Stock Code:9907



Ton Yi Industrial Corp.

Handbook for the 2019 Annual Meeting of Shareholders

June 20, 2019

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| Is | suspended for the present shareholders' meeting, | |
| th | e Numbers of shares held by directors 204 | |

Ton Yi Industrial Corp. 2019 Annual Meeting Agenda

- 1. Time: 10:00 am, June 20 (Thursday), 2019
- 2. Venue: 7F Conference Hall, No. 837, Zhongzheng N.Rd., Yongkang Dist., Tainan City, Taiwan (R.O.C.)
- 3. Conclude total number of shares represented and commence meeting
- 4. Chairman's opening remarks

Meeting Proceeding

One. Reports:

- (1) Reporting of the Company's 2018 Business Reports.
- (2) Reporting of Audit Committee's review over the Company's 2018 year-end closure.
- (3) Reporting of proposed 2018 employees' and directors' remuneration.
- (4) Reporting of the Company's 2018 Engages in derivatives trading.

Two. Acknowledgments:

- (1) Acknowledgment of the Company's 2018 Business Report and Financial Statements.
- (2) Acknowledgment of the Company's 2018 Earnings Appropriation.

Three. Discussions:

- (1) Amendment to the Company's Articles of Incorporation.
- (2) Amendment to the Company's Operational Procedures for

Acquisition and Disposal.

- (3) Amendment to the Company's Operational Procedures for Loaning of Company Funds.
- (4) Amendment to the Company's Operational Procedures for Endorsements and Guarantees.

(5) Amendment to the Company's Procedures for Election of Directors.

Four. Election

(1)Adoption of Re-election of Directors and Independent Directors.

Five. Other Matters

(1)Adoption of the Proposal for Releasing Directors from Non-competition.

Six.Questions and Motions Special motion

Seven. Meeting dismissed

One. Reports

Report #1

Summary:

Reporting of 2018 Business Reports.

Description:

Reporting of the Company's 2018 Business Reports. (Please refer to P11~P13 of the Conference Manual)

Report #2

Summary:

Reporting of Audit Committee's review over the 2018 year-end closure. Description:

- (1)The Company's 2018 financial statements have been audited by PricewaterhouseCoopers Taiwan and reviewed by the Audit Committee. An independent auditor's report and a review report were issued separately by the above two parties. (Please refer to P14~P38 of the Conference Manual)
- (2)This report was passed during the 17th meeting of the 16th board of directors.
- (3)Read out of the review report. (Please refer to P14 of the Conference Manual)

Report #3

Summary:

Reporting of proposed 2018 employee' and director' remuneration. Description:

- (1)Pursuant to Article 235-1 of the Company Law and Article 30 of the Company's Articles of Incorporation: The Company's net income, if any, should be an amount not less than 2% of the net income as the remuneration to employees and an amount not more than 2% of the net income as the remuneration to directors.
- (2)The Company in accordance with the amend Articles of Incorporation, it is proposed to allocate4.61% or NT\$73,865,960 for employee' compensation and 0.93% or NT\$14,868,758 for directors' remuneration. The payment will be made in cash.
- (3) The difference between the employee and director remuneration actually distributed and the amount estimated in 2018 was NT\$545,666 that was adjusted into the 2019 profit and loss account.

Report #4

Summary: Reporting of the Company's 2018 Engages in derivatives trading.

Description:

All derivative goods undertaken by the Company were for hedging purpose. They were primarily intended to hedge against exchange rate risks arising from export debt entitlements and import debt obligations. Unit: NTD thousands

| Period | Amount of contract principal | Recognized gains (losses) |
|-------------------|------------------------------|---------------------------|
| 2018.01 ~ 2018.12 | 72,516 | 2,976 |

#1

(Proposed by the board of directors)

Summary:

Acknowledgment of the Company's 2018 Business Report and Financial Statements.

