracts. The second paragraph of this article has been revised In line with the regulations set forth in the third paragraph, stating that contracts shall contain terms requiring that “in the event the trading counterparties are involved in unethical conduct, the company may at any time terminate or rescind the contracts.” The text of the first paragraph of this article</p>

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<p>terminate or rescind the contracts.</p>		<p>has also been revised. 2. Article sequence has been changed</p>
<p>Article <u>10</u> (Prohibition against Bribery) When conducting business, the company and its directors, <u>supervisors</u>, managers, <u>employees</u>, <u>mandataries</u>, and substantial controllers, may not directly or indirectly offer, promise to <u>offer</u>, <u>request</u>, or accept any improper benefits <u>in whatever form</u> to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.</p>	<p>Article 8 (Prohibition of Bribery) When conducting business, directors, managers, employees of the company or substantial controllers shall not directly or indirectly offer, promise to offer, request or accept any improper benefits in whatever form including the provision or acceptance of kickbacks, commissions, facilitation payments, or other improper benefits through other means to or from clients, agents, contractors, suppliers, public servants, or other stakeholders. These restrictions shall not apply if said actions conform to local laws at the business location.</p>	<p>1. Article 3 of these Best Management Principles provides a clear definition of “Benefits” including benefit types such as kickbacks, commissions, and facilitation payments (money and service related) listed in this article. The provisions of this article have therefore been revised and the words “supervisors” and “mandataries” have been added in line with Paragraph 1, Article 2. 2. The regulations set forth in Article 7 of these principles stipulate that TWSE/GTSM listed companies shall establish prevention programs including preventive measures against the offering and acceptance of bribes. Article 6 already stipulates that “When establishing the prevention programs, TWSE/GTSM listed companies shall comply with relevant laws and regulations of the territory where the companies and their business group are operating”. The corresponding provisos in this article have therefore been deleted. 3. Article sequence changed</p>
<p>Article <u>11</u> (Prohibition against Illegal Political Donations)</p>	<p>Article 9 (Prohibition against Illegal Political Donations)</p>	<p>The words “supervisors” and “mandataries” have been added in line with Paragraph</p>

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<p>When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the company and its directors, <u>supervisors</u>, managers, <u>employees</u>, <u>mandataries</u>, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.</p>	<p>When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the company and its directors, managers, employees and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.</p>	<p>1, Article 2, the text of the article has been revised, and the article sequence has been changed.</p>
<p>Article <u>12</u> (Prohibition against offering Inappropriate Donations and Sponsorship) When making or offering donations and sponsorship, the company and its directors, <u>supervisors</u>, managers, <u>employees</u>, <u>mandataries</u>, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.</p>	<p>Article 10 (Prohibition against offering Inappropriate Donations and Sponsorship) When making or offering donations and sponsorship, the company and its directors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery</p>	<p>The words “supervisors” and “mandataries” have been added in line with Paragraph 1, Article 2, the text of the article has been revised, and the article sequence has been changed.</p>
<p>Article <u>13</u> (Prohibition against unreasonable presents, hospitality or other improper benefits) The company and its directors, <u>supervisors</u>, managers, <u>employees</u>, <u>mandataries</u>, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial</p>	<p>Article 11 (Prohibition of unreasonable presents, hospitality or other improper benefits) The company and its directors, managers, <u>employees</u> and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions</p>	<p>The words “supervisors” and “mandataries” have been added in line with Paragraph 1, Article 2, the text of the article has been revised, and the article sequence has been changed.</p>

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transactions		
<p><u>Article 14</u> <u>(Prohibition of Intellectual Property Right Infringement)</u> <u>The company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.</u></p>	<p>Newly added article</p>	<p>In line with Cause 5, Paragraph 2, Article 7 and with reference to intellectual property right related regulations set forth in the Trade Secrets Act, the Patent Act, and the Copyright Act, it is stipulated in this article that the enterprise shall respect intellectual property rights and avoid infringement related risks.</p>
<p><u>Article 15</u> <u>(Prohibition of Unfair Competition)</u> <u>The company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.</u></p>	<p>Newly added article</p>	<p>This article has been amended to regulate the competition between TWSE/GTSM listed companies and ensure a sound market mechanism in line with Clause 6, Paragraph 2, Article 7 and with reference to the Fair Trade Act and the regulations set forth in Chapter 9 of the 2011 OECD Guidelines for Multinational Enterprises.</p>
<p><u>Article 16</u> <u>(Preventing its products and services from damaging stakeholders)</u> <u>In the course of research and development, procurement, manufacture, provision, or sale of products and services, the company and its directors, supervisors, managers,</u></p>	<p>Newly added article</p>	<p>In line with Clause 7, Paragraph 2, Article 7, it is emphasized in this article that the company shall assess potential hazards posed by its products and services to the health and safety of consumers and other stakeholders at every stage. This article has been amended in consideration of</p>

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<p><u>employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. It shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.</u></p>		<p>the Health and Safety Guarantees in Section 1, Chapter 2 of the Consumer Protection Act and the requirement to disclose the total number of incidents involving violations of relevant product and service health and safety laws and regulations as well as voluntary principles.</p>
<p>Article <u>17</u> (Organization and Responsibilities) The directors, <u>supervisors, managers, employees, mandataries, and substantial controllers</u> of the company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical</p>	<p>Article 12 (Organization and Responsibilities) The board of directors shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical</p>	<p>In line with Article 2 of these Best Practice Principles, the scope has been expanded to directors, supervisors, managers, employees, mandataries, and substantial controllers. The first paragraph of this article has therefore been revised and the article sequence changed.</p>

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<p>corporate management policies.</p> <p>To achieve sound ethical corporate management, the company shall establish a dedicated unit that is under the board of directors and responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be <u>in charge of the following matters</u>, and shall report to the board of directors on a regular basis:</p> <ol style="list-style-type: none"> 1. <u>Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</u> 2. <u>Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.</u> 3. <u>Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher</u> 	<p>corporate management, the company shall establish a dedicated unit that is under the board of directors and responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis-</p>	

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<p>risk for unethical conduct.</p> <p>4. <u>Promoting and coordinating awareness and educational activities with respect to ethics policy.</u></p> <p>5. <u>Developing a whistle-blowing system and ensuring its operating effectiveness.</u></p> <p>6. <u>Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</u></p>		
<p>Article <u>18</u> (Legal compliance during business operations) The company and their directors, <u>supervisors</u>, managers, <u>employees</u>, <u>mandataries</u>, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.</p>	<p>Article 13 (Legal compliance during business operations) The company and their directors, managers, employees and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.</p>	<p>The words “supervisors” and “mandataries” have been added in line with Paragraph 1, Article 2, the text of the article has been revised, and the article sequence has been changed.</p>
<p>Article <u>19</u> (Recusal) The company <u>shall</u> adopt policies for preventing conflicts of interest <u>to identify, monitor, and manage risks possibly resulting from unethical conduct</u>, and shall also offer appropriate means for directors, <u>supervisors</u>, <u>managers</u>, and <u>other stakeholders attending or</u></p>	<p>Article 14 (Recusal of directors and supervisors) The company shall adopt policies for preventing conflicts of interest, and shall also offer appropriate means for directors and managers attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those</p>	<p>1. The first part of Paragraph 1 of this article has been amended with reference to the regulations set forth in Article 5.1 of the third edition of the Business Principles for Countering Bribery issued by Transparency International in 2013 emphasizing that shall adopt policies for</p>

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<p><u>present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company.</u></p> <p>When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, <u>supervisors, managers, and other stakeholders attending or present at board meetings of the company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting.</u> If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.</p> <p>The company directors, <u>supervisors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person</u></p>	<p>of the company.</p> <p>When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors present at board meetings of the company, the directors shall practice a high level of self-discipline and may express their opinions and respond to any questions raised at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in voting on the proposal and shall recuse himself or herself from the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.</p> <p>The company directors and managers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person</p>	<p>preventing conflicts of interest to assist in the identification, monitoring, and management of related risks.</p> <p>2. In consideration of the fact that conflicts of interest are not confined to directors, supervisors, and managers, the second part of the first paragraph and the first part of the second paragraph have been amended to include other stakeholders attending or present at board meetings. In addition, the second paragraph has been revised with reference to the regulations set forth in Paragraph 1, Article 8 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p> <p>3. The third paragraph of this article has been amended to prevent employees, mandataries, and substantial controllers from taking advantage of their positions or influence in the companies to obtain improper benefits for themselves or any other person.</p> <p>4. Article sequence has been changed.</p>
<p>Article <u>20</u> (Accounting and internal</p>	<p>Article 15 (Accounting and internal</p>	<p>1. The regulations set forth in Article 13 of the</p>

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<p>audit) The company <u>shall</u> establish effective accounting systems and internal control <u>systems</u> for business activities possibly at a higher risk of being involved in an unethical conduct, <u>not have</u> under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. The internal audit <u>unit of the company shall</u> periodically examine the company's compliance with the foregoing systems and prepare audit reports and submit the same to the board of directors. The internal audit unit <u>may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</u></p>	<p>audit) The company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, <u>not have</u> under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. The internal audit personnel of the company shall periodically examine the company's compliance with the foregoing systems and prepare audit reports and submit the same to the board of directors.</p>	<p>Regulations Governing Establishment of Internal Control Systems by Public Companies stipulate that the internal audit unit of the company shall formulate annual audit plans for the implementation of internal audits. The internal control system shall be inspected based on these plans and audit reports shall be compiled. The first part of the second paragraph has therefore been amended.</p> <p>2. In accordance with Article 6.10 of the third edition of the Business Principles for Countering Bribery issued by Transparency International in 2013, the company should hire external experts to conduct effective inspections and assessments of programs to forestall unethical conduct in a timely manner. A provision stipulating that the company may engage a certified public accountant to carry out audits has therefore been added in the second paragraph of the article. Another provision stipulating that the company may engage professionals if deemed necessary to assist accountants in carrying out audits and enhance</p>

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		<p>the efficiency of such audits has been added in consideration of the fact that ethical management has been incorporated into the design of the six major cycles of internal control and follow-up assessments may involve professional areas including legal aspects, system design, management, and information engineering.</p> <p>3. Article sequence has been changed</p>
<p>Article <u>21</u> (Operational procedures and guidelines) The company shall establish operational procedures and guidelines <u>in accordance with Article 6</u> hereof to guide directors, <u>supervisors</u>, managers, <u>employees</u>, <u>mandataries</u> and substantial controllers on how to conduct business. The procedures and guidelines should <u>at least</u> contain the following matters:</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 charitable donations or sponsorship. 4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled. 5. Rules for keeping 	<p>Article 16 (Operational procedures and guidelines) The company shall establish operational procedures and guidelines for preventing dishonor behavior to guide directors, managers, employees and substantial controllers on how to conduct business. The procedures and guidelines should <u>at least</u> contain the following matters:</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 charitable donations or sponsorship. 4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled. 5. Rules for keeping confidential trade secrets 	<p>The words “supervisors” and “mandataries” have been added in line with Paragraph 1, Article 2, the text of the article has been revised, and the article sequence has been changed.</p>

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<p>confidential trade secrets and sensitive business information obtained in the ordinary course of business.</p> <p>6. Regulations and procedures for dealing with suppliers, clients and business transaction <u>counterparties</u> suspected of unethical conduct.</p> <p>7. Handling procedures for violations of these Principles.</p> <p>8. Disciplinary measures on offenders.</p>	<p>and sensitive business information obtained in the ordinary course of business.</p> <p>6. Regulations and procedures for dealing with suppliers, clients and business transaction objects suspected of unethical conduct.</p> <p>7. Handling procedures for violations of these Principles.</p> <p>8. Disciplinary measures on offenders.</p>	
<p>Article <u>22</u> (Education and Appraisal) <u>The chairperson, general manager, or senior management of the company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.</u> The company <u>shall</u> periodically organize training and awareness programs for directors, <u>supervisors, managers, employees, mandataries,</u> and substantial controllers and <u>invite</u> the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct. The company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human</p>	<p>Article 17 (Education and Appraisal) The company shall periodically organize training and awareness programs for directors, managers, employees and substantial controllers, and each business unit shall communicate to the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct. The company <u>will</u> apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.</p>	<ol style="list-style-type: none"> 1. The senior management of the company shall establish ethical practices, concepts, and beliefs and convey them to the directors, employees, and mandataries. The first paragraph has therefore been added to enhance the overall ethical management culture of the company. 2. The original Paragraph 1 and 2 have been changed to Paragraph 2 and 3 3. Article sequence has been changed

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<p>resource policies to establish a clear and effective reward and discipline system.</p>		
<p>Article 23 (Whistle-blowing System) <u>The company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</u></p> <ol style="list-style-type: none"> 1. <u>An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports.</u> 2. <u>Dedicated personnel or unit appointed to handle whistle-blowing system. Any tip involving a director or senior manager shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</u> 3. <u>Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</u> 4. <u>Confidentiality of the identity of whistle-blowers and the content of reported cases.</u> 5. <u>Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their</u> 	<p>Article 18 (Whistle Blowing and disciplinary measures) If directors, managers, employees, and substantial controllers of this company detect violations of ethical corporate management rules, they shall report such violations to the audit committee, managers, chief internal auditors, or other suitable executives. The company shall maintain the confidentiality of the identity of whistle blowers and the content of reported cases and actively investigate and handle the matter. Disciplinary measures for violations of ethical corporate management rules shall be imposed in accordance with the severity of the infraction.</p>	<ol style="list-style-type: none"> 1. The text of the first paragraph has therefore been completely revised to specifically require the company to systemize its review procedures. 2. Whistle blowers may be internal or external personnel. Reporting channels must allow a convenient and effective transmission of reports to authorized personnel or units. In addition to the establishment of internal reporting channels, the company should also commission independent third-party organizations to provide mailboxes or hotlines for international operations and the receipt of report submitted by internal or external personnel of the company. Reports are then handled by dedicated personnel or units of the company in accordance with established operational procedures. The second part of the first and second clause of Paragraph 1 has therefore been amended. 3. The first part of Clause 2, Paragraph 1 was added with reference to Chapter 7 on Internal Control of the Hong Kong Anti-Corruption Guide for Listed Companies. Tips can be reported

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<p><u>whistle-blowing.</u></p> <p>6. <u>Whistle-blowing incentive measures.</u></p> <p><u>When material misconduct or likelihood of material impairment to the company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or supervisors in written form.</u></p>		<p>directly to supervisors or independent directors to ensure messages are transmitted to the board level and handled in a fair manner. Report contents may involve different categories including harassment, discrimination, unfair treatment, bribery, health, safety, environment, and misconduct. It is recommended that the company adopt standard operating procedures for the investigation of each category. The second part of Clause 2, Paragraph 1 has therefore been added.</p> <p>4. Clause 3, Paragraph 1 has been added to ensure the preservation of complete records of concrete evidence and processes pertaining to reports.</p> <p>5. Clauses 5 and 6, Paragraph 1 have been added to encourage internal and external personnel of the enterprise to submit reports on illegal affairs to the company and commissioned independent external organizations or the competent authority and the Taiwan Stock Exchange. This clause stipulates that the company shall provide incentive measures for whistle-blowers and protect them from unfavorable disciplinary action or revenge.</p>

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		<p>6. The text of paragraph 1 of the original article has been moved to Clause 4, Paragraph 1 of the amended version.</p> <p>7. Paragraph 2 has been amended with reference to the regulations set forth in Article 15 of the Regulations Governing Establishment of Internal Control Systems by Public Companies .The text of paragraph 2 of the original article has been moved to Article 24.</p> <p>8. Article sequence has been changed</p>
<p>Article <u>24</u> (<u>Disciplinary and Appeal System</u>) <u>The company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.</u></p>	<p>Newly added article</p>	<p>This article requires that the company shall publish a disciplinary and appeal system for handling violations of the ethical corporate management rules.</p>
<p>Article <u>25</u> (<u>Information Disclosure</u>) <u>The company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. It shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the</u></p>	<p>Article 19 (Information Disclosure) The company shall disclose the status of implementation of ethical corporate management best practice principles on their company websites, annual reports, and prospectuses.</p>	<p>1. The Specific Standard Disclosure Items G4-SO3, G4-SO4, G4-SO5 of the G4 Sustainability Reporting Framework issued by the Global Reporting Initiative in 2013 require the disclosure of information pertaining to the promotion of ethical management policies and anti-corruption.</p> <p>2. The content of this article has been revised to</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p><u>foregoing quantitative data, and the effectiveness of promotion on their company websites, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.</u></p>		<p>strengthen the disclosure of ethical management best practice principles with reference to the G4 Sustainability Reporting Framework issued by the Global Reporting Initiative in 2013.</p> <p>3. Article sequence has been changed</p>
<p><u>Article 26 (Review of Ethical Corporate Management Policies and Measures)</u> The company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.</p>	<p>Article 20 (Review and Improvement of Ethical Corporate Management Principle) The company at all times monitors the development of relevant local and international regulations concerning ethical corporate management and encourages its directors, managers and employees to make suggestions, based on which the adopted ethical corporate management principle and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.</p>	<p>The text of this article has been revised and the article sequence changed to encourage a constant review of ethical corporate management policies and measures abreast of modern developments.</p>
<p><u>Article 27 (Implement and Amendment)</u> The ethical corporate management best practice principles of the company shall be implemented after the board of directors grants the approval, and shall be sent to the <u>audit committee</u> and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended. <u>In case the company has appointed any independent director, when the ethical corporate management best</u></p>	<p>Article 24 (Implementation and Amendment) The ethical corporate management best practice principles of the company shall be implemented upon review by the audit committee and after the board of directors grants the approval, and shall be reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.</p>	<p>The audit committee of the company has already been established. Paragraphs 2 and 3 of this article have therefore been added to facilitate practical operations. The article sequence has also been changed and the amendment date has been added.</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p><u>practice principles are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objection or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</u></p> <p><u>The provisions regarding supervisors in these Principles shall apply mutatis mutandis to the audit committee.</u></p> <p><u>The second version of these Best Practice Principles was approved by the board of directors on March 13, 2013.</u></p>		

Comparison table for the amendments of “Procedures for Ethical Management and Guidelines for Conduct”

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>Article 1 (Purpose of adoption and scope of application) The company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct are adopted pursuant to the provisions of <u>Article 6</u> of the Ethical Corporate Management Best Practice Principles with a view to providing all personnel of the company with clear directions for the performance of their duties. The scope of application of these Procedures and Guidelines includes the subsidiaries of the company, any incorporated foundation in which the company's accumulated contributions, direct or indirect, <u>exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations</u>, such as institutions or juristic persons, substantially controlled by the company ("<u>group enterprises and organizations</u> ").</p>	<p>Article 1 (Purpose of adoption and scope of application) The company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for <u>TWSE/GTSM-Listed Companies</u> with a view to providing all personnel of the company with clear directions for the performance of their duties. The scope of application of these Procedures and Guidelines includes the subsidiaries of the company, direct or indirect, substantially controlled by the company (hereinafter, "business group and organization").</p>	<p>Relevant provisions have been revised to clarify the scope of applicability</p>
<p>Article 2 (Applicable Objects) For the purposes of these Procedures and Guidelines, the term "personnel of the company"</p>	<p>Article 2 (Applicable Objects) For the purposes of these Procedures and Guidelines, the term "personnel of the company" refers to any</p>	<p>The word “mandataries” was added to the first paragraph of this article to clarify the scope of applicability and include</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>refers to any director, supervisor, managerial officer, <u>employee, and mandataries</u> or person having substantial control ("<u>substantial controllers</u>"), of the company or its group enterprises and organizations.</p> <p>Any provision, promise, request, or acceptance of money or other <u>improper benefits</u> in whatever form or name by any personnel of the company through a third party will be presumed to be an act by the personnel of the company.</p>	<p>director, supervisor, managerial officer, employee and person having substantial control ("substantial controllers"), of the company or its group enterprises and organizations.</p> <p>Any provision, promise, request, or <u>acceptance of money, gratuities, gifts, commissions, positions, services, preferential treatment, rebates, facilitating payments, entertainment, dining, or other benefits</u> in whatever form or name by any personnel of the company through a third party will be presumed to be an act by the personnel of the company.</p>	<p>members of the remuneration committee commissioned by the board of directors of the company and other mandataries.</p>
<p>Article 3 (Unethical conduct) For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the company, <u>in</u> the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits. The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, <u>mandataries</u>, persons having substantial control, or other interested parties.</p>	<p>Article 3 (Unethical conduct) For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits. The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.</p>	<p>The word "mandataries" was added to the first paragraph of this article to clarify the scope of applicability and include members of the remuneration committee commissioned by the board of directors of the company and other mandataries.</p>
Article 4	Article 4	Revisions made

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>(Types of benefits) For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, <u>commission</u>, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.</p>	<p>(Types of benefits) For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.</p>	
<p>Article 5 (Responsible unit) The company shall designate the Audit Office as the solely responsible unit ("responsible unit") in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall also submit regular reports to the board of directors.</p>	<p>Article 5 (Responsible unit) The company shall designate the Audit Office as the solely responsible unit ("responsible unit") in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall also submit regular reports to the board of directors.</p>	<p>Correction made to clarify the meaning</p>
<p>Article 6 (Prohibition against providing or accepting improper benefits) Except under one of the following circumstances, when providing, promising, <u>accepting</u>, directly or indirectly, <u>any benefits in whatever form</u>, the conduct of the given personnel of the company shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for the company and these Procedures and Guidelines, and the relevant procedures shall have been carried out: 1. The conduct is in compliance with the laws and regulations of the place where the</p>	<p>Article 6 (Prohibition against providing or accepting improper benefits) Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, money, gratuity, service, preferential treatment, entertainment, dining, or other benefits, the conduct of the given personnel of the company shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out: 1. The conduct is in compliance with the laws and regulations</p>	<p>The text of this article has been revised due to the fact that a clear definition of benefits is already provided in Article 4 of these Procedures for Ethical Management and Guidelines for Conduct</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>Corporation is conducting business operations.</p> <ol style="list-style-type: none"> 2. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination. 3. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships. 4. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance. 5. Attendance at folk festivals that are open to and invite the attendance of the general public. 6. Rewards, emergency assistance, condolence payments, or honorariums from the management. 7. Money, property, or other benefits with a market value of NT\$5,000 or less offered to or accepted from a person other than relatives or friends; or gifts of property with a total market value of 	<p>of the place where the Corporation is conducting business operations.</p> <ol style="list-style-type: none"> 2. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination. 3. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships. 4. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance. 5. Attendance at folk festivals that are open to and invite the attendance of the general public. 6. Rewards, emergency assistance, condolence payments, or honorariums from the management. 7. Money, property, or other benefits with a market value of NT\$5,000 or less offered to or accepted from a person other than relatives or friends; or gifts of property with a total market value of NT\$50,000 or less given by another party to the majority 	

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<p>NT\$50,000 or less given by another party to the majority of the personnel of the company, provided that the total market value of the property offered to the same counterparty or coming from the same source within a single fiscal year shall be limited to NT\$50,000.</p> <p>8. Property with a market value of NT\$100,000 or less received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative.</p> <p>9. Other conduct that complies with the rules of the company.</p>	<p>of the personnel of the company, provided that the total market value of the property offered to the same counterparty or coming from the same source within a single fiscal year shall be limited to NT\$50,000.</p> <p>8. Property with a market value of NT\$100,000 or less received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative.</p> <p>9. Other conduct that complies with the rules of the company.</p>	
<p>Article 7 (Procedures for handling the acceptance of improper benefits) Except under any of the circumstances set forth in the preceding article, when any personnel of the company are provided with or are promised, either directly or indirectly, <u>any type of improper benefits</u> by a third party, the matter shall be handled in accordance with the following procedures:</p> <p>1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the company's personnel, the personnel</p>	<p>Article 7 (Procedures for handling the acceptance of improper benefits) Except under any of the circumstances set forth in the preceding article, when any personnel of the company are provided with or are promised, either directly or indirectly, any money, gratuity, service, preferential treatment, entertainment, dining, or other benefits by a third party, the matter shall be handled in accordance with the following procedures:</p> <p>1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the</p>	<p>The text of this article has been revised due to the fact that a clear definition of benefits is already provided in Article 4 of these Procedures for Ethical Management and Guidelines for Conduct.</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.</p> <p>2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.</p> <p>"A relationship of interest between the party providing or offering the benefit and the official duties of the company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:</p> <ol style="list-style-type: none"> 1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses. 2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established. 3. Other circumstances in which a decision regarding the company's business, or 	<p>company's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.</p> <p>2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.</p> <p>"A relationship of interest between the party providing or offering the benefit and the official duties of the company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:</p> <ol style="list-style-type: none"> 1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses. 2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established. 3. Other circumstances in which a decision regarding the company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact. <p>The responsible unit of the company shall make a proposal, based on the nature and value of the <u>benefit</u> under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled</p>	

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<p>the execution or non-execution of business, will result in a beneficial or adverse impact.</p> <p>The responsible unit of the company shall make a proposal, based on the nature and value of the <u>benefit</u> under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved by the <u>General Manager</u>.</p>	<p>in another appropriate manner. The proposal shall be implemented after being reported and approved by the Chairman.</p>	
<p>Article 9 (Procedures for handling political contributions) Political contributions by the company shall be made in accordance with the following provisions, reported to <u>General Manager</u> for approval, and a notification given to the responsible unit, and when the amount of a contribution is NT\$5,000,000 <u>or more</u>, it shall be made only after being reported to and approved by the board of directors:</p> <ol style="list-style-type: none"> 1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made. 2. A written record of the decision-making process shall be kept. 	<p>Article 9 (Procedures for handling political contributions) Political contributions by the company shall be made in accordance with the following provisions, reported to the supervisor in charge for approval, and a notification given to the responsible unit, and when the amount of a contribution is NT\$5,000,000 or more, it shall be made only after being reported to and approved by the board of directors:</p> <ol style="list-style-type: none"> 1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made. 2. A written record of the decision-making process shall be kept. 3. Account entries shall be made for all political contributions in accordance 	<p>Revisions have been made to clarify the level of authority</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>3. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.</p> <p>4. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of the company with the related government agencies shall be avoided.</p>	<p>with applicable laws and regulations and relevant procedures for accounting treatment.</p> <p>4. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of the company with the related government agencies shall be avoided.</p>	
<p>Article 10 (Procedures for handling charitable donations or sponsorships) Charitable donations or sponsorships by the company shall be provided in accordance with the following provisions and reported to the <u>General Manager</u> for approval, and a notification shall be given to the responsible unit. When the amount is NT\$5,000,000 <u>or more</u>, the donation or sponsorship shall be provided only after it has been submitted for adoption by the board of directors:</p> <ol style="list-style-type: none"> 1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the company is doing business. 2. A written record of the decision making process shall be kept. 3. A charitable donation shall 	<p>Article 10 (Procedures for handling charitable donations or sponsorships) Charitable donations or sponsorships by the company shall be provided in accordance with the following provisions and reported to the supervisor in charge for approval, and a notification shall be given to the responsible unit. When the amount is NT\$5,000,000 or more, the donation or sponsorship shall be provided only after it has been submitted for adoption by the board of directors:</p> <ol style="list-style-type: none"> 1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the company is doing business. 2. A written record of the decision making process shall be kept. 3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery. 4. The returns received as a 	<p>Revisions have been made to clarify the level of authority</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>be given to a valid charitable institution and may not be a disguised form of bribery.</p> <p>4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the company's commercial dealings or a party with which any personnel of the company has a relationship of interest.</p> <p>5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.</p>	<p>result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the company's commercial dealings or a party with which any personnel of the company has a relationship of interest.</p> <p>5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.</p>	
<p>Article 11 <u>(Recusal)</u></p> <p>When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, <u>supervisors, managers, and other stakeholders attending or present at board meetings</u> of the company, <u>the concerned person shall state the important aspects of the relationship of interest at the given board meeting.</u> If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may</p>	<p>Article 11 (Recusal)</p> <p>The directors of the company shall maintain a high degree of self-discipline; when a proposal at a board of directors meeting concerns a director's personal interest or the interest of the juristic person represented by the director, and such a relationship is likely to prejudice the interest of the company, that director may express opinions and answer questions but may not participate in the discussion nor vote on that proposal. In addition, that director shall recuse himself or herself when the discussion and voting is in progress, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline</p>	<p>In consideration of the fact that conflicts of interest are not confined to directors, supervisors, and managers, the first paragraph has been amended to include other stakeholders attending or present at board meetings. In addition, the provisions of the article have been amended with reference to the regulations set forth in Paragraph 1, Article 8 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>

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<p>not exercise voting rights as proxy for another director.</p> <p>The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p>If in the course of conducting company business, any personnel of the company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.</p> <p>No personnel of the company may use company resources on commercial activities other than those of the company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the company.</p>	<p>among themselves, and may not support each other in an inappropriate manner.</p> <p>If in the course of conducting company business, any personnel of the company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.</p> <p>No personnel of the company may use company resources on commercial activities other than those of the company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the company</p>	
<p>Article 14 (Prohibition against insider trading)</p> <p>The company's personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed <u>information</u> of which they have learned to engage in insider trading. Personnel are also prohibited from divulging the undisclosed information to any other party in order to prevent</p>	<p>Article 14 (Prohibition against insider trading)</p> <p>The company's personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging the undisclosed information to any other party in order to prevent another party from using such information to</p>	<p>Revisions made</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>another party from using such <u>information</u> to engage in insider trading.</p>	<p>engage in insider trading.</p>	
<p>Article 16 (Announcement of policy of ethical management to outside parties) The company shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.</p>	<p>Article 16 (Announcement of policy of ethical management to outside parties) The company shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.</p>	<p>Correction made to clarify the meaning</p>
<p>Article 17 (Ethical management evaluation prior to development of commercial relationships) Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes. When the company carries out the evaluation under the preceding paragraph, it may <u>adopt</u> appropriate audit procedures for a review of the counterparty with</p>	<p>Article 17 (Ethical management evaluation prior to development of commercial relationships) Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes. When the company carries out the evaluation under the preceding paragraph, it may take appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to</p>	<p>Correction made to clarify the meaning</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:</p> <ol style="list-style-type: none"> 1. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment. 2. Whether the enterprise has adopted an ethical management policy, and the status of its implementation. 3. Whether enterprise's business operations are located in a country with a high risk of corruption. 4. Whether the business operated by the enterprise is in an industry with a high risk of bribery. 5. The long-term business condition and degree of goodwill of the enterprise. 6. Consultation with the enterprise's business partners on their opinion of the enterprise. 7. Whether the enterprise has a record of unethical conduct such as bribery or illegal political contributions. 	<p>gain a comprehensive knowledge of its ethical management:</p> <ol style="list-style-type: none"> 1. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment. 2. Whether the enterprise has adopted an ethical management policy, and the status of its implementation. 3. Whether enterprise's business operations are located in a country with a high risk of corruption. 4. Whether the business operated by the enterprise is in an industry with a high risk of bribery. 5. The long-term business condition and degree of goodwill of the enterprise. 6. Consultation with the enterprise's business partners on their opinion of the enterprise. 7. Whether the enterprise has a record of unethical conduct such as bribery or illegal political contributions. 	
<p>Article 18 (Statement of ethical management policy to counterparties <u>in</u> commercial dealings) Any personnel of the company, when engaging in commercial activities, shall make a statement to the trading counterparty about</p>	<p>Article 18 (Statement of ethical management policy to counterparties in commercial dealings) Any personnel of the company, when engaging in commercial activities, shall make a statement to the trading counterparty about the company's</p>	<p>Correction made to clarify the meaning</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>the company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept any improper benefit in whatever form.</p>	<p>ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name, including rebates, commissions, facilitating payments, or other improper benefits provided or accepted through other channels.</p>	
<p>Article 20 (Stipulation of terms of ethical management in contracts) Before entering into a contract with another party, the company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of ethical management part of the terms and conditions of the contract, stipulating at the least the following matters:</p> <ol style="list-style-type: none"> 1. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of <u>commissions</u>, rebates, or other benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has 	<p>Article 20 (Stipulation of terms of ethical management in contracts) Before entering into a contract with another party, the company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of ethical management part of the terms and conditions of the contract, stipulating at the least the following matters:</p> <ol style="list-style-type: none"> 1. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of commissions, rebates, or other benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim from the other party 1 percent of the contract price as damages, and may also 	<p>Revisions made</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>been resultant damage to either party, the party may claim from the other party 1 percent of the contract price as damages, and may also deduct the full amount of the damages from the contract price payable.</p> <p>2. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.</p> <p>3. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.</p>	<p>deduct the full amount of the damages from the contract price payable.</p> <p>2. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.</p> <p>3. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.</p>	
<p>Article 21 (Handling of unethical conduct by personnel of the company) Upon discovering or receiving a complaint about any personnel's involvement in unethical conduct, the company shall ascertain the relevant facts without delay; if it is verified that there is indeed a violation of applicable laws and regulations or the company's policy and procedures of ethical management, the company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. <u>When</u> necessary, the company will institute legal proceedings and seek damages to safeguard its reputation and its rights and</p>	<p>Article 21 (Handling of unethical conduct by personnel of the company) Upon discovering or receiving a complaint about any personnel's involvement in unethical conduct, the company shall ascertain the relevant facts without delay; if it is verified that there is indeed a violation of applicable laws and regulations or the company's policy and procedures of ethical management, the company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.</p>	<p>Revisions made</p>

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p>interests.</p> <p>With respect to the unethical conduct that has occurred, the company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent a recurrence of the same unethical conduct. The responsible unit of the company shall submit to the board of directors a report on the unethical conduct, actions taken, and subsequent reviews and corrective measures.</p>	<p>With respect to the unethical conduct that has occurred, the company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent a recurrence of the same unethical conduct. The responsible unit of the company shall submit to the board of directors a report on the unethical conduct, actions taken, and subsequent reviews and corrective measures.</p>	
<p>Article 24 (Enforcement and Amendment) These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be delivered to <u>audit committee</u> and reported to the shareholders meeting. The same procedure shall be followed when the principles have been amended. <u>In case the company has appointed any independent director, when these Procedures and Guidelines are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board</u></p>	<p>Article 24 (Enforcement) These procedures and guidelines for Ethical Corporate Management Best Practice Principles and all amendments hereto shall be implemented upon review by the audit committee and adoption by resolution of the board of directors and shall be reported to the shareholders' meeting.</p>	

AFTER AMENDMENTS	BEFORE AMENDMENTS	EXPLANATIONS
<p><u>meeting in person to express objection or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</u></p> <p><u>The provisions regarding supervisors in these Principles shall apply mutatis mutandis to the audit committee.</u></p> <p><u>These procedures and guidelines were approved by the board of directors on October 14, 2011.</u></p> <p><u>The second version of these procedures and guidelines was approved on March 13, 2015.</u></p>		

Exhibit 6: Independent Auditors’ Report and Consolidated Financial Statements

INDEPENDENT AUDITORS’ REPORT

Yeong Guan Energy Technology Group Co., Ltd.

We have audited the accompanying consolidated balance sheets of Yeong Guan Energy Technology Group Co., Ltd. and its subsidiaries as of December 31st of 2014 and 2013, and the related consolidated income statements, consolidated statements for changes in equities and consolidated statements for cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Yeong Guan Energy Technology Group Co., Ltd. and subsidiaries as of December 31, 2014 and 2013, and the results of their consolidated operations and their consolidated cash flows for the years then ended in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standard (“IFRS”) , International Accounting Standard (“IAS”), International Financial Reporting Interpretations Committee (“IFRIC”) interpretations and Standing Interpretations Committee (“SIC”) interpretations recognized by the Financial Supervisory Commission .

Deloitte & Touche
CPA Lee, Dong-Fong

CPA Gong, Ze-Li

Securities & Futures Committee,
Ministry of Finance
Approval Document No.
Tai-Cai-Zheng-Liu-Tze
No. 0930128050

Financial Supervisory Commission
Executive Yuan
Approval Document No.
Gin-Guan-Zheng-Shen-Tze
No. 1000028068

March 13th, 2015

Yeong Guan Energy Technology Group Co., Ltd. & Subsidiaries
Consolidated Balance Sheets
2014 and December 31st, 2013

Unit: in thousands of NTD

Codes	Assets	December 31 st , 2014		December 31 st , 2014	
		Amounts	%	Amounts	%
	CURRENT ASSETS				
1100	Cash & cash equivalent(Notes 4 and 6)	\$ 2,942,384	25	\$ 1,556,711	16
1110	Financial assets at fair value through profit and loss – net(Notes 4, 5 and 7)	1,379	-	1,943	-
1147	Debt securities investment with no active market – current (Notes 4 and 8)	-	-	24,480	-
1150	Notes receivable(Notes 4 and 26)	183,066	2	147,739	2
1170	Account receivables, net(Notes 4, 5, 9 and 26)	1,810,772	16	1,790,079	19
130X	Inventories, net(Notes 4, 5 and 10)	1,411,235	12	1,106,212	12
1419	Prepayments	135,208	1	133,540	1
1479	Other current assets(Notes 4, 14 and 27)	<u>242,572</u>	<u>2</u>	<u>211,182</u>	<u>2</u>
11XX	Total Current Assets	<u>6,726,616</u>	<u>58</u>	<u>4,971,886</u>	<u>52</u>
	NON-CURRENT ASSETS				
1600	Property, plant & equipment(Notes 4, 5, 11 and 27)	4,310,151	37	4,021,240	42
1760	Investment property, net(Notes 4, 12, 23 and 27)	13,558	-	17,491	-
1805	Goodwill(Notes 4, 5 and 13)	134,386	1	131,652	2
1840	Deferred income tax assets(Notes 4, 5 and 21)	17,286	-	49,221	1
1915	Equipment prepayments	168,006	1	21,679	-
1985	Long-term prepaid rents(Notes 4, 14 and 27)	290,510	3	281,624	3
1990	Other non-current assets(Notes 4, 26 and 27)	<u>17,747</u>	<u>-</u>	<u>11,565</u>	<u>-</u>
15XX	Total Non-Current Assets	<u>4,951,644</u>	<u>42</u>	<u>4,534,472</u>	<u>48</u>
1XXX	TOTAL ASSETS	<u>\$ 11,678,260</u>	<u>100</u>	<u>\$ 9,506,358</u>	<u>100</u>
	LIABILITIES & SHAREHOLDER'S EQUITY				
	CURRENT LIABILITIES				
2100	Short-term debts(Notes 15 and 27)	\$ 316,700	3	\$ 984,964	10
2150	Notes payable(Note 26)	493,503	4	394,710	4
2170	Accounts payable (Note 26)	706,663	6	582,271	6
2219	Other accounts payable(Notes 17 and 26)	405,439	3	273,567	3
2230	Current income tax liabilities(Notes 4, 5 and 21)	88,647	1	95,314	1
2320	Current portion of long term debt (Notes 15 and 27)	-	-	77,569	1
2399	Other current liabilities	<u>56,544</u>	<u>1</u>	<u>58,499</u>	<u>1</u>
21XX	Total Current Liabilities	<u>2,067,496</u>	<u>18</u>	<u>2,466,894</u>	<u>26</u>
	NON-CURRENT LIABILITIES				
2500	Financial debts at fair value through profit and loss – non-current(Notes 4, 5, 7 and 16)	900	-	-	-
2530	Bonds payable (Notes 4 and 16)	1,444,295	12	-	-
2540	Long-term debts payable (Notes 15 and 27)	95,010	1	726,166	8
2570	Deferred income tax debts(Notes 4, 5 and 21)	13,507	-	13,845	-
2600	Other non-current liabilities(Note 26)	<u>-</u>	<u>-</u>	<u>23</u>	<u>-</u>
25XX	Total Non-Current Liabilities	<u>1,553,712</u>	<u>13</u>	<u>740,034</u>	<u>8</u>
2XXX	TOTAL LIABILITIES	<u>3,621,208</u>	<u>31</u>	<u>3,206,928</u>	<u>34</u>
	TOTAL SHAREHOLDER'S EQUITY				
	Shareholder's Equity				
3110	Common stock capital	<u>1,048,890</u>	<u>9</u>	<u>1,008,890</u>	<u>11</u>
3200	Additional paid-in capital	<u>4,045,959</u>	<u>35</u>	<u>3,548,276</u>	<u>37</u>
	Retained earnings				
3310	Legal reserve	123,907	1	69,795	-
3320	Special reserve	8,214	-	92,616	1
3350	Unappropriated retained earnings	<u>2,182,667</u>	<u>19</u>	<u>1,503,325</u>	<u>16</u>
3300	Total Retained Earnings	<u>2,314,788</u>	<u>20</u>	<u>1,665,736</u>	<u>17</u>
	Other Shareholder's Equity				
3410	Exchange difference on translation of foreign financial statements	<u>527,397</u>	<u>4</u>	<u>76,528</u>	<u>1</u>
31XX	The Company's Total Shareholder's Equity	<u>7,937,034</u>	<u>68</u>	<u>6,299,430</u>	<u>66</u>
36XX	Non-controlling interest	<u>120,018</u>	<u>1</u>	<u>-</u>	<u>-</u>
3XXX	TOTAL SHAREHOLDER'S EQUITY	<u>8,057,052</u>	<u>69</u>	<u>6,299,430</u>	<u>66</u>
	TOTAL LIABILITIS & SHAREHOLDER'S EQUITY	<u>\$ 11,678,260</u>	<u>100</u>	<u>\$ 9,506,358</u>	<u>100</u>

The accompanying notes constitute an integral part of this consolidated financial statement.

Chairman: Chang, Hsien-Ming

General Manager: Chang, Hsien-Ming

Chief Accountant: Lin, Yu-Yi

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries

Consolidated Income Statement

2014 and December 31st, 2013

Unit: in thousands of NTD,
except revenue per share

Codes		2014		2013	
		Amount	%	Amount	%
4000	OPERATING REVENUE(Notes 4 and 26)	\$ 7,206,294	100	\$ 5,899,431	100
5000	OPERATING COSTS(Notes 4, 10, 20 and 26)	<u>4,948,583</u>	<u>69</u>	<u>4,212,042</u>	<u>72</u>
5900	OPERATING GROSS PROFIT	<u>2,257,711</u>	<u>31</u>	<u>1,687,389</u>	<u>28</u>
	OPERATING EXPENSES(Note 20)				
6100	Marketing expenses	389,526	5	346,197	6
6200	General & administrative expenses	429,299	6	389,792	7
6300	Research & development expenses	<u>90,027</u>	<u>1</u>	<u>89,492</u>	<u>1</u>
6000	Total Operating Expenses	<u>908,852</u>	<u>12</u>	<u>825,481</u>	<u>14</u>
6900	OPERATING NET PROFIT	<u>1,348,859</u>	<u>19</u>	<u>861,908</u>	<u>14</u>
	NON-OPERATING INCOME & EXPENSES				
7100	Interest income	45,441	1	14,507	-
7110	Rent income(Note 26)	4,579	-	5,589	-
7190	Other income & losses(Notes 20 and 26)	8,170	-	(79,793)	(1)
7235	Financial product net profit (loss) at fair value through profit & loss(Notes 5 and 7)	(2,486)	-	6,514	-
7630	Foreign currency exchange net loss (Note 20)	(28,638)	(1)	(7,879)	-
7510	Interest expenses(Notes 4 and 11)	(<u>54,848</u>)	(<u>1</u>)	(<u>71,270</u>)	(<u>1</u>)
7000	Total Non-Operating Income & Expenses	(<u>27,782</u>)	(<u>1</u>)	(<u>132,332</u>)	(<u>2</u>)

(to be continued)

(brought forward)

Codes		2014		2013	
		Amount	%	Amount	%
7900	Pretax net profit	\$ 1,321,077	18	\$ 729,576	12
7950	Income tax(Notes 4 and 21)	<u>319,260</u>	<u>4</u>	<u>188,457</u>	<u>3</u>
8200	Current net profit	1,001,817	14	541,119	9
8310	Other Comprehensive Income Exchange difference on translation of foreign financial statements	<u>455,109</u>	<u>6</u>	<u>286,228</u>	<u>5</u>
8500	Current Total Comprehensive Income	<u>\$ 1,456,926</u>	<u>20</u>	<u>\$ 827,347</u>	<u>14</u>
	Net Profit Attributed to:				
8610	Shareholders	\$ 1,002,164	14	\$ 541,119	9
8620	Non-Controlling Interest	(<u>347</u>)	<u>-</u>	<u>-</u>	<u>-</u>
8600		<u>\$ 1,001,817</u>	<u>14</u>	<u>\$ 541,119</u>	<u>9</u>
	Comprehensive Income Attributed to:				
8710	Shareholders	\$ 1,453,033	20	\$ 827,347	14
8720	Non-Controlling Interest	<u>3,893</u>	<u>-</u>	<u>-</u>	<u>-</u>
8700		<u>\$ 1,456,926</u>	<u>20</u>	<u>\$ 827,347</u>	<u>14</u>
	Earnings Per Share(Note 22)				
9750	Basic	<u>\$ 9.78</u>		<u>\$ 5.36</u>	
9850	Diluted	<u>\$ 9.62</u>		<u>\$ 5.35</u>	

The accompanying notes constitute an integral part of this consolidated financial statement.

Chairman: Chang, Hsien-Ming

General Manager: Chang, Hsien-Ming

Chief Accountant: Lin, Yu-Yi

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
From January 1st to December 31st for 2014 & 2013

Unit: in thousands of NTD

		EQUITY ATTRIBUTED TO SHAREHOLDERS(Notes 4, 16 and 19)											
		Capital Surplus			Retained Earnings				Exchange Differences on Translation of Foreign Financial Statements	The Company's Total Shareholder's Equity	Non-Controlling Interests (Notes 4 & 19)	Total Shareholder's Equity	
Codes		Common Share	Additional Paid-In Capital	Stock Option	TOTAL	Legal Reserve	Special Reserve	Retained Earnings	TOTAL				
A1	BALANCE, JANUARY 1 ST , 2013	\$ 1,008,890	\$ 3,548,276	\$ -	\$ 3,548,276	\$ 29,754	\$ -	\$ 1,324,497	\$ 1,354,251	(\$ 209,700)	\$ 5,701,717	\$ -	\$ 5,701,717
B3	Special Reserve Appropriated In Accordance With Gin-Guan-Zheng-Fa-Tze No. 1010012865 Order	-	-	-	-	-	8,214	(8,214)	-	-	-	-	-
	Appropriation & Distribution of 2012 Earnings:												
B1	Legal Reserve	-	-	-	-	38,809	-	(38,809)	-	-	-	-	-
B3	Special Reserve	-	-	-	-	-	93,638	(93,638)	-	-	-	-	-
B5	Cash Dividend	-	-	-	-	-	-	(262,311)	(262,311)	-	(262,311)	-	(262,311)
	Sub-Total	-	-	-	-	38,809	93,638	(394,758)	(262,311)	-	(262,311)	-	(262,311)
T1	Functional currency change effects	-	-	-	-	1,232	(9,236)	40,681	32,677	-	32,677	-	32,677
D1	2013 Net profit	-	-	-	-	-	-	541,119	541,119	-	541,119	-	541,119
D3	2013 Other consolidated income	-	-	-	-	-	-	-	-	286,228	286,228	-	286,228
D5	2013 Total consolidated income	-	-	-	-	-	-	541,119	541,119	286,228	827,347	-	827,347
Z1	BALANCE, DECEMBER 31 ST , 2013	1,008,890	3,548,276	-	3,548,276	69,795	92,616	1,503,325	1,665,736	76,528	6,299,430	-	6,299,430
	2013 Earnings appropriation and distribution:												
B1	Legal reserve	-	-	-	-	54,112	-	(54,112)	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	(84,402)	84,402	-	-	-	-	-
B5	Cash dividend	-	-	-	-	-	-	(353,112)	(353,112)	-	(353,112)	-	(353,112)
	Sub-Total	-	-	-	-	54,112	(84,402)	(322,822)	(353,112)	-	(353,112)	-	(353,112)
D1	2014 Net profit	-	-	-	-	-	-	1,002,164	1,002,164	-	1,002,164	(347)	1,001,817
D3	2013 Other consolidated income	-	-	-	-	-	-	-	-	450,869	450,869	4,240	455,109
D5	2013 Total consolidated income	-	-	-	-	-	-	1,002,164	1,002,164	450,869	1,453,033	3,893	1,456,926
E1	Capital Increase by Cash	40,000	428,854	-	428,854	-	-	-	-	-	468,854	-	468,854
I1	Equity component recognized due to issue of Convertible Bond	-	-	68,829	68,829	-	-	-	-	-	68,829	-	68,829
O1	Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	116,125	116,125
Z1	Balance on December 31 st , 2014	\$ 1,048,890	\$ 3,977,130	\$ 68,829	\$ 4,045,959	\$ 123,907	\$ 8,214	\$ 2,182,667	\$ 2,314,788	\$ 527,397	\$ 7,937,034	\$ 120,018	\$ 8,057,052

The accompanying notes constitute an integral part of this consolidated financial statement.