Description:

The Company's 2018 Business Report and Financial Statements have been audited by PricewaterhouseCoopers Taiwan and are available for acknowledgment.(Please refer to P11~P38 of the Conference Manual) Resolution:

(Proposed by the board of directors)

Summary:

#2

Acknowledgment of the Company's 2018 Earnings Apropriation. Description:

- (1)The earnings distribution stipulated in the Articles of Incorporation: The shareholder's dividend of the Company shall be 50%~100% of the accumulated distributable earnings; also, the cash dividend ratio shall not be less than 30% of the total dividend distribution for the year.
- (2)The Company's 2018 non-consolidated financial report has been prepared and the net income amounted to NT\$1,486,253,322;and the unappropriated earnings beginning and retaining surplus, and10% legal reserveNT\$142,845,627 was set aside pursuant to lawst,plss special reserve NT\$517,887,515; the distributable earnings for the year amounted to NT\$767,723,126.
- (3)For the Company's 2018 Earnings Appropriation, a proposal has been made to pay a cash dividend of NT\$742,198,311 (NT\$470 per thousand shares) from available earnings. Please refer to P39 of the Conference Manual. T
- (4)The amount of cash dividends shall be calculated and truncated to the nearest NT\$1. Fractions that do not amount to a full NT\$1 shall be summed and recognized by the Company as other income.
- (5)Proposal to request shareholders' permission to authorize the board of directors for decisions such as the ex-dividend date and details concerning the cash dividend, which are to be announced in accordance with law.

Resolution:

Tree. Discussions

#1

(Proposed by the Board of Directors)

Proposal: Amendment of the Company's Articles of Incorporation.

Proposed for discussion.

Explanation:

- (1) It was assorted with Article of the Company Act and Regulations Governing Procedure for Board of Directors Meetings of Public Companies., Regulations Governing the Administration of Shareholder Services of Public Companies, and operate according to company practice.
- (2) Please refer to P40~P55 for a comparison of existing and revised terms of the "Articles of Incorporation"

Resolution:

(Proposed by the Board of Directors)

Proposal:

#2

Amendment to the Company's Operational Procedures for Acquisition and Disposal.Please proceed to discuss.

Explanation:

- (1) According to the FSC's order under Jin-Guan-Zhen-Shen-Zi No. 1070341072 dated November 26, 2018, the Company amends its "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and to conform to the needs of commercial practice.
- (2)The companyhereby proposes to amend the. Articles of Operational Procedures for Acquisition and Disposal of Assets Please refer to P56
 ~P107of the Conference Manual.

Resolution:

#3 (Proposed by the Board of Directors)

Proposal:

Amendment to the Company's Operational Procedures for Loaning of Company Funds. Please proceed to discuss.

Explanation:

(1) According to the FSC's order under Jin-Guan-Zhen-Shen-Zi No.
1080304826 dated March 7, 2019, the Company amends its "
Regulations Governing the Acquisition and Disposal of Assets by

Public Companies ", and to conform to the needs of commercial practice.

(2)The companyhereby proposes to amend the Operational Procedures for Loaning of Company Funds .Please refer to P108~P117 of the Conference Manual.

Resolution:

(Proposed by the Board of Directors)

Proposal:

#4

Amendment to Articles of Company's Operational Procedures for Endorsements and Guarantees .Please proceed to discuss.

Explanation:

(1) According to the FSC's order under Jin-Guan-Zhen-Shen-Zi No.

1080304826 dated March 7, 2019, the Company amends its "Regulations Governing the Acquisition and Disposal of Assets by Public Companies ", and to conform to the needs of commercial practice.

(2)Amendment to Operational Procedures for Issuing of Endorsements and Guarantees. Please refer to P118~P126 of the Conference Manual. Resolution:

(Proposed by the Board of Directors)

Proposal:

#5

Amendment to the Articles of Rules for Director Election. Please proceed to discuss.

Explanation:

(1)Maching correction of Article 192-1, and in order to protect

shareholders' equite and simplify the nomination process for directors .

(2)The companyhereby proposes to amend the Articles of Rules for Director Election.Please refer to P127~P128 of the Conference Manual. Resolution:

Four. Election Matters

#1

(Proposed by the Board of Directors)

Proposal:

Election of the Company of directors (including independent directors). Explanation:

(1)The term of service of the Company's 16th board 10 seats (including 3 independent directors)will end on June 22, 2019. According to the Articles of Incorporation, a total of 10 directors (including 3 independent directors) shall be elected for the 17th board, and serve a term of three years.

(2)The 17th board directors shall begin service immediately after being elected during the annual general meeting, and serve a term of three years from June 20, 2019 until June 19, 2022.The 16th board directors hall be dismissaled as soon as.