Chairman: Chang, Hsien-Ming General Manager: Chang, Hsien-Ming Chief Accountant: Lin, Yu-Yi

Yeong Guan Energy Technology Group Co., Ltd. & Subsidiaries
Consolidated Statement of Cash Flows
From January 1st to December 31st for 2014 & 2013

		Unit: in thousands of NTD	
Codes		2014	2013
	Cash Flows from Operating Activities		
A10000	Pre-tax net profit	\$ 1,321,077	\$ 729,576
A20010	Income/Expense item not affecting cash flows		
A20100	Depreciation expense	428,078	408,888
A20200	Amortization expense	2,298	2,147
A20300	Bad debt provision (resersal) expense	(66,501)	62,094
A20400	Financial instrument net profit at fair value through profit and loss	(329)	(1,902)
A20900	Interest expense	54,848	71,270
A21200	Interest income	(45,441)	(14,507)
A22500	Net loss from disposal & abolishment of property, factory and equipment	261	1,978
A23500	Financial asset impairment loss	-	76,403
A23800	Inventory devaluation & obsolescence loss (price recovery gain)	5,717	(16,508)
A24100	Unrealized foreign currecny exchange net profit	(16,670)	(8,229)
A29900	Amortization of prepaid lease payment	6,869	7,025
A30000	Net change on operating assets and liabilities		
A31130	Notes receivable	(25,630)	(6,009)
A31150	Account receivable	160,156	(464,450)
A31200	Inventory	(235,836)	(90,445)
A31230	Advance payments	5,684	(148,758)
A31240	Other current assets	(16,743)	(174,262)
A32110	Financial instrument at fair value through profit and loss	1,943	-
A32130	Notes payable	72,680	339,452
A32150	Account payable	86,667	96,910
A32180	Other payables	99,293	19,835
A32230	Other Current Liabilities	(<u>5,050</u>)	<u>18,739</u>
A33000	Operating net cash inflows	1,833,371	909,247
A33300	Interest paid	(39,299)	(71,943)
A33500	Income tax paid	(<u>298,759</u>)	(<u>159,725</u>)
AAAA	Operating Activity Net Cash Inflows	<u>1,495,313</u>	<u>677,579</u>

(to be continued)

(brought forward)

<u>C o d e s</u>		<u>2014</u>	<u>2013</u>
	Investment Activity Cash Flows		
B00600	Investment on bonds without active market	\$ -	(\$ 23,964)
B00700	Proceeds from disposal of bond investment without active market	24,671	-
B02700	Payment for property, factory and equipment	(268,270)	(97,166)
B02800	Proceeds from disposal of property, factory and equipment	868	19,286
B04500	Payment for intangible assets	(1,009)	(3,170)
B06700	Increase in other non-current assets	(6,601)	(1,590)
B07100	Increase in equipment prepayments	(341,440)	(106,129)
B07300	Long term lease prepayments	-	10,198
B07500	Interests collected	<u>43,763</u>	<u>14,507</u>
BBBB	Investment Activity Net Cash Outflow	(<u>548,018</u>)	(<u>188,028</u>)
	Financing Activity Cash Flows		
C00200	Decrease in short term loan	(689,836)	(108,794)
C01200	Issuance of corporate bond	1,496,286	-
C01700	Long term loan repayment	(719,190)	(65,415)
C04400	Decrease in other non-current liabilities	(23)	(289)
C04500	Cash dividend disbursement	(353,112)	(262,311)
C04600	Capital increase by cash	468,854	-
C05800	Non-controlling interest changes	<u>116,125</u>	<u>-</u>
CCCC	Financing Activity Net Cash Inflow(Outflow)	<u>319,104</u>	(<u>436,809</u>)
DDDD	Exchange rate change effects on cash & cash equivalents	<u>119,274</u>	<u>73,770</u>
EEEE	Cash & cash equivalents increase	1,385,673	126,512
E00100	Cash & cash equivalents, beginning of the period	<u>1,556,711</u>	<u>1,430,199</u>
E00200	Cash & cash equivalents, end of the period	<u>\$ 2,942,384</u>	<u>\$ 1,556,711</u>

The accompanying notes constitute an integral part of
this consolidated financial statement.

Chairman: Chang, Hsien-Ming
General Manager: Chang, Hsien-Ming
Chief Accountant: Lin, Yu-Yi

Exhibit 7: Profit Distribution Table for Year 2014

PROFIT DISTRIBUTION TABLE Year 2014

Yeong Guan Energy Technology Group Co., Ltd.

Unit: NTD\$	
Items	Total
Beginning retained earnings	1,180,503,362
Add: net profit after tax	1,002,164,317
Less: 10% legal reserve	(100,216,431)
Net distributable profit for the period	2,082,451,248
Distributable items:	
Cash dividend – NT\$6.36 per share	667,094,135
Unappropriated retained earnings	<u>1,415,357,113</u>
Notes:	
Employee bonus sharing NT\$18,200,000;	
Compensation of directors and supervisors NT\$0	

Chairman:

General Manager:

Chief Accountant:

Exhibit 8: Comparison table for the amendments of “Memorandum” and “Article of Association”

Comparison table for the amendments of “Memorandum”

BEFORE AMENDMENTS	AFTER AMENDMENTS	EXPLANATIONS
8. The share capital of the Company is NT\$ 1,200,000,000 divided into 120,000,000 shares of a par value of New Taiwan Dollar 10.00 each.	8. The share capital of the Company is NT\$ 1,500,000,000 divided into 150,000,000 shares of a par value of New Taiwan Dollar 10.00 each.	Based on its actual needs, the Company increased its authorized capital.

Amended Memorandum of the Company

THE COMPANIES LAW
EXEMPTED COMPANY LIMITED BY SHARES
SECOND AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
OF
Yeong Guan Energy Technology Group Company Limited
永冠能源科技集團有限公司

1. The name of the Company is Yeong Guan Energy Technology Group Company Limited 永冠能源科技集團有限公司.
2. The Registered Office of the Company shall be at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box. 2681, Grand Cayman, KY1- 1111, Cayman Islands.
3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted.
4. Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of The Companies Law.
5. Nothing in this Memorandum shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licensed.
6. The Company shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
8. The share capital of the Company is NT\$1,500,000,000 divided into 150,000,000 Shares of par value of NT\$10 each.
9. The Company may exercise the power contained in the Companies Law to deregister the Cayman Islands and be registered by way of continuation in another jurisdiction.

Comparison table for the amendments of “Artilce of Association”

BEFORE AMENDMENTS	AFTER AMENDMENTS	EXPLANATIONS
<p>2.3 Where the Company increases its issued share capital by issuing new shares for cash consideration in the ROC the Company shall allocate 10% of the total amount of the new shares to be issued, for offering in the ROC to the public ("Public Offering Portion") unless it is not necessary or appropriate, as determined by the FSC or TSE, for the Company to conduct the aforementioned public offering. However, if a percentage higher than the aforementioned 10% is resolved by the Members in a general meeting by ordinary resolution to be offered, the percentage determined by such resolution shall prevail and shares corresponding to such percentage shall be reserved as Public Offering Portion. The Company <u>shall</u> also reserve up to 15% of such new shares for subscription by its employees (the “Employee Subscription Portion”).</p>	<p>2.3 Where the Company increases its issued share capital by issuing new shares for cash consideration in the ROC the Company shall allocate 10% of the total amount of the new shares to be issued, for offering in the ROC to the public ("Public Offering Portion") unless it is not necessary or appropriate, as determined by the FSC or TSE, for the Company to conduct the aforementioned public offering. However, if a percentage higher than the aforementioned 10% is resolved by the Members in a general meeting by ordinary resolution to be offered, the percentage determined by such resolution shall prevail and shares corresponding to such percentage shall be reserved as Public Offering Portion. The Company <u>may</u> also reserve up to 15% of such new shares for subscription by its employees (the “Employee Subscription Portion”).</p>	<p>Based on the Company's actual needs, this Article is amended so the Company has the discretion to decide whether the Company will reserve part of the newly-issued shares for subscription by its employees when the Company issues new shares.</p>
<p>33.2 A spousal relationship and/or a Family Relationship within the Second Degree of Kinship</p>	<p>33.2 A spousal relationship and/or a Family Relationship within the Second Degree of Kinship</p>	<p>This Article was amended pursuant to the revised Shareholders'</p>

BEFORE AMENDMENTS	AFTER AMENDMENTS	EXPLANATIONS
<p>may not exist among more than half (1/2) of the members of the Board (the “Threshold”), unless with prior approval by the <u>TSE</u>. Where any person among the persons elected for appointment as a Director has a spousal relationship and/or a Family Relationship within the Second Degree of Kinship with any existing member of the Board or with any other person(s) also elected for appointment as a director (collectively, the “Related Persons” and each a “Related Person”), in respect of the Related Person who was elected by way of Cumulative Voting and who received the lowest number of votes from the Members for its appointment among all such elected Related Persons, with the intent that the Threshold will not be breached as a result of his/her appointment: (i) if his/her appointment is already effective, shall automatically cease to be a director of the Company on and from the date that the Company has actual knowledge of a breach of the Threshold; (ii) if his/her appointment has not yet</p>	<p>may not exist among more than half (1/2) of the members of the Board (the “Threshold”), unless with prior approval by the <u>ROC competent authority</u>. Where any person among the persons elected for appointment as a Director has a spousal relationship and/or a Family Relationship within the Second Degree of Kinship with any existing member of the Board or with any other person(s) also elected for appointment as a director (collectively, the “Related Persons” and each a “Related Person”), in respect of the Related Person who was elected by way of Cumulative Voting and who received the lowest number of votes from the Members for its appointment among all such elected Related Persons, with the intent that the Threshold will not be breached as a result of his/her appointment: (i) if his/her appointment is already effective, shall automatically cease to be a director of the Company on and from the date that the Company has actual knowledge of a breach of the Threshold; (ii) if his/her</p>	<p>Rights Protection Checklist published by the Taiwan Stock Exchange Corporation (“Revised Checklist”).</p>

BEFORE AMENDMENTS	AFTER AMENDMENTS	EXPLANATIONS
<p>taken effect, his/her appointment shall not take effect if the Company has actual knowledge of a possible breach of the Threshold if his/her appointment takes effect.</p>	<p>appointment has not yet taken effect, his/her appointment shall not take effect if the Company has actual knowledge of a possible breach of the Threshold if his/her appointment takes effect.</p>	
<p>33.3 Unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors. To the extent required by the Applicable Public Company Rules, at least one of the Independent Directors shall be domiciled in the ROC and at least one of them shall have accounting or financial expertise.</p>	<p>33.3 Unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors <u>accounting for not less than one-fifth of the total number of Directors.</u> To the extent required by the Applicable Public Company Rules, at least one of the Independent Directors shall be domiciled in the ROC and at least one of them shall have accounting or financial expertise.</p>	<p>This Article was amended pursuant to the Revised Checklist.</p>
	<p>33.6 Unless provided otherwise <u>in these Articles, the qualifications, composition, appointment, removal, exercise of power in performing duties and other matters with respect to the Directors, Independent Directors, Compensation Committee and Audit Committee, shall comply with the provisions under ROC Securities and Exchange Act and the regulations issued pursuant to the ROC Securities and</u></p>	<p>This Article was added pursuant to the Revised Checklist.</p>

BEFORE AMENDMENTS	AFTER AMENDMENTS	EXPLANATIONS
	<u>Exchange Act applicable to the Company.</u>	
<p>36. Vacancy in the Office of Director The office of Director shall be vacated if the Director:</p> <ul style="list-style-type: none"> (a) is removed from office pursuant to these Articles; (b) dies or becomes bankrupt, or makes any arrangement or composition with his creditors generally; (c) is automatically discharged from his office in accordance with Article 33.2; (d) resigns his office by notice in writing to the Company; (e) an order is made by any competent court or official on the grounds that he has no legal capacity, or his legal capacity is restricted according to Applicable Law; (f) having committed an offence as specified in the ROC statute of prevention of organizational crimes and subsequently adjudicated guilty by a final judgment, 	<p>36. Vacancy in the Office of Director 36.1 The office of Director shall be vacated if the Director:</p> <ul style="list-style-type: none"> (a) is removed from office pursuant to these Articles; (b) dies or becomes bankrupt, or makes any arrangement or composition with his creditors generally; (c) is automatically discharged from his office in accordance with Article 33.2; (d) resigns his office by notice in writing to the Company; (e) an order is made by any competent court or official on the grounds that he has no legal capacity, or his legal capacity is restricted according to Applicable Law; (f) having committed an offence as specified in the ROC statute of prevention of organizational crimes and subsequently adjudicated guilty 	<p>This Article was amended pursuant to the Revised Checklist.</p>

BEFORE AMENDMENTS	AFTER AMENDMENTS	EXPLANATIONS
<p>and the time elapsed after he has served the full term of the sentence is less than five years;</p> <p>(g) having committed an offence involving fraud, breach of trust or misappropriation and subsequently punished with imprisonment for a term of more than one year, and the time elapsed after he has served the full term of such sentence is less than two years;</p> <p>(h) having been adjudicated guilty by a final judgment for misappropriating public funds during the time of his public service, and the time elapsed after he has served the full term of such sentence is less than two years;</p> <p>(i) having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet; <u>or</u></p>	<p>by a final judgment, and the time elapsed after he has served the full term of the sentence is less than five years;</p> <p>(g) having committed an offence involving fraud, breach of trust or misappropriation and subsequently punished with imprisonment for a term of more than one year, and the time elapsed after he has served the full term of such sentence is less than two years;</p> <p>(h) having been adjudicated guilty by a final judgment for misappropriating public funds during the time of his public service, and the time elapsed after he has served the full term of such sentence is less than two years;</p> <p>(i) having been dishonored for unlawful use of credit instruments, and the term of such sanction has not</p>	

BEFORE AMENDMENTS	AFTER AMENDMENTS	EXPLANATIONS
<p>(j) subject to Article 35.3, upon expiry of term of office (if any) of the relevant Director.</p> <p>In the event that the foregoing events described in clauses (b), (e), (f), (g), (h) or (i) has occurred in relation to a candidate for election of Director, such person shall be disqualified from being elected as a Director.</p>	<p>expired yet;</p> <p>(j) subject to Article 35.3, upon expiry of term of office (if any) of the relevant Director;</p> <p>(k) is automatically removed in accordance with Article 36.2; or</p> <p>(l) ceases to be a Director in accordance with Article 36.3.</p> <p>In the event that the foregoing events described in clauses (b), (e), (f), (g), (h) or (i) has occurred in relation to a candidate for election of Director, such person shall be disqualified from being elected as a Director.</p> <p>36.2 <u>In case a Director that has, during the term of office as a Director, transferred more than one half of the Company's shares being held by him/her at the time he/she is elected, he/she shall, ipso facto, be removed automatically from the position of Director with immediate effect and no shareholders' approval</u></p>	

BEFORE AMENDMENTS	AFTER AMENDMENTS	EXPLANATIONS
	<p style="text-align: center;"><u>shall be required.</u></p> <p>36.3 <u>If any Director has, after having been elected and before his/her inauguration of the office of Director, transferred more than one half of the Company's shares being held by him/her at the time of his/her election as a Director, then he/she shall immediately cease to be a Director and no shareholders' approval shall be required. If any Director has, after having been elected as a Director, transferred more than one half of the Company's shares being held by him/her within the share transfer prohibition period prior to the convention of a shareholders' meeting according to the Applicable Public Company Rules, then he/she shall immediately cease to be a Director and no shareholders' approval shall be required.</u></p>	

Amended ARTICLES OF ASSOCIATION

EIGHTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

Yeong Guan Energy Technology Group Company Limited

永冠能源科技集團有限公司

(Adopted by a special resolution passed by the members of the company on [-])

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**EIGHTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION
OF
Yeong Guan Energy Technology Group Company Limited**

永冠能源科技集團有限公司

(Adopted by a special resolution passed by the members of the company on [-])

Table A

The regulations in Table A in the First Schedule to the Law (as defined below) do not apply to the Company.

INTERPRETATION

1. Definitions

1.1 In these eighth Amended and Restated Articles, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Applicable Law	the Applicable Public Company Rules, the Law or such other rules or legislation applicable to the Company;
Applicable Public Company Rules	the ROC laws, rules and regulations (including, without limitation, the Company Law, the Securities and Exchange Law, the rules and regulations promulgated by the FSC and the rules and regulations promulgated by the TSE, as amended from time to time) affecting public reporting companies or companies listed on any ROC stock exchange or securities market that from time to time are required by the relevant regulator as applicable to the Company;
Articles	these Articles of Association as altered from time to time;
Audit Committee	the audit committee under the Board, which shall comprise solely of Independent Directors of the Company;
Board	the board of directors appointed or elected pursuant to these Articles and acting at a meeting of

	directors at which there is a quorum in accordance with these Articles;
Capital Reserve	for the purpose of these Articles only, comprises of the premium (meaning such amount above par value of the shares) paid on the issuance of any share under the Law and income from endowments received by the Company;
Chairman	the Director elected by and amongst all the Directors as the chairman of the Board;
Company	Yeong Guan Energy Technology Group Company Limited 永冠能源科技集團有限公司;
Compensation Committee	a committee established by the Board, which shall be comprised of professional individuals appointed by the Board and having the functions, in each case, prescribed by the Applicable Public Company Rules;
Cumulative Voting	the voting mechanism for an election of Directors as described in Article 34.2;
Directors	the directors for the time being of the Company and shall include any and all Independent Director(s);
Electronic Record	has the same meaning as in the Electronic Transactions Law;
Electronic Transactions Law	the Electronic Transactions Law (2003 Revision) of the Cayman Islands;
Family Relationship within Second Degree of Kinship	in respect of a person, means another person who is related to the first person either by blood or by marriage of a member of the family and within the second degree to include the parents, siblings, grandparents, children and grandchildren of the person as well as spouse's parents, siblings and grandparents;
FSC	The Financial Supervisory Commission of the Republic of China;
Independent Directors	the Directors who are elected as "Independent Directors" for the purpose of Applicable Public Company Rules;
Joint Operation Contract	a contract between the Company and one or more person(s) or entit(ies) where the parties to the contract agree to pursue the same business venture and jointly bear losses and enjoy profits arising out of such business venture in accordance with the

	terms of such contract;
Law	The Companies Law of the Cayman Islands and every modification, reenactment or revision thereof for the time being in force;
Lease Contract	a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) lease or rent from the Company the necessary means and assets to operate the whole business of the Company in the name of such person, and as consideration, the Company receives a pre-determined compensation from such person;
Management Contract	a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) manage and operate the business of the Company in the name of the Company and for the benefits of the Company, and as consideration, such person(s) receive a pre-determined compensation while the Company continues to be entitled to the profits (or losses) of such business;
Market Observation Post System	the public company reporting system maintained by the Taiwan Stock Exchange Corporation, via http://mops.twse.com.tw/ ;
Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
Memorandum	the memorandum of association of the Company;
Notice	written notice as further provided in these Articles unless otherwise specifically stated;
Merger	a transaction whereby: (a) (i) all of the companies participating in such transaction are combined into a new company, which new company generally assumes all rights and obligations of the combined companies; or (ii) all of the companies participating in such transaction are merged into one of such companies as the surviving company, and the surviving company generally assumes all rights and obligations of the merged companies, and in each case the consideration for the transaction being the

	shares of the surviving or new company or any other company, cash or other assets; or
	(b) other forms of mergers and acquisitions which fall within the definition of "merger and/or consolidation" under the Applicable Public Company Rules;
month	calendar month;
Officer	any person appointed by the Board to hold an office in the Company;
ordinary resolution	a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by not less than a simple majority of the votes cast;
Private Placement	has the meaning given thereto in Article 11.6;
Preferred Shares	has the meaning given thereto in Article 6;
Register of Directors and Officers	the register of directors and officers referred to in these Articles;
Register of Members	the register of members of the Company maintained in accordance with the Law and (as long as the Company is listed on the TSE) the Applicable Public Company Rules;
Registered Office	the registered office for the time being of the Company;
Related Person(s)	the persons as defined in Article 33.2;
ROC	Taiwan, the Republic of China;
Seal	the common seal or any official or duplicate seal of the Company;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
share(s)	share(s) of par value NT\$10 each in the Company and includes fraction of a share;
special resolution	a resolution passed by a majority of at least two-thirds (or such greater number as may be specified in these Articles, if any) of such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly

Subsidiary	<p>given;</p> <p>with respect to any company, (1) the entity, one half or more of whose total number of the issued voting shares or the total amount of the share capital are directly or indirectly held by such company; (2) the entity that such company has a direct or indirect control over its personnel, financial or business operation; (3) the entity, one half or more of whose shareholders involved in management or board of directors are concurrently acting as the shareholders involved in management or board of directors of such company; and (4) the entity, one half or more of whose total number of the issued voting shares or the total amount of the share capital are held by the same shareholder(s) of such company;</p>
supermajority resolution	<p>a resolution passed by Members (present in person, by proxy or corporate representative) who represent a majority of the outstanding issued shares of the Company as, being entitled to do so, vote in person or, in the case of such Members as are corporations, by their respective duly representative or, where proxies are allowed, by proxy at a duly convened general meeting attended by Members (present in person, by proxy or corporate representative) who represent two-thirds or more of the total outstanding shares of the Company entitled to vote thereon or, if the total number of shares represented by the Members (present in person, by proxy or corporate representative) at the general meeting is less than two-thirds of the total outstanding shares of the Company entitled to vote thereon, but more than one half of the total outstanding shares of the Company entitled to vote thereon, means instead, a resolution adopted at such general meeting by the Members (present in person, by proxy or corporate representative) who represent two-thirds or more of the total number of shares entitled to vote on such resolution at such general meeting;</p>
TDCC	<p>means the Taiwan Depository & Clearing Corporation;</p>
Treasury Shares	<p>has the meaning given thereto in Article 3.11;</p>
Threshold	<p>means the spousal relationship and/or Family Relationship within Second Degree of Kinship</p>

threshold for members of the Board as defined in Article 33.2;

TSE The Taiwan Stock Exchange Corporation; and
Year calendar year.

1.2 In these Articles, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
- (d) the words:
 - (i) "may" shall be construed as permissive; and
 - (ii) "shall" shall be construed as imperative;
- (e) "written" and "in writing" include all modes of representing or reproducing words in visible form, including the form of an Electronic Record;
- (f) a reference to statutory provision shall be deemed to include any amendment or reenactment thereof;
- (g) unless otherwise provided herein, words or expressions defined in the Law shall bear the same meaning in these Articles; and
- (h) Section 8 of the Electronic Transactions Law shall not apply to the extent that it imposes obligations or requirements in addition to those set out.

1.3 In these Articles expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

1.4 Headings used in these Articles are for convenience only and are not to be used or relied upon in the construction hereof.

SHARES

2. Power to Issue Shares

2.1 Subject to these Articles and any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares of the Company on such terms and conditions as it may determine and any shares or class of shares (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of shares) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by resolution of the Members prescribe, provided that no share shall be issued at a discount except in accordance with the Law.

2.2 Unless otherwise provided in these Articles, the issue of new shares of the Company shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors. The issue of new shares shall at all times be subject to

the sufficiency of the authorized capital of the Company.

- 2.3** Where the Company increases its issued share capital by issuing new shares for cash consideration in the ROC the Company shall allocate 10% of the total amount of the new shares to be issued, for offering in the ROC to the public ("Public Offering Portion") unless it is not necessary or appropriate, as determined by the FSC or TSE, for the Company to conduct the aforementioned public offering. However, if a percentage higher than the aforementioned 10% is resolved by the Members in a general meeting by ordinary resolution to be offered, the percentage determined by such resolution shall prevail and shares corresponding to such percentage shall be reserved as Public Offering Portion. The Company may also reserve up to 15% of such new shares for subscription by its employees (the "Employee Subscription Portion").
- 2.4** Unless otherwise resolved by the Members in general meeting by ordinary resolution, where the Company increases its issued share capital by issuing new shares for cash consideration, after allocation of the Public Offering Portion and the Employee Subscription Portion pursuant to Article 2.3 hereof, the Company shall make a public announcement and notify each Member that he is entitled to exercise a pre-emptive right to purchase his pro rata portion of the remaining new shares, to be issued in the capital increase for cash consideration. The Company shall state in such announcement and notices to the Members the procedures for exercising such pre-emptive rights and that if any Member fails to purchase his pro rata portion of such remaining newly-issued shares within the prescribed period, such Member shall be deemed to forfeit his pre-emptive right to purchase such newly-issued shares. Where an exercise of the pre-emptive right may result in fractional entitlement of a Member, the entitlements (including fractional entitlements) of two or more Members may be combined to jointly subscribe for one or more whole new shares in the name of a single Member, subject to compliance with such directions and terms and conditions as determined by the Board and the Applicable Public Company Rules. If the total number of the new shares to be issued has not been fully subscribed for by the Members within the prescribed period, the Company may consolidate such shares into the public offering tranche or offer any un-subscribed new shares to a specific person or persons in such manner as is consistent with the Applicable Public Company Rules.
- 2.5** Subject to the provisions of the Law, the Company may issue new shares subject to restrictions and conditions ("**Restricted Shares**") to employees of the Company and its Subsidiaries with the sanction of a Supermajority Resolution provided that Article 2.3 hereof shall not apply in respect of the issue of such shares. For so long as the shares are listed on the TSE, the terms of issue of the Restricted Shares, including but not limited to the number of Restricted Shares so issued, issue price of Restricted Shares and other related matters shall be in accordance with the Applicable Public Company Rules.
- 2.6** The Public Offering Portion and the Employee Subscription Portion under Article 2.3 and the pre-emptive right of Members under Article 2.4 shall not apply in the event that new shares are issued due to the following reasons or for the following purposes:
- (a) in connection with a Merger, spin-off, or pursuant to any reorganization of the Company;
 - (b) in connection with meeting the Company's obligations under share subscription warrants and/or options, including those rendered in Articles 2.8 and 2.10 hereof;

- (c) in connection with the issue of Restricted Shares in accordance with Article 2.5 hereof;
- (d) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire shares;
- (e) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire shares; or
- (f) in connection with a Private Placement of the securities issued by the Company.

2.7 The Company shall not issue any unpaid shares or partly paid-up shares.

2.8 Notwithstanding Article 2.5 hereof, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt one or more employee incentive programmes and may issue shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries, and for the avoidance of doubt, approval by the Members is not required.

2.9 Options, warrants or other similar instruments issued in accordance with Article 2.8 above are not transferable save by inheritance.

2.10 The Company may enter into agreements with employees of the Company and the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 2.8 above, whereby employees may subscribe, within a specific period of time, a specific number of the shares. The terms and conditions of such agreements shall not be less favorable than the terms specified in the applicable incentive programme.

3. Redemption and Purchase of Shares

3.1 Subject to the Law, the Company is authorised to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Member.

3.2 The Company is authorised to make payments in respect of the redemption of its shares out of capital or out of any other account or fund authorised for this purpose in accordance with the Law.

3.3 The redemption price of a redeemable share, or the method of calculation thereof, shall be fixed by the Board at or before the time of issue.

3.4 Every share certificate relating to redeemable share shall indicate that the share is redeemable.

3.5 Subject to the provisions of the Applicable Law and these Articles, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, purchase its own shares (including any redeemable shares) on such terms and in such manner as the Directors may determine and hold them as treasury shares of the Company in accordance with the Law ("**Treasury Shares**"). If any purchase of the Company's own shares involves any immediate cancellation of shares of the Company, such repurchase of shares is subject to approval by the Members by way of an ordinary resolution and the number of shares of the Company to be cancelled shall be allocated among all the Members as of the date of such cancellation on a pro rata basis (as rounded up or down to the nearest whole number as determined by the Directors) based on the then prevailing percentage of shareholding of the Members, unless otherwise provided for in the Law or the Applicable Public Company Rules.

Upon approval by Members by way of an ordinary resolution to repurchase and cancel shares of the Company, the repurchase price may be paid in cash or in kind, provided that where any repurchase price is to be paid in kind, the monetary equivalent value of such payment in kind shall be (a) assessed by an ROC certified public accountant before being submitted by the Board to the Members for approval as part of the ordinary resolution authorising the repurchase and cancellation of shares of the Company; and (b) agreed to individually by each Member who will be receiving the repurchase price in kind.

- 3.6** In the event that the Company proposes to purchase any share listed on the TSE pursuant to the preceding Article and hold them as Treasury Shares of the Company, the resolution of the Board approving such proposal and the implementation thereof should be reported to the Members in the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall also apply even if the Company does not implement the proposal to purchase its shares listed on the TSE for any reason.
- 3.7** Subject to Article 3.5, the redemption or repurchase price may be paid in any manner permissible under the Law as determined by the Directors, including out of capital.
- 3.8** A delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by banks holding “A” licenses (as defined in the Banks and Trust Companies Law (Revised) of the Cayman Islands) in the Cayman Islands for thirty day deposits in the same currency.
- 3.9** Subject to Article 3.5, the Directors may exercise as they think fit the powers conferred on the Company by Section 37(5) of the Law (payment out of capital).
- 3.10** Subject as aforesaid and to Article 3.5, the Directors may determine, as they think fit all questions that may arise concerning the manner in which the redemption of the shares shall or may be effected.
- 3.11** No share may be redeemed unless it is fully paid-up.
- 3.12** Subject to Article 3.5, shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) shall be cancelled immediately or be held as Treasury Shares .
- 3.13** No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up of the Company) may be made to the Company in respect of a Treasury Share.
- 3.14** The Company shall be entered in the Register of Members as the holder of the Treasury Shares provided that:
- (a) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
 - (b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of these Articles or the Law.
- 3.15** After the Company purchases its shares listed on the TSE, any proposal to transfer the Treasury Shares to the employees of the Company and its Subsidiaries at a price below the

average actual repurchase price must be approved by special resolution in the next general meeting and the items required by the Applicable Public Company Rules shall be specified in the notice of the general meeting and may not be proposed as an extemporaneous motion. The aggregate number of Treasury Shares resolved at all general meetings and transferred to the employees of the Company and its Subsidiaries shall not exceed 5% of the total number of issued shares, and each employee may not subscribe for more than 0.5% of the total number of issued shares in aggregate. The Company may prohibit such employees from transferring such Treasury Shares within a certain period; provided, however, that such a period cannot be more than two years from the date that such employees became the registered holders of the relevant Treasury Shares.

3.16 Subject to Article 3.15, Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Directors.

4. Rights Attaching to Shares

4.1 Subject to Article 2.1, the Memorandum and these Articles, other contractual obligations or restrictions that the Company is bound by and any resolution of the Members to the contrary and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares, the share capital of the Company shall be divided into shares of a single class the holders of which shall, subject to the provisions of these Articles:

- (a) be entitled to one vote per share;
- (b) be entitled to such dividends as recommended by the Board and approved by the Members at general meeting may from time to time declare;
- (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
- (d) generally be entitled to enjoy all of the rights attaching to shares.

5. Share Certificates

5.1 Shares of the Company shall be issued in uncertificated/scripless form unless the issuance of share certificates is required by the provisions of the Applicable Public Company Rules. Where share certificates are issued, every Member shall be entitled to a certificate issued under the Seal (or a facsimile thereof), which shall be affixed or imprinted with the authority of the Board, specifying the number and, where appropriate, the class of shares held by such Member. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.

5.2 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.

5.3 Share may not be issued in bearer form.

5.4 When the Company issue share certificates pursuant to Article 5.1 hereof, the Company shall deliver the share certificates to the allottees of such shares within thirty (30) days from the date such share certificates may be issued pursuant to the Law, the Memorandum, the Articles, and the Applicable Public Company Rules, and shall make a public announcement

prior to the delivery of such share certificates pursuant to the Applicable Public Company Rules.

5.5 Where the Company shall issue the shares in uncertificated/scripless form, the Company shall upon the issue of such shares cause the name of the subscriber and other particulars to be entered onto the Register of Members in accordance with the Law and the Applicable Public Company Rules.

6. Preferred Shares

6.1 Notwithstanding any provisions of these Articles, the Company may by special resolution designate one or more classes of shares with preferred or other special rights as the Company, by special resolution, may determine (shares with such preferred or other special rights, the "Preferred Shares"), and cause to be set forth in these Articles.

6.2 The rights and obligations of Preferred Shares may include (but not limited to) the following terms and shall be consistent with the Applicable Public Company Rules:

- (a) the order of priority and fixed amount or fixed ratio of allocation of dividends and bonus on Preferred Shares;
- (b) the order of priority and fixed amount or fixed ratio of allocation of surplus assets of the Company;
- (c) the order of priority for or restriction on the voting right(s) (including declaring no voting rights whatsoever) of the Members holding the Preferred Shares;
- (d) the method by which the Company is authorized or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply; and
- (e) other matters concerning rights and obligations incidental to Preferred Shares.

REGISTRATION OF SHARES

7. Register of Members

- (a) For so long as shares are listed on the TSE, the Board shall cause to be kept a Register of Members which may be kept outside the Cayman Islands at such place as the Directors shall appoint and which shall be maintained in accordance with the Law and the Applicable Public Company Rules.
- (b) In the event that the Company has shares that are not listed on the TSE, the Company shall also cause to be kept a register of such shares in accordance with Section 40 of the Law.

8. Registered Holder Absolute Owner

Except as required by Law:

- (a) no person shall be recognised by the Company as holding any share on any trust; and
- (b) no person other than the Member shall be recognised by the Company as having any right in a share.

9. Transfer of Registered Shares

9.1 Title to shares listed on the TSE may be evidenced and transferred in a manner consistent with the Applicable Public Company Rules (including through the book-entry system of the TDCC) that are applicable to shares listed on the TSE.

- 9.2** All transfers of shares which are in certificated form may be effected by an instrument of transfer in writing in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and, if the Board so requires, by or on behalf of the transferee. Without prejudice to the foregoing, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers.
- 9.3** The Board may refuse to recognise any instrument of transfer in respect of shares in certificated form unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
- 9.4** The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.
- 9.5** The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share in certificated form in the event such registration of transfer would (i) conflict with the Applicable Law; or (ii) conflict with the Memorandum and/or these Articles. If the Board refuses to register a transfer of any share, the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.
- 9.6** Nothing in these Articles shall preclude the Board from recognizing a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect of it.

10. Transmission of Shares

- 10.1** In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of Section 39 of the Law, for the purpose of this Article, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.
- 10.2** Any person becoming entitled to a share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any way other than by transfer) may, upon such evidence being produced as may from time to time be required by the Board, elect, by a notice in writing sent by him to the Company, either to become the holder of such share or to have some person nominated by him registered as the holder of such share. If he elects to have another person registered as the holder of such share, he shall sign an instrument of transfer of that share to that person.
- 10.3** A person becoming entitled to a share by reason of the death or bankruptcy or liquidation or dissolution of a Member (or in any case other than by transfer) shall be entitled to the same

dividend, other distributions and other advantages to which he would be entitled if he were the registered holder of such share. However, he shall not, before becoming a Member in respect of a share, be entitled in respect of it to exercise any right conferred by membership in relation to general meetings of the Company. Notwithstanding the aforesaid, the Board may at any time give notice requiring any such person to elect either to be registered himself or to have some person nominated by him be registered as the holder of the share. If the notice is not complied with within ninety days of being received or deemed to be received (as determined pursuant to the Articles), the Board may thereafter withhold payment of all dividend, other distributions, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

- 10.4** Notwithstanding the above, for as long as the shares are listed on the TSE, the transmission of the shares may be evidenced and transferred in a manner consistent with the Applicable Public Company Rules (including through the book-entry system of the TDCC) that are applicable to shares listed on the TSE.

ALTERATION OF SHARE CAPITAL

11. Power to Alter Capital

- 11.1** Subject to the Law, the Company may from time to time by ordinary resolution alter the conditions of its Memorandum to increase its authorized share capital by such amount as it thinks expedient.
- 11.2** Subject to the Law, the Company may from time to time by ordinary resolution alter the conditions of its Memorandum to:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares in such manner as permitted by Applicable Law; or
 - (b) cancel shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled in such manner as permitted by Applicable Law.
- 11.3** Subject to the Law and the Articles, the Company may from time to time by special resolution:
- (a) change its name;
 - (b) alter or add to the Articles;
 - (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein; or
 - (d) reduce its share capital and any capital redemption reserve fund in any manner authorised by the Law and the Applicable Public Company Rules.
- 11.4** Subject to the Law and Article 11.5, the following actions by the Company shall require the approval of the Members by a supermajority resolution:
- (a) effecting any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed under Article 16 hereof;
 - (b) effecting any Merger (except for any Merger which falls within the definition of

"merger" and/or "consolidation" under the Law, which requires the approval of the Company by special resolution only) or spin-off or Private Placement of the securities issued by the Company;

- (c) entering into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
- (d) the transferring of the whole or any essential part of the business or assets of the Company; or
- (e) acquiring or assuming the whole business or assets of another person, which has a material effect on the Company's operation.

11.5 Subject to the Law, the Company may be wound up voluntarily:

- (a) if the Company resolves by supermajority resolution that it be wound up voluntarily because the Company is unable to pay its debts as they fall due; or
- (b) if the Company resolves by special resolution that it be wound up voluntarily for reasons other than set out in Article 11.5(a) above.

11.6 Subject to the Law and in addition to approval by the Board in accordance with Article 2.2, the Company may, with a resolution approved by at least two-thirds of the votes of the Members present at a general meeting attended by Members representing a majority of the total number of issued shares, issue securities to the following persons by way of private placement within the territory of the ROC in accordance with Applicable Public Company Rules ("**Private Placement**"):

- (a) banks, bills finance enterprises, trust enterprises, insurance enterprises, securities enterprises, or other legal entities or institutions approved by the FSC;
- (b) natural person, legal entities or funds meeting the qualifications set forth by the FSC; and
- (c) directors, supervisors (if any) or managers of the Company or its Subsidiaries.

12. Variation of Rights Attaching to Shares

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the sanction of a special resolution passed at a general meeting of the holders of the shares of the class with a quorum of such number of holders holding more than one-half of the total outstanding shares of such class being present in person, by proxy or corporate representatives. Notwithstanding the foregoing, if any modification or alteration in the Articles is prejudicial to the preferential rights of any class of shares, such modification or alteration shall be adopted by a special resolution and shall also be adopted by a special resolution passed at a separate meeting of Members of that class of shares. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

DIVIDENDS AND CAPITALISATION

13. Dividends

- 13.1** The Board may, subject to approval by the Members by way of ordinary resolution or, in the case of Article 11.4(a), supermajority resolution and subject to these Articles and any direction of the Company in general meeting, declare a dividend to be paid to the Members in proportion to the number of shares held by them, and such dividend may be paid in cash, shares or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. No unpaid dividend shall bear interest as against the Company.
- 13.2** The Directors may determine that a dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution. Without limiting the foregoing generality, the Directors may fix the value of such specific assets, may determine that cash payments shall be made to some Members in lieu of specific assets and may vest any such specific assets in trustees on such terms as the Directors think fit.
- 13.3** Subject to the Law, Article 11.4(a) and these Articles and except as otherwise provided by the rights attached to any shares, the Company may distribute profits in accordance with a proposal for profits distribution approved by the Board and sanctioned by the Members by an ordinary resolution, in annual general meetings. No dividends or other distribution shall be paid except out of profits of the Company, realised or unrealised, out of share premium account or any reserve, fund or account as otherwise permitted by the Law. Except as otherwise provided by the rights attached to any shares, all dividends and other distributions shall be paid according to the number of the shares that a Member holds and the amount paid up on such shares. If any share is issued on terms providing that it shall be entitled to dividends as from a particular date only, such shares shall be entitled to dividends accordingly.
- 13.4** In determining the Company's dividend policy, the Board recognises that the Company operates in a mature industry, and has stable profit streams and a sound financial structure. In determining the amount, if any, of the dividend or other distribution it recommends to Members for approval in any financial year, the Board:
- (a) may take into consideration the earnings of the Company, overall development, financial planning, capital needs, industry outlook and future prospects of the Company in the relevant financial year, so as to ensure the protection of Members' rights and interests; and
 - (b) shall set aside out of the current year profits of the Company: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses; (iii) ten per cent (10%) as a general reserve, and (iv) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules or a reserve as determined by the Board pursuant to Article 14.1.
- 13.5** Subject to compliance with the Law and after setting aside such amounts as the Board deems fit in accordance with the distribution policy set out in Article 13.4, the Board shall recommend to Members for approval in any financial year the amount of the dividend or other distribution to be allocated in the following manner and order and the allocation will be made upon approval by the Members:
- (a) between two per cent (2%) and fifteen per cent (15%) of the distributable amount as bonus to employees, including employees of the Company's Subsidiaries

("Employees' Bonus");

- (b) up to three per cent (3%) of the distributable amount as remuneration to the Directors ("Directors' Remuneration"); and
- (c) no less than fifty per cent (50%) of the distributable amount as dividend to the Members.

The Board shall determine how much of the amount shall be allocated to the Employees' Bonus, Directors' Remuneration and dividend, provided that the Board shall comply with the principles set out in (a) to (c) above and such allocation shall be recommended to the Members for approval. Dividends to the Members and the Employees' Bonus may be distributed, in the discretion of the Board, by way of cash or by way of applying such sum in paying up in full unissued shares or a combination of both for allocation and distribution to employees or the Members, provided that, in the case of a distribution to Members, no less than ten per cent (10%) of the total amount of such dividend shall be paid in cash. No unpaid dividend and bonus shall bear interest as against the Company.

13.6 The Board shall fix any date as the record date for determining the Members entitled to receive any dividend or other distribution.

13.7 For the purpose of determining Members entitled to receive payment of any dividend or other distributions, the Directors may provide that the Register of Members be closed for transfers for five (5) days before the relevant record date or such other period consistent with the Applicable Public Company Rules subject to compliance with the Law.

14. Capital Reserve and Power to Set Aside Profits

14.1 The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such sum as it thinks proper as a reserve to be used to meet contingencies or for meeting the deficiencies for implementing dividend distribution plans or for any other purpose to which those funds may be properly applied. Pending application, such sums may be in the absolute discretion of the Directors either be employed in the business of the Company or invested in such investment as Directors may from time to time think fit, and need not be kept separate from other assets of the Company. The Directors may also, without placing the same to reserve, carry forward any profit which they decide not to distribute.

14.2 Subject to any direction from the Company in general meeting, the Directors may on behalf of the Company exercise all the powers and options conferred on the Company by the Law in regard to the Capital Reserve. Subject to compliance with the Law, the Directors may on behalf of the Company set off accumulated losses against credits standing in the Capital Reserve and make distributions out of the Capital Reserve.

15. Method of Payment

15.1 Any dividend, interest, or other monies payable in cash in respect of the shares may be paid by wire transfer to the Member's designated account or by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members.

15.2 In the case of joint holders of shares, any dividend, interest or other monies payable in cash in respect of shares may be paid by wire transfer to the holder first named in the Register of Members to such holder's designated account or by cheque or draft sent through the post directed to the address of the holder first named in the Register of Members. If two or more

persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.

16. Capitalisation

Subject to Article 11.4(a), the Board may capitalise any sum for the time being standing to the credit of any of the Company's Capital Reserve or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

MEETINGS OF MEMBERS

17. Annual General Meetings

17.1 The Company shall hold a general meeting as its annual general meeting within six months following the end of each fiscal year. The Board shall convene all annual general meetings.

17.2 The general meetings (including annual general meetings and extraordinary general meetings) shall be held at such time and place as the Chairman or any two Directors or any Director and the Secretary or the Board shall appoint provided that unless otherwise provided by the Law, the general meetings shall be held in the ROC. If the Board resolves to hold a general meeting outside the ROC, the Company shall apply for the approval of the TSE thereof within two days after the Board adopts such resolution. Where a general meeting is to be held outside the ROC, the Company shall engage a professional stock affairs agent in the ROC to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members).

18. Extraordinary General Meetings

18.1 General meetings other than annual general meetings shall be called extraordinary general meetings.

18.2 The Board may convene an extraordinary general meeting of the Company whenever in their judgment such a meeting is necessary or upon requisition in accordance with Article 18.3.

18.3 One or more Member(s) of the Company holding at the date of deposit of the requisition not less than 3% of the total number of the outstanding shares of the Company continuously for a period of one year or more may make a requisition that contains the details set out in Article 18.4 below to request the Board to convene an extraordinary general meeting of the Company.

18.4 The requisition must state in writing the matters to be discussed at the extraordinary general meeting and the reason therefor and must be signed by the requisitionists and deposited at the Registered Office and the Company's stock affairs agent located in the ROC, and may consist of several documents in like form each signed by one or more requisitionists.

18.5 If the Board does not within fifteen days from the date of the deposit of the requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting, provided that if the extraordinary general meeting will be held outside the ROC, an application shall be submitted by such requisitionists to the TSE for its prior approval.

19. Notice

- 19.1** At least thirty days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of business to be conducted at the meeting.
- 19.2** At least fifteen days' notice of an extraordinary general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of the business to be considered at the meeting.
- 19.3** The Board shall fix a record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company in accordance with Applicable Public Company Rules and close its Register of Members accordingly in accordance with Applicable Public Company Rules.
- 19.4** Subject to Article 22.4, the accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 19.5** For so long as the shares are listed on the TSE, the Company shall announce to the public by via the Market Observation Post System in accordance with Applicable Public Company Rules the notice of a general meeting, the proxy instrument, agendas and materials relating to the matters to be reported and discussed in the general meetings, including but not limited to, election or discharge of Directors, in accordance with Articles 19.1 and 19.2 hereof. If the voting power of a Member at a general meeting shall be exercised by way of a written instrument, the Company shall also send the written document for the Member to exercise his voting power together with the above mentioned materials in accordance with Articles 19.1 and 19.2. The Directors shall prepare a meeting handbook of the relevant general meeting and supplemental materials, which will be sent to or made available to all Members and shall be transmitted to the Market Observation Post System in a manner consistent with the Applicable Public Company Rules.
- 19.6** The following matters shall be stated in the notice of a general meeting, with a summary of the major content to be discussed, and shall not be proposed as an extemporary motion:
- (a) election or discharge of Directors,
 - (b) alteration of the Memorandum or Articles,
 - (c) (i) dissolution, Merger, any scheme or arrangement involving a transfer of all issued shares of the Company to a corporate acquirer in exchange for the issuance of shares by that corporate acquirer to the Members as consideration or spin-off, (ii) entering into, amending, or terminating any Lease Contract, Management Contract or Joint Operation Contract, (iii) transfer of the whole or any essential part of the business or assets of the Company, and (iv) acquisition or assumption of the whole of the business or assets of another person, which has a material effect on the operations of the Company,
 - (d) ratification of an action by Director(s) who engage(s) in business for himself or on behalf of another person that is within the scope of the Company's business,
 - (e) distribution of the whole or part of the surplus profit of the Company in the form of new shares, capitalization of Capital Reserve and any other amount in accordance with Article 16, and

(f) Private Placement of any equity-related securities to be issued by the Company.

19.7 For so long as the shares are listed on the TSE and unless the Law provides otherwise, the Board shall keep the Memorandum and Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the office of the Company's registrar (if applicable) and the Company's stock affairs agent located in the ROC. The Members may request, from time to time, by submitting document(s) evidencing his/her interests involved and indicating the designated scope of the inspection, access to inspect, review or make copies of the foregoing documents.

19.8 The Company shall make available all the statements and records prepared by the Board and the report prepared by the Audit Committee which will be submitted to the Members at the annual general meeting at the Registered Office (if applicable) and its stock affairs agent located in the ROC ten (10) days prior to such annual general meeting in accordance with Applicable Public Company Rules. Members may inspect and review the foregoing documents from time to time and may be accompanied by their lawyers or certified public accountants for the purpose of such inspection and review.

20. Giving Notice

20.1 Any Notice or document, whether or not to be given or issued under these Articles from the Company to a Member, shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication, and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register of Members or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the Notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or to the extent permitted by Applicable Law, may also be served by advertisement in appropriate newspapers. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register of Members and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

Any Notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent;

- (c) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and
- (d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all Applicable Law, rules and regulations.

This Article 20.1 shall apply mutatis mutandis to the service of any document by a Member on the Company under these Articles.

21. Postponement of General Meeting

The Board may postpone any general meeting called in accordance with the provisions of these Articles provided that notice of postponement is given to each Member before the time for such meeting. A notice stating the date, time and place for the postponed meeting shall be given to each Member in accordance with the provisions of these Articles.

22 Quorum and Proceedings at General Meetings

- 22.1** No resolutions shall be adopted unless a quorum is present. Unless otherwise provided for in the Articles, Members present in person or by proxy or in the case of a corporate Member, by corporate representative, representing more than one-half of the total issued shares of the Company entitled to vote, shall constitute a quorum for any general meeting.
- 22.2** For so long as the shares are listed on the TSE and unless the Law provides otherwise, the Board shall submit business reports, financial statements and proposals for distribution of profits or allocation of losses prepared by it for the purposes of annual general meetings of the Company for confirmation and adoption by the Members in a manner consistent with the Applicable Public Company Rules. After confirmation and adoption at the general meeting, the Board shall send or announce to the public via the Market Observation Post System in accordance with Applicable Public Company Rules copies of the adopted financial statements and the minutes of the general meeting containing the resolutions passed on the distribution of profits or allocation of losses, to each Member or otherwise make the same available to the Members in accordance with the Applicable Public Company Rules.
- 22.3** Unless otherwise provided in the Articles, a resolution put to the vote of the meeting shall be decided on a poll. No resolution put to the vote of the meeting shall be decided by a show of hands.
- 22.4** Nothing in these Articles shall prevent any Member from initiating proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the convening of any general meeting or the passage of any resolution in violation of applicable laws or regulations or these Articles within 30 days after passing of such resolution. The Taiwan Taipei District Court, ROC, may be the court of the first instance for adjudicating any disputes arising out of the foregoing.
- 22.5** Unless otherwise expressly required by the Law, the Memorandum or the Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the

Members at any general meeting may be passed by an ordinary resolution.

22.6 Member(s) holding one per cent (1%) or more of the Company's total number of issued shares immediately prior to the relevant book close period, during which the Company closed its Register of Members, may propose to the Company in writing one matter for discussion at an annual general meeting. The Company shall give a public notice in such manner as permitted by Applicable Law at such time deemed appropriate by the Board specifying the place and a period of not less than ten (10) days for Members to submit proposals. Proposals submitted for discussion at an annual general meeting shall not be included in the agenda of the annual general meeting where (a) the proposing Member(s) holds less than one cent (1%) of the Company's total issued shares, (b) the matter of such proposal may not be resolved by a general meeting; (c) the proposing Member(s) has proposed more than one proposal; or (d) the proposal is submitted to the Company after the date fixed and announced by the Company for accepting Member(s)' proposal(s).

23. Chairman to Preside

Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the Chairman, shall act as chairman at all meetings of the Members at which such person is present. In his absence a chairman shall be appointed or elected in accordance with the Applicable Public Company Rules.

24. Voting on Resolutions

24.1 Subject to any rights, privileges or restrictions attached to any share, every Member who (being an individual) is present in person or by proxy (or in the case of a corporation or other non-natural person by duly authorized representative(s) or by proxy) shall have one vote for every share of which he is the holder. A Member holding more than one share shall cast the votes in respect of his/her/its shares in the same way on a resolution proposed at a general meeting unless otherwise provided by the Applicable Public Company Rules, in which circumstance, the qualifications, application, manners for the exercise of such respective voting rights, procedures and other related matters thereof shall comply with the Applicable Public Company Rules, these Articles and the Law.

24.2 No person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class of shares unless he is registered as a Member on the record date for such meeting.

24.3 Votes may be cast either in person or by proxy. A Member may appoint another person as his proxy by specifying the scope of appointment in the proxy instrument prepared by the Company to attend and vote at a general meeting, provided that a Member may appoint only one proxy under one instrument to attend and vote at such meeting.