(3)he Company plans to follow the Articles of Incorporation ,and assemble an Audit Committee comprising entirely of independent directors. The third and subsequent Audit Committees shall be established as soon as new independent directors are elected on board. subsequent Audit Committees hall be dismissaled as soon as

(4)Please refer to P129-131 of the Conference Manual for a list of director candidates for the 17th board.

Resolution:

Five. Other Matters (Proposed by the Board of Directors)

#1

Proposal:

Summary: Adoption of the Proposal for Releasing Directors from Non-competition.

Explanation:

(1)Pursuant to Article 209 of the Company Act, "Directors may obtain permission for engaging in business activities that coincide with those of the company's for directors' own benefits, or for the benefits of others, by disclosing material details during shareholder meeting."

(2)Some of the newly elected directors are found to have simultaneously assumed directorship or managerial roles in other companies that engage in business activities similar to those of the Company's. Their activities should present no threat to the Company, and a proposal has been raised to remove restrictions against their involvements in competing businesses, provided that doing so would not compromise the Company's interests.

(3) Details of the Duties Subject to Releasing the Candidates of Directors and Independent Directors from Non-competition.Please refer to P132~P134 of the Conference Manual.

Resolution:

Six. Special motion

Seven. Meeting dismissed

2017 Business Report (Attachment 1)

In 2017, the global economy maintained modest growth, and monetary policies in major countries neither accelerated nor contracted. As a result of the loosened financial environment and the sustained economic recovery, international oil prices and global raw materials prices were slowly pushed up. Our company also benefited from this worldwide economic growth as tinplate prices remained high. In Mainland China beverage sales in PET plant clients increased. Turnover of Ton Yi Industrial Corporation in 2017 amounted to TWD 17 billion, a growth of 6.8%. Net profit after tax was TWD 600 million, a significant decrease of 43.9% is mainly due to the relatively high percentage of our sales being exports, which exposed us to the appreciation of the Taiwan dollar in 2017. The stronger Taiwan dollar also shrank our consolidated revenues and profits from overseas reinvestments, which former stood at TWD 32.7 billion in 2017.

Buy Ton Yi products, buy peace of mind

Our company upholds a corporate culture of integrity. We extend our responsibility not only toward consumers but also toward our employees and the environment. We are committed to providing safe, hygienic, and aesthetic tin containers for food and beverages that optimize the food supply chain and enable consumers to use their purchased products with confidence. We strive to have a positive impact on society and a minimal impact on the environment through improvements in our processes. We continuously refine the value of our products and services through our after-sales and technical services in order to create a sustainable business model. We have ISO 17025 TAF laboratory certification, as well as the ISO 9001, ISO 14001, OHSAS 18001 & TOSHMS certifications, and we have been awarded JIS G3303. In 2014 we introduced the ISO 22000, HACCP, and CNS standards into our processes to achieve the most comprehensive food safety system and trustworthiness in the eyes of the customer. "Buy Ton Yi products, buy peace of mind."

Emphasis on environmental protection, green operations, quality first, and customer satisfaction

Ton Yi Industrial Corporation continued to use its "One Core + Four Advantages" business strategy, with "Quality Management" as the core strategy, while proactively developing our "Group Advantage", "Competitive Advantage", "Capital Advantage" and "Industry Advantage" to develop opportunities for development and growth. Our development strategy for the future, besides our original business strategy, is to develop our sourcing, production, and sales of PET bottles and PET bottle caps in China in collaboration with our parent company, Uni-President Group. In future we aim to expand into manufacturing and filling metal containers for food and beverages to develop our company into a diversified manufacturer serving a comprehensive range of packaging materials and beverages.

Through leveraging its four advantages, Ton Yi Industrial Corporation will develop customer bases in unique product areas, differentiate itself from its competitors, expand into diversified product areas, strengthen and deepen its organizational discipline, refine its internal management, and grow its external competitive power. In addition, in the context of the numerous changes shaping the regulatory and overall business environment, our company will use internal and external education and training to enable employees in charge of various areas to timely absorb new laws and regulations. This continuous learning and discussion by our employees will help devise strategies to respond to changes in the overall business environment.