24.4 To the extent permitted by Applicable Law and notwithstanding any provisions provided in these Articles, the Board may resolve to allow Members not attending and voting at a general meeting in person, by proxy or by duly authorized representatives (where a Member is a corporation or other non-natural person), to exercise their voting power and cast their votes by a written instrument approved by the Board or by way of electronic transmission (as provided under the ROC Electronic Signatures Act) prior to commencement of the general meeting, provided that (1) the Board shall allow the voting rights in respect of shares held by a Member to be exercised by way of electronic transmission if the Company meets the requirements set forth in the Applicable Public

Company Rules; and (2) the relevant methods and procedures are specified in the notice of that meeting and complied with by such Member(s). However, if a general meeting is convened outside the territory of the ROC, to the extent permitted by Applicable Law, the Company must allow the Members to exercise their voting rights and cast their votes by way of a written instrument approved by the Board or by way of electronic transmission in the manner referred to in the foregoing. Any Member who intends to exercise his voting power by a written instrument or by way of electronic transmission shall serve the Company with his/her/its voting decision at least two (2) calendar days prior to the date of such general meeting. Where more than one voting instrument is received from the same Member by the Company, the first voting instrument shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous voting instrument in the later-received voting instrument. For the avoidance of doubt, those Members voted in the manner mentioned in the foregoing shall, for purposes of these Articles and the Law, be deemed to have appointed the chairman of the general meeting as their proxy to vote their shares at the general meeting only in the manner directed by their written instrument or electronic document. The chairman as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document and/or any amendment to resolution(s) proposed at the general meeting, and the Members shall be deemed to have waived their voting rights with respect to any extemporaneous matters or amendment to resolution(s) proposed at the general meeting.

24.5 In the event any Member who has served the Company with his/her/its declaration of intention to exercise his/her/its voting power by means of a written instrument or by means of electronic transmission pursuant to Article 24.4 hereof later intends to attend general meetings in person, he/she/it shall, at least two (2) calendar days prior to the date of the general meeting, serve a separate declaration of intention to revoke his/her/its previous votes casted by written instrument or electronic transmission in the same manner previously used in exercising his/her/its voting power, failing which, the Member shall be deemed to have waived his right to attend and vote at the relevant general meeting in person, the deemed appointment by the Member of the chairman as proxy shall remain valid and the Company shall not count any votes cast by such Member physically at the relevant general meeting.

24.6 A Member who is deemed to have appointed the chairman as proxy pursuant to Article 24.4 for purposes of casting his vote by written instrument approved by the Board or by way of electronic transmission shall have the right to appoint another person as its proxy to attend the meeting in accordance with these Articles, in which case the express appointment of another proxy shall be deemed to have revoked the deemed appointment of the chairman as proxy under Article 24.4 and the Company shall only count the vote(s) casted by such expressly appointed proxy at the meeting.

25. Proxies

25.1 The instrument of proxy shall be in the form approved by the Board and be expressed to be for a particular meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted upon pursuant to such proxy, and (c) basic identification information relating to the relevant Member, proxy and the solicitor for proxy solicitation (if any). The form of proxy shall be

provided to the Members together with the relevant notice for the relevant general meeting, and such notice and proxy materials shall be distributed to all Members on the same day.

- 25.2** An instrument of proxy shall be in writing, be executed under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member of the Company.
- 25.3** In the event that a Member exercises his voting power by way of a written instrument or electronic transmission and is deemed to have appointed the chairman of the meeting as his/her/its proxy pursuant to Article 24.4, and has also validly authorised another proxy to attend a general meeting by completing and returning the requisite proxy form, then the voting power exercised by the proxy (rather than the chairman of the meeting) at the general meeting shall prevail. In the event that any Member who has authorised a proxy to attend a general meeting (excluding the deemed appointment of the chairman of the meeting pursuant to Article 24.4) later intends to attend the general meeting in person or to exercise his voting power by way of a written instrument or electronic transmission, he shall, at least two (2) days prior to the date of such general meeting, serve the Company with a separate notice revoking his previous appointment of the proxy. Votes by way of proxy shall remain valid if the relevant Member fails to revoke his appointment of such proxy before the prescribed time.
- 25.4** Subject to the Applicable Public Company Rules, except for an ROC trust enterprise or stock agencies approved by the ROC competent authority, save with respect to the chairman being deemed appointed as proxy under Article 24.4, when a person acts as the proxy for two or more Members, the total number of voting shares that the proxy may vote shall not exceed three percent (3%) of the total number of voting shares of the Company; otherwise, such number of voting shares in excess of the aforesaid threshold shall not be counted towards the number of votes cast for or against the relevant resolution or the number of voting shares entitled to vote on such resolution but shall be included in the quorum. Upon such exclusion, the number of voting shares being excluded and attributed to each Member represented by the same proxy shall be determined on a pro-rata basis based on the total number of voting shares being excluded and the number of voting shares that such Members have appointed the proxy to vote for.
- 25.5** The instrument of proxy shall be deposited at the Registered Office or the office of the Company's stock affairs agent in the ROC or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company not less than five days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, save with respect to the deemed appointment of the chairman as proxy under Article 24.4, the instrument of proxy shall not be treated as valid PROVIDED that the chairman of the meeting may in his discretion accept an instrument of proxy sent by telex or telefax upon receipt of telex or telefax confirmation that the signed original thereof has been sent. Where multiple instruments of proxy are received by the Company from the same Member, the first written duly executed and valid instrument of proxy received by the Company shall prevail, unless an explicit written statement revoking the previous instrument(s) appointing a proxy is made in the subsequent duly executed and valid instrument of proxy received by the Company. The chairman of the meeting shall have the discretion to determine which

instrument of proxy shall be accepted where there is any dispute. Unless otherwise provided in these Articles, delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

26. Proxy Solicitation

For so long as the shares are listed on the TSE and subject to the laws of the Cayman Islands, the use and solicitation of proxies shall be in compliance with the Applicable Public Company Rules, including but not limited to "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."

27. Dissenting Member's Appraisal Right

27.1 Subject to compliance with the Law, in the event any of the following resolutions is passed at general meetings, any Member who has notified the Company in writing of his objection to such matter prior to the meeting and has raised again his objection at the meeting, may request the Company to purchase all of his shares at the then prevailing fair price:

- (a) the Company proposes to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
- (b) the Company transfers the whole or an essential part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; or
- (c) acquires or assumes the whole business or assets of another person, which has a material effect on the operation of the Company.

27.2 In the event any part of the Company's business is spun off or involved in any Merger, any Member, who has abstained from voting in respect of such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting approving such spin off or Merger, may request the Company to purchase all of his shares at the then prevailing fair price.

28. Shares that May Not be Voted

28.1 Shares held:

- (a) by the Company itself;
- (b) by any entity in which the Company owns, legally or beneficially, more than fifty per cent (50%) of its total issued and voting share or share capital; or
- (c) by any entity in which the Company, together with (i) the holding company of the Company and/or (ii) any Subsidiary of (a) the holding company of the Company or (b) the Company owns, legally or beneficially, directly or indirectly, more than fifty per cent (50%) of its issued and voting share or share capital;

shall not carry any voting rights nor be counted in the total number of issued shares at any given time.

28.2 A Member who has a personal interest in any motion discussed at a general meeting, which interest may be in conflict with and impair those of the Company, shall abstain from voting such Member's shares in regard to such motion and such shares shall not be counted in determining the number of votes of the Members present at the said meeting. However,

such shares may be counted in determining the number of shares of the Members present at such general meeting for the purposes of determining the quorum. The aforementioned Member shall also not vote on behalf of any other Member. To the extent that the Company has knowledge, any votes cast by or on behalf of such Member in contravention of the foregoing shall not be counted by the Company.

28.3 For so long as the shares are listed on the TSE, in the event that a Director creates or has created security, charge, encumbrance, mortgage or lien over any shares held by him, then he shall notify the Company of such security, charge, encumbrance, mortgage or lien. If at any time the security, charge, encumbrance, mortgage or lien created by a Director is in respect of more than half of the shares held by him at the time of his appointment, then the voting rights attaching to the shares held by such Director at such time shall be reduced, such that the shares over which security, charge, encumbrance, mortgage or lien has been created which are in excess of half of the shares held by the Director at the date of his appointment shall not carry voting rights and shall not be counted in the number of votes casted by the Members at a general meeting but shall be counted towards the quorum of the general meeting.

29. Voting by Joint Holders of Shares

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

30. Representation of Corporate Member

30.1 A corporation or non-natural person which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting of the Members and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation or non-natural person which such person represents as that corporation or non-natural person could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

30.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation or non-natural person which is a Member.

31. Adjournment of General Meeting

The chairman of a general meeting may, with the consent of a majority in number of the Members present at any general meeting at which a quorum is present, and shall if so directed, adjourn the meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, a notice stating the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with the provisions of these Articles.

32. Directors Attendance at General Meetings

The Directors of the Company shall be entitled to receive notice of, attend and be heard at any general meeting.

DIRECTORS AND OFFICERS

33. Number and Term of Office of Directors

- 33.1** There shall be a board of Directors consisting of no less than eleven (11) persons, each of whom shall be appointed to a term of office of three (3) years. Directors may be eligible for re-election. The Company may from time to time by special resolution increase or reduce the number of Directors subject to the above number limitation provided that the requirements under the Applicable Law are met. The Directors shall elect a vice chairman ("Vice Chairman") amongst all the Directors. In case the Chairman is on leave or absent or can not exercise his/her power and authority for any cause, the Vice Chairman shall act on his/her behalf.
- 33.2** A spousal relationship and/or a Family Relationship within the Second Degree of Kinship may not exist among more than half (1/2) of the members of the Board (the "Threshold"), unless with prior approval by the ROC competent authority. Where any person among the persons elected for appointment as a Director has a spousal relationship and/or a Family Relationship within the Second Degree of Kinship with any existing member of the Board or with any other person(s) also elected for appointment as a director (collectively, the "Related Persons" and each a "Related Person"), in respect of the Related Person who was elected by way of Cumulative Voting and who received the lowest number of votes from the Members for its appointment among all such elected Related Persons, with the intent that the Threshold will not be breached as a result of his/her appointment: (i) if his/her appointment is already effective, shall automatically cease to be a director of the Company on and from the date that the Company has actual knowledge of a breach of the Threshold; (ii) if his/her appointment has not yet taken effect, his/her appointment shall not take effect if the Company has actual knowledge of a possible breach of the Threshold if his/her appointment takes effect.
- 33.3** Unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors accounting for not less than one-fifth of the total number of Directors. To the extent required by the Applicable Public Company Rules, at least one of the Independent Directors shall be domiciled in the ROC and at least one of them shall have accounting or financial expertise.
- 33.4** The Independent Directors shall be nominated by adopting the candidate nomination system specified in the Applicable Public Company Rules. Independent Directors shall have professional knowledge and shall maintain independence within the scope of their directorial duties, and shall not have any direct or indirect interests in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions, and assessment of independence with respect to Independent Directors shall be consistent with the Applicable Public Company Rules.
- 33.5** Unless provided otherwise in these Articles, the qualifications, composition, appointment, removal, exercise of power in performing duties and other matters with respect to the Directors, Independent Directors, Compensation Committee and Audit Committee, shall comply with the provisions under ROC Securities and Exchange Act and the regulations issued pursuant to the ROC Securities and Exchange Act applicable to the Company.

34. Election of Directors

- 34.1** The Company may at a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 34.2 below. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to elect one or more Directors.
- 34.2** The Director(s) shall be elected by Members upon a poll vote by way of cumulative voting (the manner of voting described in this Article to be referred to as “Cumulative Voting”) in the following manner:
- (i) on an election of Directors, the numbers of votes attached to each voting share held by a Member shall be cumulative and correspond to the number of Directors nominated for appointment at the general meeting provided that such votes shall only cumulate in respect of such number of Directors nominated within the same category (namely, independent or non-independent) of Directors to be appointed;
 - (ii) the Member(s) may vote all or part of their cumulated votes in respect of one or more Director candidates within the same category of Directors to be elected;
 - (iii) such number of Director candidates receiving the highest number of votes in the same category of Directors to be elected shall be appointed; and
 - (iv) where two or more Director candidates receive the same number of votes and as a result the total number of new Directors intended to be appointed is exceeded, there shall be a draw by such Director candidates receiving the same number of votes to determine who shall be appointed; the chairman of the meeting shall draw for a Director nominated for appointment who is not present at the general meeting.
- 34.3** If the number of Independent Directors is less than three (3) persons due to the resignation or removal of such Independent Directors for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors are resigned or removed, the Board shall hold, within sixty (60) days from the date of resignation or removal of last Independent Director, an extraordinary general meeting to elect succeeding Independent Directors to fill the vacancies.
- 34.4** If the number of Directors is less than five (5) persons due to the vacancy of Director(s) for any reason, the Company shall call an election of Director(s) at the next following general meeting to fill the vacancies. When the number of vacancies in the Board of the Company equals to one third of the total number of Directors elected, the Board shall hold, within sixty (60) days from the date of the occurrence of vacancies, a general meeting of Members to elect succeeding Directors to fill the vacancies.

35. Removal and Re-election of Directors

- 35.1** The Company may from time to time by supermajority resolution remove any Director from office, whether or not appointing another in his stead.
- 35.2** In case a Director has, in the course of performing his duties, committed any act resulting in material damages to the Company or is in serious violation of applicable laws, regulations and/or these Articles, but has not been removed by a supermajority resolution, the Member(s) holding three per cent (3%) or more of the total number of issued shares of the Company may, within thirty (30) days after such general meeting, to the extent permissible under Applicable Law, institute a lawsuit to remove such Director. The Taiwan Taipei District Court, ROC, may be the court of the first instance for this matter.

35.3 Prior to the expiration of the term of office of the current Directors, the Members may at a general meeting elect or re-elect all Directors, which vote shall be calculated in accordance with Article 34.2 above. If no resolution is passed to approve that the existing Director(s) who is/are not re-elected at the general meeting that such Director(s) shall remain in office until expiry of his/her original term of office, such non-re-elected Directors shall vacate their office with effect from the date the other Directors elected or re-elected at the same general meeting commence their office. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to re-elect all Directors. If the term of office of all Directors expires at the same time and no general meeting was held before such expiry for re-election, their term of office shall continue and be extended to such time when new Directors are elected or re-elected in the next general meeting and they commence their office.

36. Vacancy in the Office of Director

36.1 The office of Director shall be vacated if the Director:

- (a) is removed from office pursuant to these Articles;
- (b) dies or becomes bankrupt, or makes any arrangement or composition with his creditors generally;
- (c) is automatically discharged from his office in accordance with Article 33.2;
- (d) resigns his office by notice in writing to the Company;
- (e) an order is made by any competent court or official on the grounds that he has no legal capacity, or his legal capacity is restricted according to Applicable Law;
- (f) having committed an offence as specified in the ROC statute of prevention of organizational crimes and subsequently adjudicated guilty by a final judgment, and the time elapsed after he has served the full term of the sentence is less than five years;
- (g) having committed an offence involving fraud, breach of trust or misappropriation and subsequently punished with imprisonment for a term of more than one year, and the time elapsed after he has served the full term of such sentence is less than two years;
- (h) having been adjudicated guilty by a final judgment for misappropriating public funds during the time of his public service, and the time elapsed after he has served the full term of such sentence is less than two years;
- (i) having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
- (j) subject to Article 35.3, upon expiry of term of office (if any) of the relevant Director;
- (k) is automatically removed in accordance with Article 36.2; or
- (l) ceases to be a Director in accordance with Article 36.3.

In the event that the foregoing events described in clauses (b), (e), (f), (g), (h) or (i) has occurred in relation to a candidate for election of Director, such person shall be disqualified from being elected as a Director.

36.2 In case a Director that has, during the term of office as a Director, transferred more than one half of the Company's shares being held by him/her at the time he/she is elected, he/she shall, ipso facto, be removed automatically from the position of Director with immediate effect and no shareholders' approval shall be required.

36.3 If any Director has, after having been elected and before his/her inauguration of the office of Director, transferred more than one half of the Company's shares being held by him/her at the time of his/her election as a Director, then he/she shall immediately cease to be a Director and no shareholders' approval shall be required. If any Director has, after having been elected as a Director, transferred more than one half of the Company's shares being held by him/her within the share transfer prohibition period prior to the convention of a shareholders' meeting according to the Applicable Public Company Rules, then he/she shall immediately cease to be a Director and no shareholders' approval shall be required.

37. Compensation of Directors

37.1 The Board may establish a Compensation Committee comprised of at least three members appointed by the Board, one of whom shall be an Independent Director. The professional qualifications of the members of the Compensation Committee, the exercise by the members of the Compensation Committee of its responsibilities, powers and other related matters of the Compensation Committee shall comply with the Applicable Public Company Rules. Upon the establishment of the Compensation Committee, the Board shall, by a resolution, adopt a charter for the Compensation Committee the provisions of which shall be consistent with the Applicable Public Company Rules.

37.2 The compensation referred in the preceding Article shall include the compensation, stock option and other incentive payments of Directors and managers of the Company.

37.3 The compensation of the Directors may be decided by the Board by reference to recommendation made by the Compensation Committee (if established), the standard generally adopted by other enterprises in the same industry, and shall be paid in cash only. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally. A Director is also entitled to distribution of profits of the Company if permitted by the Law, the Applicable Public Company Rules, the service agreement or other similar contract that he/she has entered into with the Company.

38. Defect in Election of Director

All acts done in good faith by the Board or by a committee of the Board or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the election of any Director, or that they or any of them were disqualified, be as valid as if every such person had been duly elected and was qualified to be a Director, subject to and upon ratification by the Members of such acts in a general meeting.

39. Directors to Manage Business

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Law or by these Articles, required to be exercised by the Company in general meeting subject,

nevertheless, to these Articles, the provisions of the Law, and to such directions as may be prescribed by the Company in general meeting.

40. Powers of the Board of Directors

Without limiting the generality of Article 39, the Board may subject to Article 11.4:

- (a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their compensation and determine their duties;
- (b) exercise all the powers of the Company to borrow money and to mortgage or charge or otherwise grant a security interest in its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;
- (c) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;
- (d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;
- (e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney. Such attorney may, if so authorised, execute any deed or instrument in any manner permitted by the Law;
- (f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;
- (g) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board and every such committee shall conform to such directions as the Board shall impose on them. Subject to any directions or regulations made by the Directors for this purpose, the meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Board;
- (h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board sees fit;
- (i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;
- (j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and
- (k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any agreement, document

or instrument on behalf of the Company.

41. Register of Directors and Officers

41.1 The Board shall cause to be kept in one or more books at the Registered Office a Register of Directors and Officers in accordance with the Law and shall enter therein the following particulars with respect to each Director and Officer:

- (a) first name and surname; and
- (b) address.

41.2 The Board shall, within the period of thirty days from the occurrence of:-

- (a) any change among its Directors and Officers; or
- (b) any change in the particulars contained in the Register of Directors and Officers, cause to be entered on the Register of Directors and Officers the particulars of such change and the date on which such change occurred, and shall notify the Registrar of Companies in accordance with the Law.

42. Officers

The Officers shall consist of a Secretary and such additional Officers as the Board may determine all of whom shall be deemed to be Officers for the purposes of these Articles.

43. Appointment of Officers

The Secretary (and additional Officers, if any) shall be appointed by the Board from time to time.

44. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

45. Compensation of Officers

The Officers shall receive such compensation as the Board may determine.

46. Conflicts of Interest

46.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to compensation as if such Director were not a Director; provided that this Article 46.1 shall not apply to Independent Directors.

46.2 A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Applicable Law.

46.3 Notwithstanding anything to the contrary contained in these Articles, a Director who has a personal interest in the matter under discussion at a meeting of the Board shall disclose and explain material contents of such personal interest at the meeting of the Board. Notwithstanding anything to the contrary contained in this Article 46, a Director who has a personal interest in the matter under discussion at a meeting of the Directors, which may conflict with and impair the interest of the Company, shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or

exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting.

46.4 Notwithstanding anything to the contrary contained in this Article 46, a Director who is engaged in anything on his own account or on behalf of another person, which is within the scope of the Company's business, shall explain to the Members in a general meeting the essential contents of such conduct and seek their approval by supermajority resolution.

47. Indemnification and Exculpation of Directors and Officers

47.1 Unless otherwise provided in these Articles, The Directors and Officers of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and every former director, officer or trustee and their respective heirs, executors, administrators, and personal representatives (each of which persons being referred to in this Article as an "indemnified party") shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any breach of duties, fraud or dishonesty which may attach to any of the said persons.

47.2 Without prejudice and subject to the general directors' duties that a Director owes to the Company and its shareholders under common law principals and the laws of the Cayman Islands, a Director shall perform his/her fiduciary duties of loyalty and due care of a good administrator in the course of conducting the Company's business, and shall indemnify the Company, to the maximum extent legally permissible, from any loss incurred or suffered by the Company arising from breach of his/her fiduciary duties. If a Director has made any profit for the benefit of himself/herself or any third party as a result of any breach of his/her fiduciary duties, the Company shall, if so resolved by the Members by way of an ordinary resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover such profit from such relevant Director. If a Director has, in the course of conducting the Company's business, violated any laws or regulations that causes the Company to become liable for any compensation or damages to any person, such Director shall become jointly and severally liable for such compensation or damages with the Company and if for any reason such Director is not made jointly and severally liable with the Company, such Director shall indemnify the Company for any loss incurred or suffered by the Company caused by a breach of duties by such Director.

47.3 The Officers, in the course of performing their duties to the Company, shall assume such duties and obligations to indemnify the Company in the same manner as if they are Directors.

47.4 The Company may purchase and maintain insurance for the benefit of any Director or Officer of the Company against any liability incurred by him in his capacity as a Director or

Officer of the Company or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any Subsidiary thereof.

47.5 To the extent permitted under the laws of the Cayman Islands and there is a cause of action under applicable laws by the Company against such relevant Director(s), a Member or Members collectively continuously holding three per cent (3%) or more of the total issued shares of the Company for a year or longer may:

- (a) request in writing the Board to authorise any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors; or
- (b) request in writing any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors with the approval of the Board;

within thirty (30) days after the Member(s) having made the request under the preceding clause (a) or (b), if (i) in the case of clause (a), the Board fails to make such authorisation or the Independent Director of the Audit Committee having been authorised by the Board fails to file such petition, or (ii) in the case of clause (b), the Independent Director of the Audit Committee fails to file such petition or the Board disapproves such action, to the extent permitted under the laws of the Cayman Islands and there is a cause of action under applicable laws by the Company against such relevant Director(s), such Member(s) may file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors.

MEETINGS OF THE BOARD OF DIRECTORS

48. Board Meetings

Subject to the Applicable Public Company Rules, the Chairman may call a meeting of the Board and the Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. Regular meetings of the Board shall be held at least on a quarterly basis to review the Company's performance during the previous fiscal quarter and to decide on matters customarily requiring approval of the Board as stipulated herein. A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

49. Notice of Board Meetings

The Chairman may, and the Secretary on the requisition of the Chairman shall, at any time summon a meeting of the Board. To convene a meeting of the Board, a notice setting forth therein the matters to be considered and if appropriate, approved at the meeting shall be given to each Director no later than seven (7) days prior to the scheduled meeting date. However, in the case of emergency as agreed by a majority of the Directors, the meeting may be convened with a shorter notice period in a manner consistent with the Applicable Public Company Rules. Notice of a meeting of the Board shall be deemed to be duly given to a Director if, to the extent permitted by Applicable Law, it is given to such Director verbally (in person or by telephone) or otherwise communicated or sent to such Director by post, cable, telex, telecopier, facsimile, electronic mail

or other mode of representing words in a legible form at such Director's last known address or any other address given by such Director to the Company for this purpose.

50. Participation in Meetings by Video Conference

Directors may participate in any meeting of the Board by means of video conference or other communication facilities, as permitted by the Applicable Law, where all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

51. Quorum at Board Meetings

The quorum for a meeting of the Board shall be more than one-half of the total number of the Directors.

52. Board to Continue in the Event of Vacancy

The Board may act notwithstanding any vacancy in its number.

53. Chairman to Preside

Unless otherwise agreed by a majority of the Directors attending, the Chairman, if there be one, shall act as chairman at all meetings of the Board at which such person is present. In his absence a chairman shall be appointed or elected in accordance with the Applicable Public Company Rules.

54. Validity of Prior Acts of the Board

No regulation or alteration to these Articles made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

CORPORATE RECORDS

55. Minutes

The Board shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all elections and appointments of Officers;
- (b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and
- (c) of all resolutions and proceedings of general meetings of the Members, meetings of the Board, meetings of managers and meetings of committees appointed by the Board.

56. Register of Mortgages and Charges

56.1 The Directors shall cause to be kept the Register of Mortgages and Charges required by the Law.

56.2 The Register of Mortgages and Charges shall be open to inspection by Members and creditors in accordance with the Law, at the Registered Office on every business day in the Cayman Islands, subject to such reasonable restrictions as the Board may impose, so that not less than two (2) hours in each such business day be allowed for inspection.

57. Form and Use of Seal

57.1 The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf; and, until otherwise determined by the

Directors, the Seal shall be affixed in the presence of a Director or the Secretary or an assistant secretary or some other person authorised for this purpose by the Directors or the committee of Directors.

57.2 Notwithstanding the foregoing, the Seal may without further authority be affixed by way of authentication to any document required to be filed with the Registrar of Companies in the Cayman Islands, and may be so affixed by any Director, Secretary or assistant secretary of the Company or any other person or institution having authority to file the document as aforesaid.

57.3 The Company may have one or more duplicate Seals, as permitted by the Law; and, if the Directors think fit, a duplicate Seal may bear on its face of the name of the country, territory, district or place where it is to be issued.

TENDER OFFER AND ACCOUNTS

58. Tender Offer

Within seven (7) days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its litigious and non-litigious agent (訴訟及非訴訟代理人, which term shall be construed under the laws of ROC) appointed by the Company pursuant to the Applicable Public Company Rules, the Board shall resolve to recommend to the Members whether to accept or object to the tender offer and make a public announcement of the following:

- (a) the types and number of the shares held by the Directors and the Members holding more than ten per cent (10%) of the total issued shares in their own names or in the names of other persons.
- (b) recommendations to the Members on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefor.
- (c) whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any.
- (d) the types, numbers and amount of the shares of the tender offeror or its affiliates held by the Directors and the Members holding more than ten per cent (10%) of the total number of issued shares held in their own names or in the name of other persons.

59. Books of Account

59.1 The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:-

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
- (b) all sales and purchases of goods by the Company; and
- (c) all assets and liabilities of the Company.

Such books of account shall be kept for at least five (5) years from the date they are prepared.

59.2 Such records of account shall be kept and proper books of account shall not be deemed to be kept with respect to the matters aforesaid if there are not kept, at such place as the Board thinks fit, such books as are necessary to give a true and fair view of the state of the

Company's affairs and to explain its transactions.

59.3 The instruments of proxy, documents, forms/statements and information in electronic media prepared in accordance with the Articles and relevant rules and regulations shall be kept for at least one (1) year. However, if a Member institutes a lawsuit with respect to such instruments of proxy, documents, forms/statements and/or information mentioned herein, they shall be kept until the conclusion of the litigation if longer than one (1) year.

60. Financial Year End

The financial year end of the Company shall be 31st December in each year but, subject to any direction of the Company in general meeting, the Board may from time to time prescribe some other period to be the financial year, provided that the Board may not without the sanction of an ordinary resolution prescribe or allow any financial year longer than eighteen months.

AUDIT COMMITTEE

61. Number of Committee Members

The Board shall set up an Audit Committee. The Audit Committee shall comprise solely of Independent Directors and the number of committee members shall not be less than three (3). One of the Audit Committee members shall be appointed as the convener to convene meetings of the Audit Committee from time to time and at least one of the Audit Committee members shall have accounting or financial expertise. A valid resolution of the Audit Committee requires approval of one-half or more of all its members.

62. Powers of Audit Committee

The Audit Committee shall have the responsibilities and powers as specified under the Applicable Public Company Rules. Any of the following matters of the Company shall require the consent of one-half or more of all Audit Committee members and be submitted to the Board for resolution:

- (a) adoption of or amendment to an internal control system;
- (b) assessment of the effectiveness of the internal control system;
- (c) adoption of or amendment to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others;
- (d) any matter relating to the personal interest of the Directors;
- (e) a material asset or derivatives transaction;
- (f) a material monetary loan, endorsement, or provision of guarantee;
- (g) the offering, issuance, or Private Placement of any equity-related securities;
- (h) the hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;
- (i) the appointment or discharge of a financial, accounting, or internal auditing officer;
- (j) approval of annual and semi-annual financial reports; and
- (k) any other matter so determined by the Company from time to time or required by any competent authority overseeing the Company.

With the exception of item (j), any other matter that has not been approved with the consent of one-half or more of all Audit Committee members may be undertaken upon the consent of two-thirds or more of the members of the Board, and the resolution of the Audit Committee shall be recorded in the minutes of the Directors meeting.

VOLUNTARY WINDING-UP AND DISSOLUTION

63. Winding-Up

63.1 The Company may be voluntarily wound-up in accordance with Article 11.5.

63.2 If the Company shall be wound up the liquidator may, with the sanction of a special resolution, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

CHANGES TO CONSTITUTION

64. Changes to Articles

Subject to the Law and to the conditions contained in its Memorandum, the Company may, by special resolution, alter or add to its Articles.

65. Discontinuance

The Board may exercise all the powers of the Company to transfer by way of continuation the Company to a named country or jurisdiction outside the Cayman Islands pursuant to the Law.

IV. Appendices

Appendix 1: Rules of Procedure for Shareholders Meetings

- Article 1 To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to the rules provided by rules and regulations established by the competent securities authority.
- Article 2 The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by applicable laws (Cayman Islands laws and Taiwan Stock Exchange Corporation regulations) or the articles of incorporation, shall be as provided in these Rules.
- Article 3 Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.
A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date; while a public notice shall be given to holders who hold less than 1,000 registered share certificates no later than 30 days prior to the scheduled meeting date by means of a public announcement made through the MOPS; A notice to convene a special meeting of shareholders shall be given to each shareholder no later than 15 days prior to the scheduled meeting date; while a public notice shall be given to holders who hold less than 1,000 registered share certificates no later than 15 days prior to the scheduled meeting date by means of a public announcement made through the MOPS.
This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and its shareholder services agent as well as being distributed on-site at the meeting place.
The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
Election or dismissal of directors or supervisors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act or Articles 26-1 and 43-6 of the Securities and Exchange Act shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.
A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal

containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

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

Article 5 The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting.

Shareholders meetings shall be convened in Taiwan if shares of this company are already traded on the Taiwan Stock Exchange. If the board of directors resolves to convene a shareholders meeting in areas other than Taiwan, the company shall apply for permission by the Taiwan Stock Exchange within three days upon adoption of said resolution by the board of directors.

The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6 This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be attended by a majority of the directors.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than

two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

Article 11

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder. In case a director whose shares has created a pledge on the company's shares more than half of the company's shares being held by him/her/it at the time he/she/it is elected, the voting power of the excessive portion of shares shall not be exercised.

The number of shares for which voting rights may not be exercised under the preceding 2 paragraphs shall not be calculated as part of the voting rights represented by attending shareholders.

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

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means; when voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders. A proposal shall be considered adopted if no objections are raised by the attending shareholders upon inquiry of the chair. This procedure shall have the same legal validity as a vote. If objections are raised, a vote shall be held in accordance with the

aforementioned regulations. Except for proposals listed in the agenda, other motions submitted by shareholders or revisions of original proposals or substitute proposals must be seconded by another shareholder. The shares held by the proposer and seconder shall be equivalent to at least 1% of the voting rights for all issued shares.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14 The election of directors (including independent directors) at a shareholders meeting shall be held in accordance with the applicable “Election and Appointment rules of Directors” adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors (including independent directors) and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

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

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

The aforementioned resolution method requires the solicitation of opinions by the chair. If no objections are raised by the attending shareholders, it shall be recorded that “upon inquiry by the chair, the proposal was adopted unanimously by all attending shareholders”. If shareholders raise objections, the adopted voting method, the number of votes in favor, and vote ratios shall be stated clearly.

Article 16 On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

- Article 17 Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.
When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.
- Article 18 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.
- Article 19 If the regulations set forth in these rules conflict with the articles of incorporation of this company, the regulations set forth in the articles of incorporation shall prevail.
If these rules conflict with applicable laws (applicable regulations set forth in the laws of the Cayman Islands and the Taiwan Stock Exchange). The relevant provisions that conflict with said laws shall be invalid and matters governed by these provisions shall be handled pursuant to relevant applicable laws
- Article 20 These regulations and all amendments hereof shall come into effect upon approval by a shareholders meeting and the date of listing of the stocks of this company on the Taiwan Stock Exchange.
These rules were formulated on May 5, 2010
These rules were amended for the first time on June 17, 2013.
These rules were amended for the second time on June 6, 2014.

Appendix 2: Articles of Association

SEVENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF Yeong Guan Energy Technology Group Company Limited

(Adopted by a special resolution passed by the members of the company on 17 June 2013)

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**SEVENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION
OF
Yeong Guan Energy Technology Group Company Limited**

(Adopted by a special resolution passed by the members of the company on 17 June 2013)

Table A

The regulations in Table A in the First Schedule to the Law (as defined below) do not apply to the Company.

INTERPRETATION

1. Definitions

1.1 In these Seventh Amended and Restated Articles, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Applicable Law	the Applicable Public Company Rules, the Law or such other rules or legislation applicable to the Company;
Applicable Public Company Rules	the ROC laws, rules and regulations (including, without limitation, the Company Law, the Securities and Exchange Law, the rules and regulations promulgated by the FSC and the rules and regulations promulgated by the TSE, as amended from time to time) affecting public reporting companies or companies listed on any ROC stock exchange or securities market that from time to time are required by the relevant regulator as applicable to the Company;
Articles	these Articles of Association as altered from time to time;
Audit Committee	the audit committee under the Board, which shall comprise solely of Independent Directors of the Company;
Board	the board of directors appointed or elected pursuant to these Articles and acting at a meeting of directors at which there is a quorum in accordance with these Articles;
Capital Reserve	for the purpose of these Articles only, comprises of the premium (meaning such amount above par

	value of the shares) paid on the issuance of any share under the Law and income from endowments received by the Company;
Chairman	the Director elected by and amongst all the Directors as the chairman of the Board;
Company	Yeong Guan Energy Technology Group Company Limited 永冠能源科技集團有限公司;
Compensation Committee	a committee established by the Board, which shall be comprised of professional individuals appointed by the Board and having the functions, in each case, prescribed by the Applicable Public Company Rules;
Cumulative Voting	the voting mechanism for an election of Directors as described in Article 34.2;
Directors	the directors for the time being of the Company and shall include any and all Independent Director(s);
Electronic Record	has the same meaning as in the Electronic Transactions Law;
Electronic Transactions Law	the Electronic Transactions Law (2003 Revision) of the Cayman Islands;
Family Relationship within Second Degree of Kinship	in respect of a person, means another person who is related to the first person either by blood or by marriage of a member of the family and within the second degree to include the parents, siblings, grandparents, children and grandchildren of the person as well as spouse's parents, siblings and grandparents;
FSC	The Financial Supervisory Commission of the Republic of China;
Independent Directors	the Directors who are elected as "Independent Directors" for the purpose of Applicable Public Company Rules;
Joint Operation Contract	a contract between the Company and one or more person(s) or entit(ies) where the parties to the contract agree to pursue the same business venture and jointly bear losses and enjoy profits arising out of such business venture in accordance with the terms of such contract;
Law	The Companies Law of the Cayman Islands and every modification, reenactment or revision thereof for the time being in force;
Lease Contract	a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) lease or rent from the Company the necessary means and assets to operate the whole business of the Company in the name of such

Management Contract	<p>person, and as consideration, the Company receives a pre-determined compensation from such person;</p> <p>a contract or arrangement between the Company and any other person(s) pursuant to which such person(s) manage and operate the business of the Company in the name of the Company and for the benefits of the Company, and as consideration, such person(s) receive a pre-determined compensation while the Company continues to be entitled to the profits (or losses) of such business;</p>
Market Observation Post System	<p>the public company reporting system maintained by the Taiwan Stock Exchange Corporation, via http://mops.twse.com.tw/;</p>
Member	<p>the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;</p>
Memorandum	<p>the memorandum of association of the Company;</p>
Notice	<p>written notice as further provided in these Articles unless otherwise specifically stated;</p>
Merger	<p>a transaction whereby:</p> <p>(a) (i) all of the companies participating in such transaction are combined into a new company, which new company generally assumes all rights and obligations of the combined companies; or (ii) all of the companies participating in such transaction are merged into one of such companies as the surviving company, and the surviving company generally assumes all rights and obligations of the merged companies, and in each case the consideration for the transaction being the shares of the surviving or new company or any other company, cash or other assets; or</p> <p>(b) other forms of mergers and acquisitions which fall within the definition of "merger and/or consolidation" under the Applicable Public Company Rules;</p>
month	<p>calendar month;</p>
Officer	<p>any person appointed by the Board to hold an office in the Company;</p>
ordinary resolution	<p>a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by not less than a</p>

Private Placement	simple majority of the votes cast;
Preferred Shares	has the meaning given thereto in Article 11.6;
Register of Directors and Officers	has the meaning given thereto in Article 6;
Register of Members	the register of directors and officers referred to in these Articles;
Registered Office	the register of members of the Company maintained in accordance with the Law and (as long as the Company is listed on the TSE) the Applicable Public Company Rules;
Related Person(s)	the registered office for the time being of the Company;
ROC	the persons as defined in Article 33.2;
Seal	Taiwan, the Republic of China;
Secretary	the common seal or any official or duplicate seal of the Company;
share(s)	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
special resolution	share(s) of par value NT\$10 each in the Company and includes fraction of a share;
Subsidiary	a resolution passed by a majority of at least two-thirds (or such greater number as may be specified in these Articles, if any) of such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given;
supermajority resolution	with respect to any company, (1) the entity, one half or more of whose total number of the issued voting shares or the total amount of the share capital are directly or indirectly held by such company; (2) the entity that such company has a direct or indirect control over its personnel, financial or business operation; (3) the entity, one half or more of whose shareholders involved in management or board of directors are concurrently acting as the shareholders involved in management or board of directors of such company; and (4) the entity, one half or more of whose total number of the issued voting shares or the total amount of the share capital are held by the same shareholder(s) of such company;
	a resolution passed by Members (present in person, by proxy or corporate representative) who

represent a majority of the outstanding issued shares of the Company as, being entitled to do so, vote in person or, in the case of such Members as are corporations, by their respective duly representative or, where proxies are allowed, by proxy at a duly convened general meeting attended by Members (present in person, by proxy or corporate representative) who represent two-thirds or more of the total outstanding shares of the Company entitled to vote thereon or, if the total number of shares represented by the Members (present in person, by proxy or corporate representative) at the general meeting is less than two-thirds of the total outstanding shares of the Company entitled to vote thereon, but more than one half of the total outstanding shares of the Company entitled to vote thereon, means instead, a resolution adopted at such general meeting by the Members (present in person, by proxy or corporate representative) who represent two-thirds or more of the total number of shares entitled to vote on such resolution at such general meeting;

TDCC	means the Taiwan Depository & Clearing Corporation;
Treasury Shares	has the meaning given thereto in Article 3.11;
Threshold	means the spousal relationship and/or Family Relationship within Second Degree of Kinship threshold for members of the Board as defined in Article 33.2;
TSE	The Taiwan Stock Exchange Corporation; and
Year	calendar year.

1.2 In these Articles, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
- (d) the words:
 - (i) "may" shall be construed as permissive; and
 - (ii) "shall" shall be construed as imperative;
- (e) "written" and "in writing" include all modes of representing or reproducing words in visible form, including the form of an Electronic Record;
- (f) a reference to statutory provision shall be deemed to include any amendment or reenactment thereof;
- (g) unless otherwise provided herein, words or expressions defined in the Law shall bear the

same meaning in these Articles; and

(h) Section 8 of the Electronic Transactions Law shall not apply to the extent that it imposes obligations or requirements in addition to those set out.

1.3 In these Articles expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

1.4 Headings used in these Articles are for convenience only and are not to be used or relied upon in the construction hereof.

SHARES

2. Power to Issue Shares

2.1 Subject to these Articles and any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares of the Company on such terms and conditions as it may determine and any shares or class of shares (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of shares) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by resolution of the Members prescribe, provided that no share shall be issued at a discount except in accordance with the Law.

2.2 Unless otherwise provided in these Articles, the issue of new shares of the Company shall be approved by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors. The issue of new shares shall at all times be subject to the sufficiency of the authorized capital of the Company.

2.3 Where the Company increases its issued share capital by issuing new shares for cash consideration in the ROC the Company shall allocate 10% of the total amount of the new shares to be issued, for offering in the ROC to the public ("Public Offering Portion") unless it is not necessary or appropriate, as determined by the FSC or TSE, for the Company to conduct the aforementioned public offering. However, if a percentage higher than the aforementioned 10% is resolved by the Members in a general meeting by ordinary resolution to be offered, the percentage determined by such resolution shall prevail and shares corresponding to such percentage shall be reserved as Public Offering Portion. The Company shall also reserve up to 15% of such new shares for subscription by its employees (the "Employee Subscription Portion").

2.4 Unless otherwise resolved by the Members in general meeting by ordinary resolution, where the Company increases its issued share capital by issuing new shares for cash consideration, after allocation of the Public Offering Portion and the Employee Subscription Portion pursuant to Article 2.3 hereof, the Company shall make a public announcement and notify each Member that he is entitled to exercise a pre-emptive right to purchase his pro rata portion of the remaining new shares, to be issued in the capital increase for cash consideration. The Company shall state in such announcement and notices to the Members the procedures for exercising such pre-emptive rights and that if any Member fails to purchase his pro rata portion of such remaining newly-issued shares within the prescribed period, such Member shall be deemed to forfeit his pre-emptive right to purchase such newly-issued shares. Where an exercise of the pre-emptive right may result in fractional

entitlement of a Member, the entitlements (including fractional entitlements) of two or more Members may be combined to jointly subscribe for one or more whole new shares in the name of a single Member, subject to compliance with such directions and terms and conditions as determined by the Board and the Applicable Public Company Rules. If the total number of the new shares to be issued has not been fully subscribed for by the Members within the prescribed period, the Company may consolidate such shares into the public offering tranche or offer any un-subscribed new shares to a specific person or persons in such manner as is consistent with the Applicable Public Company Rules.

- 2.5** Subject to the provisions of the Law, the Company may issue new shares subject to restrictions and conditions ("**Restricted Shares**") to employees of the Company and its Subsidiaries with the sanction of a Supermajority Resolution provided that Article 2.3 hereof shall not apply in respect of the issue of such shares. For so long as the shares are listed on the TSE, the terms of issue of the Restricted Shares, including but not limited to the number of Restricted Shares so issued, issue price of Restricted Shares and other related matters shall be in accordance with the Applicable Public Company Rules.
- 2.6** The Public Offering Portion and the Employee Subscription Portion under Article 2.3 and the pre-emptive right of Members under Article 2.4 shall not apply in the event that new shares are issued due to the following reasons or for the following purposes:
- (c) in connection with a Merger, spin-off, or pursuant to any reorganization of the Company;
 - (d) in connection with meeting the Company's obligations under share subscription warrants and/or options, including those rendered in Articles 2.8 and 2.10 hereof;
 - (e) in connection with the issue of Restricted Shares in accordance with Article 2.5 hereof;
 - (f) in connection with meeting the Company's obligations under convertible bonds or corporate bonds vested with rights to acquire shares;
 - (g) in connection with meeting the Company's obligations under Preferred Shares vested with rights to acquire shares; or
 - (h) in connection with a Private Placement of the securities issued by the Company.
- 2.7** The Company shall not issue any unpaid shares or partly paid-up shares.
- 2.8** Notwithstanding Article 2.5 hereof, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt one or more employee incentive programmes and may issue shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries, and for the avoidance of doubt, approval by the Members is not required.
- 2.9** Options, warrants or other similar instruments issued in accordance with Article 2.8 above are not transferable save by inheritance.
- 2.10** The Company may enter into agreements with employees of the Company and the employees of its Subsidiaries in relation to the incentive programme approved pursuant to Article 2.8 above, whereby employees may subscribe, within a specific period of time, a specific number of the shares. The terms and conditions of such agreements shall not be less favorable than the terms specified in the applicable incentive programme.

3. Redemption and Purchase of Shares

- 3.1** Subject to the Law, the Company is authorised to issue shares which are to be redeemed or

are liable to be redeemed at the option of the Company or a Member.

- 3.2** The Company is authorised to make payments in respect of the redemption of its shares out of capital or out of any other account or fund authorised for this purpose in accordance with the Law.
- 3.3** The redemption price of a redeemable share, or the method of calculation thereof, shall be fixed by the Board at or before the time of issue.
- 3.4** Every share certificate relating to redeemable share shall indicate that the share is redeemable.
- 3.5** Subject to the provisions of the Applicable Law and these Articles, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, purchase its own shares (including any redeemable shares) on such terms and in such manner as the Directors may determine and hold them as treasury shares of the Company in accordance with the Law (“**Treasury Shares**”). If any purchase of the Company’s own shares involves any immediate cancellation of shares of the Company, such repurchase of shares is subject to approval by the Members by way of an ordinary resolution and the number of shares of the Company to be cancelled shall be allocated among all the Members as of the date of such cancellation on a pro rata basis (as rounded up or down to the nearest whole number as determined by the Directors) based on the then prevailing percentage of shareholding of the Members, unless otherwise provided for in the Law or the Applicable Public Company Rules.

Upon approval by Members by way of an ordinary resolution to repurchase and cancel shares of the Company, the repurchase price may be paid in cash or in kind, provided that where any repurchase price is to be paid in kind, the monetary equivalent value of such payment in kind shall be (a) assessed by an ROC certified public accountant before being submitted by the Board to the Members for approval as part of the ordinary resolution authorising the repurchase and cancellation of shares of the Company ; and (b) agreed to individually by each Member who will be receiving the repurchase price in kind.

- 3.6** In the event that the Company proposes to purchase any share listed on the TSE pursuant to the preceding Article and hold them as Treasury Shares of the Company, the resolution of the Board approving such proposal and the implementation thereof should be reported to the Members in the next general meeting in accordance with the Applicable Public Company Rules. Such reporting obligation shall also apply even if the Company does not implement the proposal to purchase its shares listed on the TSE for any reason.
- 3.7** Subject to Article 3.5, the redemption or repurchase price may be paid in any manner permissible under the Law as determined by the Directors, including out of capital.
- 3.8** A delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by banks holding “A” licenses (as defined in the Banks and Trust Companies Law (Revised) of the Cayman Islands) in the Cayman Islands for thirty day deposits in the same currency.
- 3.9** Subject to Article 3.5, the Directors may exercise as they think fit the powers conferred on the Company by Section 37(5) of the Law (payment out of capital).
- 3.10** Subject as aforesaid and to Article 3.5, the Directors may determine, as they think fit all questions that may arise concerning the manner in which the redemption of the shares shall

or may be effected.

- 3.11** No share may be redeemed unless it is fully paid-up.
- 3.12** Subject to Article 3.5, shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) shall be cancelled immediately or be held as Treasury Shares .
- 3.13** No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up of the Company) may be made to the Company in respect of a Treasury Share.
- 3.14** The Company shall be entered in the Register of Members as the holder of the Treasury Shares provided that:
- (i) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
 - (j) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of these Articles or the Law.
- 3.15** After the Company purchases its shares listed on the TSE, any proposal to transfer the Treasury Shares to the employees of the Company and its Subsidiaries at a price below the average actual repurchase price must be approved by special resolution in the next general meeting and the items required by the Applicable Public Company Rules shall be specified in the notice of the general meeting and may not be proposed as an extemporary motion. The aggregate number of Treasury Shares resolved at all general meetings and transferred to the employees of the Company and its Subsidiaries shall not exceed 5% of the total number of issued shares, and each employee may not subscribe for more than 0.5% of the total number of issued shares in aggregate. The Company may prohibit such employees from transferring such Treasury Shares within a certain period; provided, however, that such a period cannot be more than two years from the date that such employees became the registered holders of the relevant Treasury Shares.
- 3.16** Subject to Article 3.15, Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Directors.

4. Rights Attaching to Shares

- 4.1** Subject to Article 2.1, the Memorandum and these Articles, other contractual obligations or restrictions that the Company is bound by and any resolution of the Members to the contrary and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares, the share capital of the Company shall be divided into shares of a single class the holders of which shall, subject to the provisions of these Articles:
- (a) be entitled to one vote per share;
 - (b) be entitled to such dividends as recommended by the Board and approved by the Members at general meeting may from time to time declare;
 - (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
 - (d) generally be entitled to enjoy all of the rights attaching to shares.

5. Share Certificates

- 5.1** Shares of the Company shall be issued in uncertificated/scripless form unless the issuance of

share certificates is required by the provisions of the Applicable Public Company Rules. Where share certificates are issued, every Member shall be entitled to a certificate issued under the Seal (or a facsimile thereof), which shall be affixed or imprinted with the authority of the Board, specifying the number and, where appropriate, the class of shares held by such Member. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.

- 5.2** If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.
- 5.3** Share may not be issued in bearer form.
- 5.4** When the Company issue share certificates pursuant to Article 5.1 hereof, the Company shall deliver the share certificates to the allottees of such shares within thirty (30) days from the date such share certificates may be issued pursuant to the Law, the Memorandum, the Articles, and the Applicable Public Company Rules, and shall make a public announcement prior to the delivery of such share certificates pursuant to the Applicable Public Company Rules.
- 5.5** Where the Company shall issue the shares in uncertificated/scripless form, the Company shall upon the issue of such shares cause the name of the subscriber and other particulars to be entered onto the Register of Members in accordance with the Law and the Applicable Public Company Rules.

6. Preferred Shares

- 6.1** Notwithstanding any provisions of these Articles, the Company may by special resolution designate one or more classes of shares with preferred or other special rights as the Company, by special resolution, may determine (shares with such preferred or other special rights, the "Preferred Shares"), and cause to be set forth in these Articles.
- 6.2** The rights and obligations of Preferred Shares may include (but not limited to) the following terms and shall be consistent with the Applicable Public Company Rules:
 - (a) the order of priority and fixed amount or fixed ratio of allocation of dividends and bonus on Preferred Shares;
 - (b) the order of priority and fixed amount or fixed ratio of allocation of surplus assets of the Company;
 - (c) the order of priority for or restriction on the voting right(s) (including declaring no voting rights whatsoever) of the Members holding the Preferred Shares;
 - (d) the method by which the Company is authorized or compelled to redeem the Preferred Shares, or a statement that redemption rights shall not apply; and
 - (e) other matters concerning rights and obligations incidental to Preferred Shares.

REGISTRATION OF SHARES

7. Register of Members

- (a) For so long as shares are listed on the TSE, the Board shall cause to be kept a Register of Members which may be kept outside the Cayman Islands at such place as the Directors shall appoint and which shall be maintained in accordance with the Law and the Applicable Public Company Rules.
- (b) In the event that the Company has shares that are not listed on the TSE, the Company shall

also cause to be kept a register of such shares in accordance with Section 40 of the Law.