Business Outlook for 2018

Building on its existing foundation of tinplate, tinplate cans, and PET plastic bottles, Ton Yi Industrial Corporation will expand its manufacturing expertise and technologies for a full range of packaging containers and beverages. Combined with the aforementioned Group Advantage in the beverage production market in China and indeed worldwide, we will dedicate our best endeavors to achieve the sales targets of 2018. At Ton Yi, we continuously upgrade our technology, nurture talent, stay on top of issues in environmental protection and food safety, fulfill our environmental responsibility for a sustainable environment, our economic responsibility in corporate governance, and our corporate social responsibility by being an enterprise that brings happiness and peace of mind to our employees and society, and endeavors to bring optimum return on investment to our shareholders.

Chairman: Chih-Hsien Lo

Manager: Feng-Fu Chen

Head of Accounting: Yi-Hsin Liu

Ton Yi Industrial Corp.(Attachment 2)Audit Committeeal Corp.

We have reviewed the Company's 2018 Business Report, Financial Statements, and Earnings Appropriation prepared by the Board of Directors. The standalone and consolidated financial statements were audited by Liu, Tzu-Meng and CPA Ming-Hsien Li of PricewaterhouseCoopers Taiwan, to which they issued an unqualified opinion. Business Report, Financial Statements, and Earnings Appropriation has reviewed the abovementioned reports and found no misstatements. We hereby issue this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

For

The 2019 Annual General Meeting

Ton Yi Industrial Corp.

Audit Committee Convener: Chin-Cheng Chien Member: Ming-Long Wang Member: Bing-Eng Wu

March 25, 2019

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Ton Yi Industrial Corp.

Opinion

We have audited the accompanying parent company only balance sheets of Ton Yi Industrial Corp. as of December 31, 2018 and 2017, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2018 and 2017, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers".

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of Ton Yi Industrial Corp. in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of Ton Yi Industrial Corp. parent company only financial statements of 2018. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Existence of sales revenues

Description

Refer to Note 4(27) for the accounting policy on revenue recognition. The Company's sales revenues for the year ended December 31, 2018 was NT\$19,013,654 thousand.

The primary business of Ton Yi Industrial Corp. is selling Tin Plate products. The Company has a large volume of transactions from sales of numerous kinds of products to a wide range of customers in many different countries such as Taiwan, Asia, Europe, America, etc. For the customers and dealers who are from remote districts, the substantive of sales revenue need more time for verification. This matter also exists in the subsidiaries of Ton Yi Industrial Corp. (investments accounted for under equity method). Thus, the existence of sales revenue has been identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

- 1. Inspecting whether approved additions to the merchandise master file data had been correctly entered in the merchandise master file which include basic information of customers, such as name of representative, location of company, amount of capital and scope of business for evaluating the creditworthiness of buyers.
- 2. Understanding, evaluating and validating management's controls in respect of the Company's sales transactions from customer order's approval, goods delivery, sales recording, reconciliation of cash receipts and customer's records to subsequent settlement of trade receivables. In addition, testing the internal control environment of the Company's effectiveness of revenue recognition.
- 3. Performing substantive test on selected sales transactions including confirming orders, shipping documents, invoices and cash receipts to verify the existence of sale revenues.

Inventory evaluation

Description

Please refer to Note 4(8) for accounting policy on inventory valuation, Notes 5(2) A for the accounting estimates and assumption uncertainty in relation to inventory valuation and Notes 6(3) for details of inventories. For the year ended December 31, 2018, inventory and allowance to reduce inventory to market amounted to NT\$ 2,275,825 thousand and NT\$ 32,000 thousand, respectively.

The Company's raw materials are often subject to fluctuation in the international steel prices. However, as the Tin Plate products are for necessities, such price changes may not be immediately reflected in material costs immediately. In addition, the competition landscape within the steel industry in China will continue to affect the price of raw materials that would impact the estimation of net realizable value of inventory. This matter also applies the subsidiaries of Ton Yi Industrial Corp. (investments accounted for under equity method). Thus, the inventory evaluation has been identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

- 1. Evaluating the adequacy of allowance for inventory and the consistency of provision policy.
- Assessing the reasonableness of the estimation of net realizable value of Tin plate products and discussing with management and examining related documents to confirm the adequacy of allowance for price decline.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the parent company only financial statements