8. Registered Holder Absolute Owner

Except as required by Law:

- (a) no person shall be recognised by the Company as holding any share on any trust; and
- (b) no person other than the Member shall be recognised by the Company as having any right in a share.

9. Transfer of Registered Shares

9.1 Title to shares listed on the TSE may be evidenced and transferred in a manner consistent with the Applicable Public Company Rules (including through the book-entry system of the TDCC) that are applicable to shares listed on the TSE.

9.2 All transfers of shares which are in certificated form may be effected by an instrument of transfer in writing in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and, if the Board so requires, by or on behalf of the transferee. Without prejudice to the foregoing, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers.

9.3 The Board may refuse to recognise any instrument of transfer in respect of shares in certificated form unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

9.4 The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.

9.5 The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share in certificated form in the event such registration of transfer would (i) conflict with the Applicable Law; or (ii) conflict with the Memorandum and/or these Articles. If the Board refuses to register a transfer of any share, the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

9.6 Nothing in these Articles shall preclude the Board from recognizing a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect of it.

10. Transmission of Shares

10.1 In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of Section 39 of the Law, for the purpose of this Article, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to

deal with the shares of a deceased Member.

- 10.2** Any person becoming entitled to a share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any way other than by transfer) may, upon such evidence being produced as may from time to time be required by the Board, elect, by a notice in writing sent by him to the Company, either to become the holder of such share or to have some person nominated by him registered as the holder of such share. If he elects to have another person registered as the holder of such share, he shall sign an instrument of transfer of that share to that person.
- 10.3** A person becoming entitled to a share by reason of the death or bankruptcy or liquidation or dissolution of a Member (or in any case other than by transfer) shall be entitled to the same dividend, other distributions and other advantages to which he would be entitled if he were the registered holder of such share. However, he shall not, before becoming a Member in respect of a share, be entitled in respect of it to exercise any right conferred by membership in relation to general meetings of the Company. Notwithstanding the aforesaid, the Board may at any time give notice requiring any such person to elect either to be registered himself or to have some person nominated by him be registered as the holder of the share. If the notice is not complied with within ninety days of being received or deemed to be received (as determined pursuant to the Articles), the Board may thereafter withhold payment of all dividend, other distributions, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.
- 10.4** Notwithstanding the above, for as long as the shares are listed on the TSE, the transmission of the shares may be evidenced and transferred in a manner consistent with the Applicable Public Company Rules (including through the book-entry system of the TDCC) that are applicable to shares listed on the TSE.

ALTERATION OF SHARE CAPITAL

11. Power to Alter Capital

- 11.1** Subject to the Law, the Company may from time to time by ordinary resolution alter the conditions of its Memorandum to increase its authorized share capital by such amount as it thinks expedient.
- 11.2** Subject to the Law, the Company may from time to time by ordinary resolution alter the conditions of its Memorandum to:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares in such manner as permitted by Applicable Law; or
 - (b) cancel shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled in such manner as permitted by Applicable Law.
- 11.3** Subject to the Law and the Articles, the Company may from time to time by special resolution:
- (a) change its name;
 - (b) alter or add to the Articles;
 - (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein; or
 - (d) reduce its share capital and any capital redemption reserve fund in any manner

authorised by the Law and the Applicable Public Company Rules.

11.4 Subject to the Law and Article 11.5, the following actions by the Company shall require the approval of the Members by a supermajority resolution:

- (f) effecting any capitalization of distributable dividends and/or bonuses and/or any other amount prescribed under Article 16 hereof;
- (g) effecting any Merger (except for any Merger which falls within the definition of "merger" and/or "consolidation" under the Law, which requires the approval of the Company by special resolution only) or spin-off or Private Placement of the securities issued by the Company;
- (h) entering into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
- (i) the transferring of the whole or any essential part of the business or assets of the Company; or
- (j) acquiring or assuming the whole business or assets of another person, which has a material effect on the Company's operation.

11.5 Subject to the Law, the Company may be wound up voluntarily:

- (a) if the Company resolves by supermajority resolution that it be wound up voluntarily because the Company is unable to pay its debts as they fall due; or
- (b) if the Company resolves by special resolution that it be wound up voluntarily for reasons other than set out in Article 11.5(a) above.

11.6 Subject to the Law and in addition to approval by the Board in accordance with Article 2.2, the Company may, with a resolution approved by at least two-thirds of the votes of the Members present at a general meeting attended by Members representing a majority of the total number of issued shares, issue securities to the following persons by way of private placement within the territory of the ROC in accordance with Applicable Public Company Rules ("**Private Placement**"):

- (a) banks, bills finance enterprises, trust enterprises, insurance enterprises, securities enterprises, or other legal entities or institutions approved by the FSC;
- (b) natural person, legal entities or funds meeting the qualifications set forth by the FSC; and
- (c) directors, supervisors (if any) or managers of the Company or its Subsidiaries.

12. Variation of Rights Attaching to Shares

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the sanction of a special resolution passed at a general meeting of the holders of the shares of the class with a quorum of such number of holders holding more than one-half of the total outstanding shares of such class being present in person, by proxy or corporate representatives. Notwithstanding the foregoing, if any modification or alteration in the Articles is prejudicial to the preferential rights of any class of shares, such modification or alteration shall be adopted by a special resolution and shall also be adopted by a special resolution passed at a separate meeting of Members of that class of shares. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu*

therewith.

DIVIDENDS AND CAPITALISATION

13. Dividends

- 13.1** The Board may, subject to approval by the Members by way of ordinary resolution or, in the case of Article 11.4(a), supermajority resolution and subject to these Articles and any direction of the Company in general meeting, declare a dividend to be paid to the Members in proportion to the number of shares held by them, and such dividend may be paid in cash, shares or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. No unpaid dividend shall bear interest as against the Company.
- 13.2** The Directors may determine that a dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution. Without limiting the foregoing generality, the Directors may fix the value of such specific assets, may determine that cash payments shall be made to some Members in lieu of specific assets and may vest any such specific assets in trustees on such terms as the Directors think fit.
- 13.3** Subject to the Law, Article 11.4(a) and these Articles and except as otherwise provided by the rights attached to any shares, the Company may distribute profits in accordance with a proposal for profits distribution approved by the Board and sanctioned by the Members by an ordinary resolution, in annual general meetings. No dividends or other distribution shall be paid except out of profits of the Company, realised or unrealised, out of share premium account or any reserve, fund or account as otherwise permitted by the Law. Except as otherwise provided by the rights attached to any shares, all dividends and other distributions shall be paid according to the number of the shares that a Member holds and the amount paid up on such shares. If any share is issued on terms providing that it shall be entitled to dividends as from a particular date only, such shares shall be entitled to dividends accordingly.
- 13.4** In determining the Company's dividend policy, the Board recognises that the Company operates in a mature industry, and has stable profit streams and a sound financial structure. In determining the amount, if any, of the dividend or other distribution it recommends to Members for approval in any financial year, the Board:
- (a) may take into consideration the earnings of the Company, overall development, financial planning, capital needs, industry outlook and future prospects of the Company in the relevant financial year, so as to ensure the protection of Members' rights and interests; and
 - (b) shall set aside out of the current year profits of the Company: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses; (iii) ten per cent (10%) as a general reserve, and (iv) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules or a reserve as determined by the Board pursuant to Article 14.1.
- 13.5** Subject to compliance with the Law and after setting aside such amounts as the Board deems fit in accordance with the distribution policy set out in Article 13.4, the Board shall recommend to Members for approval in any financial year the amount of the dividend or other distribution to be allocated in the following manner and order and the allocation will be made upon approval by the Members:

- (a) between two per cent (2%) and fifteen per cent (15%) of the distributable amount as bonus to employees, including employees of the Company's Subsidiaries ("Employees' Bonus");
- (b) up to three per cent (3%) of the distributable amount as remuneration to the Directors ("Directors' Remuneration"); and
- (c) no less than fifty per cent (50%) of the distributable amount as dividend to the Members.

The Board shall determine how much of the amount shall be allocated to the Employees' Bonus, Directors' Remuneration and dividend, provided that the Board shall comply with the principles set out in (a) to (c) above and such allocation shall be recommended to the Members for approval. Dividends to the Members and the Employees' Bonus may be distributed, in the discretion of the Board, by way of cash or by way of applying such sum in paying up in full unissued shares or a combination of both for allocation and distribution to employees or the Members, provided that, in the case of a distribution to Members, no less than ten per cent (10%) of the total amount of such dividend shall be paid in cash. No unpaid dividend and bonus shall bear interest as against the Company.

- 13.6** The Board shall fix any date as the record date for determining the Members entitled to receive any dividend or other distribution.
- 13.7** For the purpose of determining Members entitled to receive payment of any dividend or other distributions, the Directors may provide that the Register of Members be closed for transfers for five (5) days before the relevant record date or such other period consistent with the Applicable Public Company Rules subject to compliance with the Law.

14. Capital Reserve and Power to Set Aside Profits

- 14.1** The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such sum as it thinks proper as a reserve to be used to meet contingencies or for meeting the deficiencies for implementing dividend distribution plans or for any other purpose to which those funds may be properly applied. Pending application, such sums may be in the absolute discretion of the Directors either be employed in the business of the Company or invested in such investment as Directors may from time to time think fit, and need not be kept separate from other assets of the Company. The Directors may also, without placing the same to reserve, carry forward any profit which they decide not to distribute.
- 14.2** Subject to any direction from the Company in general meeting, the Directors may on behalf of the Company exercise all the powers and options conferred on the Company by the Law in regard to the Capital Reserve. Subject to compliance with the Law, the Directors may on behalf of the Company set off accumulated losses against credits standing in the Capital Reserve and make distributions out of the Capital Reserve.

15. Method of Payment

- 15.1** Any dividend, interest, or other monies payable in cash in respect of the shares may be paid by wire transfer to the Member's designated account or by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members.
- 15.2** In the case of joint holders of shares, any dividend, interest or other monies payable in cash in respect of shares may be paid by wire transfer to the holder first named in the Register of Members to such holder's designated account or by cheque or draft sent through the post directed to the address of the holder first named in the Register of Members. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for

any dividend paid in respect of such shares.

16. Capitalisation

Subject to Article 11.4(a), the Board may capitalise any sum for the time being standing to the credit of any of the Company's Capital Reserve or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

MEETINGS OF MEMBERS

17. Annual General Meetings

17.1 The Company shall hold a general meeting as its annual general meeting within six months following the end of each fiscal year. The Board shall convene all annual general meetings.

17.2 The general meetings (including annual general meetings and extraordinary general meetings) shall be held at such time and place as the Chairman or any two Directors or any Director and the Secretary or the Board shall appoint provided that unless otherwise provided by the Law, the general meetings shall be held in the ROC. If the Board resolves to hold a general meeting outside the ROC, the Company shall apply for the approval of the TSE thereof within two days after the Board adopts such resolution. Where a general meeting is to be held outside the ROC, the Company shall engage a professional stock affairs agent in the ROC to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members).

18. Extraordinary General Meetings

18.1 General meetings other than annual general meetings shall be called extraordinary general meetings.

18.2 The Board may convene an extraordinary general meeting of the Company whenever in their judgment such a meeting is necessary or upon requisition in accordance with Article 18.3.

18.3 One or more Member(s) of the Company holding at the date of deposit of the requisition not less than 3% of the total number of the outstanding shares of the Company continuously for a period of one year or more may make a requisition that contains the details set out in Article 18.4 below to request the Board to convene an extraordinary general meeting of the Company.

18.4 The requisition must state in writing the matters to be discussed at the extraordinary general meeting and the reason therefor and must be signed by the requisitionists and deposited at the Registered Office and the Company's stock affairs agent located in the ROC, and may consist of several documents in like form each signed by one or more requisitionists.

18.5 If the Board does not within fifteen days from the date of the deposit of the requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting, provided that if the extraordinary general meeting will be held outside the ROC, an application shall be submitted by such requisitionists to the TSE for its prior approval.

19. Notice

19.1 At least thirty days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of business to be conducted at the meeting.

19.2 At least fifteen days' notice of an extraordinary general meeting shall be given to each

- Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of the business to be considered at the meeting.
- 19.3** The Board shall fix a record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company in accordance with Applicable Public Company Rules and close its Register of Members accordingly in accordance with Applicable Public Company Rules.
- 19.4** Subject to Article 22.4, the accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 19.5** For so long as the shares are listed on the TSE, the Company shall announce to the public by via the Market Observation Post System in accordance with Applicable Public Company Rules the notice of a general meeting, the proxy instrument, agendas and materials relating to the matters to be reported and discussed in the general meetings, including but not limited to, election or discharge of Directors, in accordance with Articles 19.1 and 19.2 hereof. If the voting power of a Member at a general meeting shall be exercised by way of a written instrument, the Company shall also send the written document for the Member to exercise his voting power together with the above mentioned materials in accordance with Articles 19.1 and 19.2. The Directors shall prepare a meeting handbook of the relevant general meeting and supplemental materials, which will be sent to or made available to all Members and shall be transmitted to the Market Observation Post System in a manner consistent with the Applicable Public Company Rules.
- 19.6** The following matters shall be stated in the notice of a general meeting, with a summary of the major content to be discussed, and shall not be proposed as an extemporary motion:
- (a) election or discharge of Directors,
 - (b) alteration of the Memorandum or Articles,
 - (c) (i) dissolution, Merger, any scheme or arrangement involving a transfer of all issued shares of the Company to a corporate acquirer in exchange for the issuance of shares by that corporate acquirer to the Members as consideration or spin-off, (ii) entering into, amending, or terminating any Lease Contract, Management Contract or Joint Operation Contract, (iii) transfer of the whole or any essential part of the business or assets of the Company, and (iv) acquisition or assumption of the whole of the business or assets of another person, which has a material effect on the operations of the Company,
 - (d) ratification of an action by Director(s) who engage(s) in business for himself or on behalf of another person that is within the scope of the Company's business,
 - (e) distribution of the whole or part of the surplus profit of the Company in the form of new shares, capitalization of Capital Reserve and any other amount in accordance with Article 16, and
 - (f) Private Placement of any equity-related securities to be issued by the Company.
- 19.7** For so long as the shares are listed on the TSE and unless the Law provides otherwise, the Board shall keep the Memorandum and Articles, minutes of general meetings, financial statements, the Register of Members, and the counterfoil of any corporate bonds issued by the Company at the office of the Company's registrar (if applicable) and the Company's stock affairs agent located in the ROC. The Members may request, from time to time, by submitting document(s) evidencing his/her interests involved and indicating the designated scope of the inspection, access to inspect, review or make copies of the foregoing documents.

19.8 The Company shall make available all the statements and records prepared by the Board and the report prepared by the Audit Committee which will be submitted to the Members at the annual general meeting at the Registered Office (if applicable) and its stock affairs agent located in the ROC ten (10) days prior to such annual general meeting in accordance with Applicable Public Company Rules. Members may inspect and review the foregoing documents from time to time and may be accompanied by their lawyers or certified public accountants for the purpose of such inspection and review.

20. Giving Notice

20.1 Any Notice or document, whether or not to be given or issued under these Articles from the Company to a Member, shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication, and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register of Members or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the Notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or to the extent permitted by Applicable Law, may also be served by advertisement in appropriate newspapers. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register of Members and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

Any Notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent;
- (c) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and
- (d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all Applicable Law, rules and regulations.

This Article 20.1 shall apply mutatis mutandis to the service of any document by a Member on the Company under these Articles.

21. Postponement of General Meeting

The Board may postpone any general meeting called in accordance with the provisions of these Articles provided that notice of postponement is given to each Member before the time for such meeting. A notice stating the date, time and place for the postponed meeting shall be given to each Member in accordance with the provisions of these Articles.

22 Quorum and Proceedings at General Meetings

- 22.1** No resolutions shall be adopted unless a quorum is present. Unless otherwise provided for in the Articles, Members present in person or by proxy or in the case of a corporate Member, by corporate representative, representing more than one-half of the total issued shares of the Company entitled to vote, shall constitute a quorum for any general meeting.
- 22.2** For so long as the shares are listed on the TSE and unless the Law provides otherwise, the Board shall submit business reports, financial statements and proposals for distribution of profits or allocation of losses prepared by it for the purposes of annual general meetings of the Company for confirmation and adoption by the Members in a manner consistent with the Applicable Public Company Rules. After confirmation and adoption at the general meeting, the Board shall send or announce to the public via the Market Observation Post System in accordance with Applicable Public Company Rules copies of the adopted financial statements and the minutes of the general meeting containing the resolutions passed on the distribution of profits or allocation of losses, to each Member or otherwise make the same available to the Members in accordance with the Applicable Public Company Rules.
- 22.3** Unless otherwise provided in the Articles, a resolution put to the vote of the meeting shall be decided on a poll. No resolution put to the vote of the meeting shall be decided by a show of hands.
- 22.4** Nothing in these Articles shall prevent any Member from initiating proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the convening of any general meeting or the passage of any resolution in violation of applicable laws or regulations or these Articles within 30 days after passing of such resolution. The Taiwan Taipei District Court, ROC, may be the court of the first instance for adjudicating any disputes arising out of the foregoing.
- 22.5** Unless otherwise expressly required by the Law, the Memorandum or the Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Members at any general meeting may be passed by an ordinary resolution.
- 22.6** Member(s) holding one per cent (1%) or more of the Company's total number of issued shares immediately prior to the relevant book close period, during which the Company closed its Register of Members, may propose to the Company in writing one matter for discussion at an annual general meeting. The Company shall give a public notice in such manner as permitted by Applicable Law at such time deemed appropriate by the Board specifying the place and a period of not less than ten (10) days for Members to submit proposals. Proposals submitted for discussion at an annual general meeting shall not be included in the agenda of the annual general meeting where (a) the proposing Member(s) holds less than one cent (1%) of the Company's total issued shares, (b) the matter of such proposal may not be resolved by a general meeting; (c) the proposing Member(s) has proposed more than one proposal; or (d) the proposal is submitted to the Company after the date fixed and announced by the Company for accepting Member(s)' proposal(s).

23. Chairman to Preside

Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the Chairman,

shall act as chairman at all meetings of the Members at which such person is present. In his absence a chairman shall be appointed or elected in accordance with the Applicable Public Company Rules.

24. Voting on Resolutions

- 24.1** Subject to any rights, privileges or restrictions attached to any share, every Member who (being an individual) is present in person or by proxy (or in the case of a corporation or other non-natural person by duly authorized representative(s) or by proxy) shall have one vote for every share of which he is the holder. A Member holding more than one share shall cast the votes in respect of his/her/its shares in the same way on a resolution proposed at a general meeting unless otherwise provided by the Applicable Public Company Rules, in which circumstance, the qualifications, application, manners for the exercise of such respective voting rights, procedures and other related matters thereof shall comply with the Applicable Public Company Rules, these Articles and the Law.
- 24.2** No person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class of shares unless he is registered as a Member on the record date for such meeting.
- 24.3** Votes may be cast either in person or by proxy. A Member may appoint another person as his proxy by specifying the scope of appointment in the proxy instrument prepared by the Company to attend and vote at a general meeting, provided that a Member may appoint only one proxy under one instrument to attend and vote at such meeting.
- 24.4** To the extent permitted by Applicable Law and notwithstanding any provisions provided in these Articles, the Board may resolve to allow Members not attending and voting at a general meeting in person, by proxy or by duly authorized representatives (where a Member is a corporation or other non-natural person), to exercise their voting power and cast their votes by a written instrument approved by the Board or by way of electronic transmission (as provided under the ROC Electronic Signatures Act) prior to commencement of the general meeting, provided that (1) the Board shall allow the voting rights in respect of shares held by a Member to be exercised by way of electronic transmission if the Company meets the requirements set forth in the Applicable Public Company Rules; and (2) the relevant methods and procedures are specified in the notice of that meeting and complied with by such Member(s). However, if a general meeting is convened outside the territory of the ROC, to the extent permitted by Applicable Law, the Company must allow the Members to exercise their voting rights and cast their votes by way of a written instrument approved by the Board or by way of electronic transmission in the manner referred to in the foregoing. Any Member who intends to exercise his voting power by a written instrument or by way of electronic transmission shall serve the Company with his/her/its voting decision at least two (2) calendar days prior to the date of such general meeting. Where more than one voting instrument is received from the same Member by the Company, the first voting instrument shall prevail, unless an explicit written statement is made by the relevant Member to revoke the previous voting instrument in the later-received voting instrument. For the avoidance of doubt, those Members voted in the manner mentioned in the foregoing shall, for purposes of these Articles and the Law, be deemed to have appointed the chairman of the general meeting as their proxy to vote their shares at the general meeting only in the manner directed by their written instrument or electronic document. The chairman as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document and/or any amendment to resolution(s) proposed at the general meeting, and the Members shall be deemed to have waived their

voting rights with respect to any extemporary matters or amendment to resolution(s) proposed at the general meeting.

- 24.5** In the event any Member who has served the Company with his/her/its declaration of intention to exercise his/her/its voting power by means of a written instrument or by means of electronic transmission pursuant to Article 24.4 hereof later intends to attend general meetings in person, he/she/it shall, at least two (2) calendar days prior to the date of the general meeting, serve a separate declaration of intention to revoke his/her/its previous votes casted by written instrument or electronic transmission in the same manner previously used in exercising his/her/its voting power, failing which, the Member shall be deemed to have waived his right to attend and vote at the relevant general meeting in person, the deemed appointment by the Member of the chairman as proxy shall remain valid and the Company shall not count any votes cast by such Member physically at the relevant general meeting.
- 24.6** A Member who is deemed to have appointed the chairman as proxy pursuant to Article 24.4 for purposes of casting his vote by written instrument approved by the Board or by way of electronic transmission shall have the right to appoint another person as its proxy to attend the meeting in accordance with these Articles, in which case the express appointment of another proxy shall be deemed to have revoked the deemed appointment of the chairman as proxy under Article 24.4 and the Company shall only count the vote(s) casted by such expressly appointed proxy at the meeting.

25. Proxies

- 25.1** The instrument of proxy shall be in the form approved by the Board and be expressed to be for a particular meeting only. The form of proxy shall include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted upon pursuant to such proxy, and (c) basic identification information relating to the relevant Member, proxy and the solicitor for proxy solicitation (if any). The form of proxy shall be provided to the Members together with the relevant notice for the relevant general meeting, and such notice and proxy materials shall be distributed to all Members on the same day.
- 25.2** An instrument of proxy shall be in writing, be executed under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member of the Company.
- 25.3** In the event that a Member exercises his voting power by way of a written instrument or electronic transmission and is deemed to have appointed the chairman of the meeting as his/her/its proxy pursuant to Article 24.4, and has also validly authorised another proxy to attend a general meeting by completing and returning the requisite proxy form, then the voting power exercised by the proxy (rather than the chairman of the meeting) at the general meeting shall prevail. In the event that any Member who has authorised a proxy to attend a general meeting (excluding the deemed appointment of the chairman of the meeting pursuant to Article 24.4) later intends to attend the general meeting in person or to exercise his voting power by way of a written instrument or electronic transmission, he shall, at least two (2) days prior to the date of such general meeting, serve the Company with a separate notice revoking his previous appointment of the proxy. Votes by way of proxy shall remain valid if the relevant Member fails to revoke his appointment of such proxy before the prescribed time.
- 25.4** Subject to the Applicable Public Company Rules, except for an ROC trust enterprise or

stock agencies approved by the ROC competent authority, save with respect to the chairman being deemed appointed as proxy under Article 24.4, when a person acts as the proxy for two or more Members, the total number of voting shares that the proxy may vote shall not exceed three percent (3%) of the total number of voting shares of the Company; otherwise, such number of voting shares in excess of the aforesaid threshold shall not be counted towards the number of votes cast for or against the relevant resolution or the number of voting shares entitled to vote on such resolution but shall be included in the quorum. Upon such exclusion, the number of voting shares being excluded and attributed to each Member represented by the same proxy shall be determined on a pro-rata basis based on the total number of voting shares being excluded and the number of voting shares that such Members have appointed the proxy to vote for.

- 25.5** The instrument of proxy shall be deposited at the Registered Office or the office of the Company's stock affairs agent in the ROC or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company not less than five days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, save with respect to the deemed appointment of the chairman as proxy under Article 24.4, the instrument of proxy shall not be treated as valid PROVIDED that the chairman of the meeting may in his discretion accept an instrument of proxy sent by telex or telefax upon receipt of telex or telefax confirmation that the signed original thereof has been sent. Where multiple instruments of proxy are received by the Company from the same Member, the first written duly executed and valid instrument of proxy received by the Company shall prevail, unless an explicit written statement revoking the previous instrument(s) appointing a proxy is made in the subsequent duly executed and valid instrument of proxy received by the Company. The chairman of the meeting shall have the discretion to determine which instrument of proxy shall be accepted where there is any dispute. Unless otherwise provided in these Articles, delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

26. Proxy Solicitation

For so long as the shares are listed on the TSE and subject to the laws of the Cayman Islands, the use and solicitation of proxies shall be in compliance with the Applicable Public Company Rules, including but not limited to "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."

27. Dissenting Member's Appraisal Right

- 27.1** Subject to compliance with the Law, in the event any of the following resolutions is passed at general meetings, any Member who has notified the Company in writing of his objection to such matter prior to the meeting and has raised again his objection at the meeting, may request the Company to purchase all of his shares at the then prevailing fair price:

- (a) the Company proposes to enter into, amend, or terminate any Lease Contract, Management Contract or Joint Operation Contract;
- (b) the Company transfers the whole or an essential part of its business or assets, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; or

- (c) acquires or assumes the whole business or assets of another person, which has a material effect on the operation of the Company.

27.2 In the event any part of the Company's business is spun off or involved in any Merger, any Member, who has abstained from voting in respect of such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting approving such spin off or Merger, may request the Company to purchase all of his shares at the then prevailing fair price.

28. Shares that May Not be Voted

28.1 Shares held:

- (a) by the Company itself;
- (b) by any entity in which the Company owns, legally or beneficially, more than fifty per cent (50%) of its total issued and voting share or share capital; or
- (c) by any entity in which the Company, together with (i) the holding company of the Company and/or (ii) any Subsidiary of (a) the holding company of the Company or (b) the Company owns, legally or beneficially, directly or indirectly, more than fifty per cent (50%) of its issued and voting share or share capital;

shall not carry any voting rights nor be counted in the total number of issued shares at any given time.

28.2 A Member who has a personal interest in any motion discussed at a general meeting, which interest may be in conflict with and impair those of the Company, shall abstain from voting such Member's shares in regard to such motion and such shares shall not be counted in determining the number of votes of the Members present at the said meeting. However, such shares may be counted in determining the number of shares of the Members present at such general meeting for the purposes of determining the quorum. The aforementioned Member shall also not vote on behalf of any other Member. To the extent that the Company has knowledge, any votes cast by or on behalf of such Member in contravention of the foregoing shall not be counted by the Company.

28.3 For so long as the shares are listed on the TSE, in the event that a Director creates or has created security, charge, encumbrance, mortgage or lien over any shares held by him, then he shall notify the Company of such security, charge, encumbrance, mortgage or lien. If at any time the security, charge, encumbrance, mortgage or lien created by a Director is in respect of more than half of the shares held by him at the time of his appointment, then the voting rights attaching to the shares held by such Director at such time shall be reduced, such that the shares over which security, charge, encumbrance, mortgage or lien has been created which are in excess of half of the shares held by the Director at the date of his appointment shall not carry voting rights and shall not be counted in the number of votes casted by the Members at a general meeting but shall be counted towards the quorum of the general meeting.

29. Voting by Joint Holders of Shares

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

30. Representation of Corporate Member

30.1 A corporation or non-natural person which is a Member **may**, by written instrument,

authorise such person or persons as it thinks fit to act as its representative at any meeting of the Members and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation or non-natural person which such person represents as that corporation or non-natural person could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

30.2 Notwithstanding the foregoing, **the** chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation or non-natural person which is a Member.

31. Adjournment of General Meeting

The chairman of a general meeting may, with the consent of a majority in number of the Members present at any general meeting at which a quorum is present, and shall if so directed, adjourn the meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, a notice stating the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with the provisions of these Articles.

32. Directors Attendance at General Meetings

The Directors of the Company shall be entitled to receive notice of, attend and be heard at any general meeting.

DIRECTORS AND OFFICERS

33. Number and Term of Office of Directors

33.1 There shall be a board of Directors consisting of no less than eleven (11) persons, each of whom shall be appointed to a term of office of three (3) years. Directors may be eligible for re-election. The Company may from time to time by special resolution increase or reduce the number of Directors subject to the above number limitation provided that the requirements under the Applicable Law are met. The Directors shall elect a vice chairman ("Vice Chairman") amongst all the Directors. In case the Chairman is on leave or absent or can not exercise his/her power and authority for any cause, the Vice Chairman shall act on his/her behalf.

33.2 A spousal relationship and/or a Family Relationship within the Second Degree of Kinship may not exist among more than half (1/2) of the members of the Board (the "Threshold"), unless with prior approval by the TSE. Where any person among the persons elected for appointment as a Director has a spousal relationship and/or a Family Relationship within the Second Degree of Kinship with any existing member of the Board or with any other person(s) also elected for appointment as a director (collectively, the "Related Persons" and each a "Related Person"), in respect of the Related Person who was elected by way of Cumulative Voting and who received the lowest number of votes from the Members for its appointment among all such elected Related Persons, with the intent that the Threshold will not be breached as a result of his/her appointment: (i) if his/her appointment is already effective, shall automatically cease to be a director of the Company on and from the date that the Company has actual knowledge of a breach of the Threshold; (ii) if his/her appointment has not yet taken effect, his/her appointment shall not take effect if the Company has actual knowledge of a possible breach of the Threshold if his/her appointment takes effect.

- 33.3** Unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors. To the extent required by the Applicable Public Company Rules, at least one of the Independent Directors shall be domiciled in the ROC and at least one of them shall have accounting or financial expertise.
- 33.4** The Independent Directors shall be nominated by adopting the candidate nomination system specified in the Applicable Public Company Rules. Independent Directors shall have professional knowledge and shall maintain independence within the scope of their directorial duties, and shall not have any direct or indirect interests in the Company. The professional qualifications, restrictions on shareholdings and concurrent positions, and assessment of independence with respect to Independent Directors shall be consistent with the Applicable Public Company Rules.

34. Election of Directors

- 34.1** The Company may at a general meeting elect any person to be a Director, which vote shall be calculated in accordance with Article 34.2 below. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to elect one or more Directors.
- 34.2** The Director(s) shall be elected by Members upon a poll vote by way of cumulative voting (the manner of voting described in this Article to be referred to as “Cumulative Voting”) in the following manner:
- (v) on an election of Directors, the numbers of votes attached to each voting share held by a Member shall be cumulative and correspond to the number of Directors nominated for appointment at the general meeting provided that such votes shall only cumulate in respect of such number of Directors nominated within the same category (namely, independent or non-independent) of Directors to be appointed;
 - (vi) the Member(s) may vote all or part of their cumulated votes in respect of one or more Director candidates within the same category of Directors to be elected;
 - (vii) such number of Director candidates receiving the highest number of votes in the same category of Directors to be elected shall be appointed; and
 - (viii) where two or more Director candidates receive the same number of votes and as a result the total number of new Directors intended to be appointed is exceeded, there shall be a draw by such Director candidates receiving the same number of votes to determine who shall be appointed; the chairman of the meeting shall draw for a Director nominated for appointment who is not present at the general meeting.
- 34.3** If the number of Independent Directors is less than three (3) persons due to the resignation or removal of such Independent Directors for any reason, the Company shall hold an election of Independent Directors at the next following general meeting. If all of the Independent Directors are resigned or removed, the Board shall hold, within sixty (60) days from the date of resignation or removal of last Independent Director, an extraordinary general meeting to elect succeeding Independent Directors to fill the vacancies.
- 34.4** If the number of Directors is less than five (5) persons due to the vacancy of Director(s) for any reason, the Company shall call an election of Director(s) at the next following general meeting to fill the vacancies. When the number of vacancies in the Board of the Company equals to one third of the total number of Directors elected, the Board shall hold, within sixty (60) days from the date of the occurrence of vacancies, a general meeting of Members to elect succeeding Directors to fill the vacancies.

35. Removal and Re-election of Directors

- 35.1** The Company may from time to time by supermajority resolution remove any Director from office, whether or not appointing another in his stead.
- 35.2** In case a Director has, in the course of performing his duties, committed any act resulting in material damages to the Company or is in serious violation of applicable laws, regulations and/or these Articles, but has not been removed by a supermajority resolution, the Member(s) holding three per cent (3%) or more of the total number of issued shares of the Company may, within thirty (30) days after such general meeting, to the extent permissible under Applicable Law, institute a lawsuit to remove such Director. The Taiwan Taipei District Court, ROC, may be the court of the first instance for this matter.
- 35.3** Prior to the expiration of the term of office of the current Directors, the Members may at a general meeting elect or re-elect all Directors, which vote shall be calculated in accordance with Article 34.2 above. If no resolution is passed to approve that the existing Director(s) who is/are not re-elected at the general meeting that such Director(s) shall remain in office until expiry of his/her original term of office, such non-re-elected Directors shall vacate their office with effect from the date the other Directors elected or re-elected at the same general meeting commence their office. Members present in person or by proxy, representing more than one-half of the total issued shares shall constitute a quorum for any general meeting to re-elect all Directors. If the term of office of all Directors expires at the same time and no general meeting was held before such expiry for re-election, their term of office shall continue and be extended to such time when new Directors are elected or re-elected in the next general meeting and they commence their office.

36. Vacancy in the Office of Director

The office of Director shall be vacated if the Director:

- (a) is removed from office pursuant to these Articles;
- (b) dies or becomes bankrupt, or makes any arrangement or composition with his creditors generally;
- (c) is automatically discharged from his office in accordance with Article 33.2;
- (d) resigns his office by notice in writing to the Company;
- (e) an order is made by any competent court or official on the grounds that he has no legal capacity, or his legal capacity is restricted according to Applicable Law;
- (f) having committed an offence as specified in the ROC statute of prevention of organizational crimes and subsequently adjudicated guilty by a final judgment, and the time elapsed after he has served the full term of the sentence is less than five years;
- (g) having committed an offence involving fraud, breach of trust or misappropriation and subsequently punished with imprisonment for a term of more than one year, and the time elapsed after he has served the full term of such sentence is less than two years;
- (h) having been adjudicated guilty by a final judgment for misappropriating public funds during the time of his public service, and the time elapsed after he has served the full term of such sentence is less than two years;
- (i) having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet; or
- (j) subject to Article 35.3, upon expiry of term of office (if any) of the relevant Director.

In the event that the foregoing events described in clauses (b), (e), (f), (g), (h) or (i) has occurred in relation to a candidate for election of Director, such person shall be disqualified from being elected as a Director.

37. Compensation of Directors

37.1 The Board may establish a Compensation Committee comprised of at least three members appointed by the Board, one of whom shall be an Independent Director. The professional qualifications of the members of the Compensation Committee, the exercise by the members of the Compensation Committee of its responsibilities, powers and other related matters of the Compensation Committee shall comply with the Applicable Public Company Rules. Upon the establishment of the Compensation Committee, the Board shall, by a resolution, adopt a charter for the Compensation Committee the provisions of which shall be consistent with the Applicable Public Company Rules.

37.2 The compensation referred in the preceding Article shall include the compensation, stock option and other incentive payments of Directors and managers of the Company.

37.3 The compensation of the Directors may be decided by the Board by reference to recommendation made by the Compensation Committee (if established), the standard generally adopted by other enterprises in the same industry, and shall be paid in cash only. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally. A Director is also entitled to distribution of profits of the Company if permitted by the Law, the Applicable Public Company Rules, the service agreement or other similar contract that he/she has entered into with the Company.

38. Defect in Election of Director

All acts done in good faith by the Board or by a committee of the Board or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the election of any Director, or that they or any of them were disqualified, be as valid as if every such person had been duly elected and was qualified to be a Director, subject to and upon ratification by the Members of such acts in a general meeting.

39. Directors to Manage Business

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Law or by these Articles, required to be exercised by the Company in general meeting subject, nevertheless, to these Articles, the provisions of the Law, and to such directions as may be prescribed by the Company in general meeting.

40. Powers of the Board of Directors

Without limiting the generality of Article 39, the Board may subject to Article 11.4:

- (a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their compensation and determine their duties;
- (b) exercise all the powers of the Company to borrow money and to mortgage or charge or otherwise grant a security interest in its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;
- (c) appoint one or more Directors to the office of managing director or chief executive officer of

the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;

- (d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;
- (e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney. Such attorney may, if so authorised, execute any deed or instrument in any manner permitted by the Law;
- (f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;
- (g) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board and every such committee shall conform to such directions as the Board shall impose on them. Subject to any directions or regulations made by the Directors for this purpose, the meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Board;
- (h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board sees fit;
- (i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;
- (j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and
- (k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any agreement, document or instrument on behalf of the Company.

41. Register of Directors and Officers

41.1 The Board shall cause to be kept in one or more books at the Registered Office a Register of Directors and Officers in accordance with the Law and shall enter therein the following particulars with respect to each Director and Officer:

- (a) first name and surname; and
- (b) address.

41.2 The Board shall, within the period of thirty days from the occurrence of:-

- (a) any change among its Directors and Officers; or
- (b) any change in the particulars contained in the Register of Directors and Officers, cause to be entered on the Register of Directors and Officers the particulars of such change and the date on which such change occurred, and shall notify the Registrar of Companies in accordance with the Law.

42. Officers

The Officers shall consist of a Secretary and such additional Officers as the Board may determine all of whom shall be deemed to be Officers for the purposes of these Articles.

43. Appointment of Officers

The Secretary (and additional Officers, if any) shall be appointed by the Board from time to time.

44. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

45. Compensation of Officers

The Officers shall receive such compensation as the Board may determine.

46. Conflicts of Interest

46.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to compensation as if such Director were not a Director; provided that this Article 46.1 shall not apply to Independent Directors.

46.2 A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Applicable Law.

46.3 Notwithstanding anything to the contrary contained in these Articles, a Director who has a personal interest in the matter under discussion at a meeting of the Board shall disclose and explain material contents of such personal interest at the meeting of the Board. Notwithstanding anything to the contrary contained in this Article 46, a Director who has a personal interest in the matter under discussion at a meeting of the Directors, which may conflict with and impair the interest of the Company, shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting.

46.4 Notwithstanding anything to the contrary contained in this Article 46, a Director who is engaged in anything on his own account or on behalf of another person, which is within the scope of the Company's business, shall explain to the Members in a general meeting the essential contents of such conduct and seek their approval by supermajority resolution.

47. Indemnification and Exculpation of Directors and Officers

47.1 Unless otherwise provided in these Articles, The Directors and Officers of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and every former director, officer or trustee and their respective heirs, executors, administrators, and personal representatives (each of which persons being referred to in this Article as an "indemnified party") shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or

deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any breach of duties, fraud or dishonesty which may attach to any of the said persons.

- 47.2** Without prejudice and subject to the general directors' duties that a Director owes to the Company and its shareholders under common law principals and the laws of the Cayman Islands, a Director shall perform his/her fiduciary duties of loyalty and due care of a good administrator in the course of conducting the Company's business, and shall indemnify the Company, to the maximum extent legally permissible, from any loss incurred or suffered by the Company arising from breach of his/her fiduciary duties. If a Director has made any profit for the benefit of himself/herself or any third party as a result of any breach of his/her fiduciary duties, the Company shall, if so resolved by the Members by way of an ordinary resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover such profit from such relevant Director. If a Director has, in the course of conducting the Company's business, violated any laws or regulations that causes the Company to become liable for any compensation or damages to any person, such Director shall become jointly and severally liable for such compensation or damages with the Company and if for any reason such Director is not made jointly and severally liable with the Company, such Director shall indemnify the Company for any loss incurred or suffered by the Company caused by a breach of duties by such Director.
- 47.3** The Officers, in the course of performing their duties to the Company, shall assume such duties and obligations to indemnify the Company in the same manner as if they are Directors.
- 47.4** The Company may purchase and maintain insurance for the benefit of any Director or Officer of the Company against any liability incurred by him in his capacity as a Director or Officer of the Company or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any Subsidiary thereof.
- 47.5** To the extent permitted under the laws of the Cayman Islands and there is a cause of action under applicable laws by the Company against such relevant Director(s), a Member or Members collectively continuously holding three per cent (3%) or more of the total issued shares of the Company for a year or longer may:
- (a) request in writing the Board to authorise any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors; or
 - (b) request in writing any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors with the approval of the Board;

within thirty (30) days after the Member(s) having made the request under the preceding clause (a) or (b), if (i) in the case of clause (a), the Board fails to make such authorisation or the Independent Director of the Audit Committee having been authorised by the Board fails to file such petition, or (ii) in the case of clause (b), the Independent Director of the Audit Committee fails to file such petition or the Board disapproves such action, to the extent permitted under the laws of the Cayman Islands and there is a cause of action under applicable

laws by the Company against such relevant Director(s), such Member(s) may file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors.

MEETINGS OF THE BOARD OF DIRECTORS

48. Board Meetings

Subject to the Applicable Public Company Rules, the Chairman may call a meeting of the Board and the Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. Regular meetings of the Board shall be held at least on a quarterly basis to review the Company's performance during the previous fiscal quarter and to decide on matters customarily requiring approval of the Board as stipulated herein. A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

49. Notice of Board Meetings

The Chairman may, and the Secretary on the requisition of the Chairman shall, at any time summon a meeting of the Board. To convene a meeting of the Board, a notice setting forth therein the matters to be considered and if appropriate, approved at the meeting shall be given to each Director no later than seven (7) days prior to the scheduled meeting date. However, in the case of emergency as agreed by a majority of the Directors, the meeting may be convened with a shorter notice period in a manner consistent with the Applicable Public Company Rules. Notice of a meeting of the Board shall be deemed to be duly given to a Director if, to the extent permitted by Applicable Law, it is given to such Director verbally (in person or by telephone) or otherwise communicated or sent to such Director by post, cable, telex, telecopier, facsimile, electronic mail or other mode of representing words in a legible form at such Director's last known address or any other address given by such Director to the Company for this purpose.

50. Participation in Meetings by Video Conference

Directors may participate in any meeting of the Board by means of video conference or other communication facilities, as permitted by the Applicable Law, where all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

51. Quorum at Board Meetings

The quorum for a meeting of the Board shall be more than one-half of the total number of the Directors.

52. Board to Continue in the Event of Vacancy

The Board may act notwithstanding any vacancy in its number.

53. Chairman to Preside

Unless otherwise agreed by a majority of the Directors attending, the Chairman, if there be one, shall act as chairman at all meetings of the Board at which such person is present. In his absence a chairman shall be appointed or elected in accordance with the Applicable Public Company Rules.

54. Validity of Prior Acts of the Board

No regulation or alteration to these Articles made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

CORPORATE RECORDS

55. Minutes

The Board shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all elections and appointments of Officers;
- (b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and
- (c) of all resolutions and proceedings of general meetings of the Members, meetings of the Board, meetings of managers and meetings of committees appointed by the Board.

56. Register of Mortgages and Charges

56.1 The Directors shall cause to be kept the Register of Mortgages and Charges required by the Law.

56.2 The Register of Mortgages and Charges shall be open to inspection by Members and creditors in accordance with the Law, at the Registered Office on every business day in the Cayman Islands, subject to such reasonable restrictions as the Board may impose, so that not less than two (2) hours in each such business day be allowed for inspection.

57. Form and Use of Seal

57.1 The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf; and, until otherwise determined by the Directors, the Seal shall be affixed in the presence of a Director or the Secretary or an assistant secretary or some other person authorised for this purpose by the Directors or the committee of Directors.

57.2 Notwithstanding the foregoing, the Seal may without further authority be affixed by way of authentication to any document required to be filed with the Registrar of Companies in the Cayman Islands, and may be so affixed by any Director, Secretary or assistant secretary of the Company or any other person or institution having authority to file the document as aforesaid.

57.3 The Company may have one or more duplicate Seals, as permitted by the Law; and, if the Directors think fit, a duplicate Seal may bear on its face of the name of the country, territory, district or place where it is to be issued.

TENDER OFFER AND ACCOUNTS

58. Tender Offer

Within seven (7) days after the receipt of the copy of a tender offer application form and relevant documents by the Company or its litigious and non-litigious agent (訴訟及非訴訟代理人, which term shall be construed under the laws of ROC) appointed by the Company pursuant to the Applicable Public Company Rules, the Board shall resolve to recommend to the Members whether to accept or object to the tender offer and make a public announcement of the following:

- (a) the types and number of the shares held by the Directors and the Members holding more than ten per cent (10%) of the total issued shares in their own names or in the names of other persons.
- (b) recommendations to the Members on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefor.

- (c) whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any.
- (d) the types, numbers and amount of the shares of the tender offeror or its affiliates held by the Directors and the Members holding more than ten per cent (10%) of the total number of issued shares held in their own names or in the name of other persons.

59. Books of Account

59.1 The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:-

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
- (b) all sales and purchases of goods by the Company; and
- (c) all assets and liabilities of the Company.

Such books of account shall be kept for at least five (5) years from the date they are prepared.

59.2 Such records of account shall be kept and proper books of account shall not be deemed to be kept with respect to the matters aforesaid if there are not kept, at such place as the Board thinks fit, such books as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

59.3 The instruments of proxy, documents, forms/statements and information in electronic media prepared in accordance with the Articles and relevant rules and regulations shall be kept for at least one (1) year. However, if a Member institutes a lawsuit with respect to such instruments of proxy, documents, forms/statements and/or information mentioned herein, they shall be kept until the conclusion of the litigation if longer than one (1) year.

60. Financial Year End

The financial year end of the Company shall be 31st December in each year but, subject to any direction of the Company in general meeting, the Board may from time to time prescribe some other period to be the financial year, provided that the Board may not without the sanction of an ordinary resolution prescribe or allow any financial year longer than eighteen months.

AUDIT COMMITTEE

61. Number of Committee Members

The Board shall set up an Audit Committee. The Audit Committee shall comprise solely of Independent Directors and the number of committee members shall not be less than three (3). One of the Audit Committee members shall be appointed as the convener to convene meetings of the Audit Committee from time to time and at least one of the Audit Committee members shall have accounting or financial expertise. A valid resolution of the Audit Committee requires approval of one-half or more of all its members.

62. Powers of Audit Committee

The Audit Committee shall have the responsibilities and powers as specified under the Applicable Public Company Rules. Any of the following matters of the Company shall require the consent of one-half or more of all Audit Committee members and be submitted to the Board for resolution:

- (a) adoption of or amendment to an internal control system;
- (b) assessment of the effectiveness of the internal control system;
- (c) adoption of or amendment to the handling procedures for financial or operational actions of

- material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others;
- (d) any matter relating to the personal interest of the Directors;
 - (e) a material asset or derivatives transaction;
 - (f) a material monetary loan, endorsement, or provision of guarantee;
 - (g) the offering, issuance, or Private Placement of any equity-related securities;
 - (h) the hiring or dismissal of an attesting certified public accountant, or the compensation given thereto;
 - (i) the appointment or discharge of a financial, accounting, or internal auditing officer;
 - (j) approval of annual and semi-annual financial reports; and
 - (k) any other matter so determined by the Company from time to time or required by any competent authority overseeing the Company.

With the exception of item (j), any other matter that has not been approved with the consent of one-half or more of all Audit Committee members may be undertaken upon the consent of two-thirds or more of the members of the Board, and the resolution of the Audit Committee shall be recorded in the minutes of the Directors meeting.

VOLUNTARY WINDING-UP AND DISSOLUTION

63. Winding-Up

63.1 The Company may be voluntarily wound-up in accordance with Article 11.5.

63.2 If the Company shall be wound up the liquidator may, with the sanction of a special resolution, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

CHANGES TO CONSTITUTION

64. Changes to Articles

Subject to the Law and to the conditions contained in its Memorandum, the Company may, by special resolution, alter or add to its Articles.

65. Discontinuance

The Board may exercise all the powers of the Company to transfer by way of continuation the Company to a named country or jurisdiction outside the Cayman Islands pursuant to the Law.

Appendix 3: Table of Shareholding of All Directors

Shareholding of All Directors

Record Date: June 2nd, 2015

1. The paid-in capital is NTD\$1,058,621,970. The total number of issued shares outstanding is 105,862,197.
2. The minimum required combined shareholding of all directors by law is 7,939,665 shares. The combined shareholding of all directors on the book closure date is 42,485,592 shares, which meets the requirements of Article 26 of “Securities Exchange Law” and the “Rules and “Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”.
3. The company has set up an Audit Committee, so the rule of minimum required combined shareholding of all supervisors by law is not applicable.

Title	Name	Date Elected	Current Shareholding	
			Shares	Shares %
Chairman	Chang, Hsien-Ming	2013/06/17	20,296,540	17.10%
Director	Tasi, Shu-Ken	2013/06/17	836,590	0.79%
Director	Chang, Cheng-Chung	2013/06/17	4,657,534	4.40%
Director	Wu, Ting-Tsai	2013/06/17	2,349,464	2.22%
Director	Chen, Wu-Chi	2013/06/17	1,852,349	1.75%
Director	Chang, Wen-Lung	2013/06/17	1,126,313	10.62%
Director	Hsu, Yu-Yeh	2013/06/17	3,328,703	3.14%
Director	Chang, Chih-Kai	2013/06/17	107,099	0.10%
Independent Director	Chang, Cheng-Lung	2013/06/17	0	0%
Independent Director	Chen, Ching-Hung	2013/06/17	0	0%
Independent Director	Wei, Chia-Min	2013/06/17	0	0%
Total of All Directors			42,485,592	40.12%

Note: The book closure date for the annual general meeting of shareholders is April 2nd, 2015. The book closure period is from April 4th, 2015 to June 2nd, 2015.

Appendix 4: Adoption of the Proposal for Profit Distribution of Employee Bonus and Director Compensation

Employee Bonus and Director Compensation

1. Percentages and amounts for employee bonus and director compensation specified in accordance with the Articles of the company:
 - a. Employee bonus should not be less than 2% or more than 15% of distributable amount.
 - b. Director compensation should not exceed 3% of distributable amount.
2. Adoption of the proposal for employee bonus and other information:
 - a. Amounts of employee Cash bonus, employee stock bonus, and director compensation:
 - (1) Amount of cash bonus distributed to employees: NTD\$18,200,000.
 - (2) Amount of stock bonus distributed to employees: NTD\$0.
 - (3) Amount of director compensation: NTD\$0.
 - b. Proposal for employees' stock bonus shares and the number of shares as a percentage of capitalization of profits: Not applicable.

Appendix 5: The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate

This is not applicable since there was no proposal for stock dividend issuance in the annual general meeting of shareholders.