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

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

- 1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Liu, Tzu-Meng

Independent Accountants

Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

March 25, 2019

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TON YI INDUSTRIAL CORP. <u>PARENT COMPANY ONLY BALANCE SHEETS</u> <u>YEARS ENDED DECEMBER 31</u> (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

| | Assets | Notes | December 31, 2018 AMOUNT | 3 % | | December 31, 2017 AMOUNT | 7 |
|------|-------------------------------------|-------------------|---------------------------------|-----|----|-----------------------------|-----|
| | Current assets | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 32,961 | - | \$ | 38,005 | - |
| 1150 | Notes receivable, net | 6(2) and 12 | 147,753 | 1 | | 118,803 | 1 |
| 1170 | Accounts receivable, net | 3(1), 6(2) and 12 | 784,173 | 3 | | 516,317 | 2 |
| 1180 | Accounts receivable - related | 7 | | | | | |
| | parties | | 1,156,882 | 4 | | 928,225 | 3 |
| 1200 | Other receivables | | 113,563 | - | | 100,885 | - |
| 1220 | Current income tax assets | 6(23) | 30,744 | - | | 27,587 | - |
| 130X | Inventory | 5(2) and 6(3) | 2,243,825 | 7 | | 2,007,127 | 7 |
| 1410 | Prepayments | | 95,285 | - | | 148,442 | 1 |
| 1476 | Other current financial assets | | - | | _ | 997 | - |
| 11XX | Total current assets | | 4,605,186 | 15 | | 3,886,388 | 14 |
| | Non-current assets | | | | | | |
| 1517 | Financial assets at fair value | 3(1), 6(4) and 7 | | | | | |
| | through other comprehensive | | | | | | |
| | income - non-current | | 122,199 | - | | - | - |
| 1523 | Available-for-sale financial assets | 3(1) and 12 | | | | | |
| | - non-current | | - | - | | 178,731 | 1 |
| 1543 | Financial assets carried at cost - | 3(1) and 12 | | | | | |
| | non-current | | - | - | | 501,050 | 2 |
| 1550 | Investments accounted for under | 6(5) and 7 | | | | | |
| | equity method | | 16,063,238 | 52 | | 12,205,536 | 44 |
| 1600 | Property, plant and equipment - | 6(6) | | | | | |
| | net | | 10,061,047 | 33 | | 10,983,360 | 39 |
| 1760 | Investment property - net | 6(7) | 1,066 | - | | 5,914 | - |
| 1840 | Deferred income tax assets | 6(23) | 123,604 | - | | 102,145 | - |
| 1915 | Prepayments for business | 6(6) | | | | | |
| | facilities | | 6,649 | - | | - | - |
| 1920 | Guarantee deposits paid | | 2,933 | - | | 2,933 | - |
| 1985 | Long-term prepaid rents | 6(8) | 64,985 | - | | 61,226 | - |
| 1990 | Other non-current assets | | 2,118 | | | 3,251 | |
| 15XX | Total non-current assets | | 26,447,839 | 85 | | 24,044,146 | 86 |
| 1XXX | Total assets | | \$ 31,053,025 | 100 | \$ | 27,930,534 | 100 |

TON YI INDUSTRIAL CORP. <u>PARENT COMPANY ONLY BALANCE SHEETS</u> <u>YEARS ENDED DECEMBER 31</u> (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

| | | | | December 31, 2018 | | | December 31, 2017 | |
|------|-------------------------------------|--------------------|----|-------------------|-----|----|-------------------|-----|
| | Liabilities and Equity | Notes | | AMOUNT | % | | AMOUNT | % |
| | Current liabilities | | | | | | | |
| 2100 | Short-term borrowings | 6(9)(26) | \$ | 2,380,107 | 8 | \$ | 787,165 | 3 |
| 2110 | Short-term notes and bills payable | 6(10)(26) | | 399,927 | 1 | | 699,816 | 2 |
| 2130 | Current contract liabilities | 3(1), 6(17) and 12 | | 23,911 | - | | - | - |
| 2150 | Notes payable | | | 15,245 | - | | 23,659 | - |
| 2170 | Accounts payable | | | 164,446 | 1 | | 255,238 | 1 |
| 2200 | Other payables | | | 698,713 | 2 | | 527,661 | 2 |
| 2230 | Current income tax liabilities | 6(23) | | 63,416 | - | | - | - |
| 2305 | Other current financial liabilities | 6(26) | | 310 | - | | 2,300 | - |
| 2310 | Advance receipts | 3(1) and 6(17) | | - | - | | 54,476 | - |
| 2365 | Current refund liabilities | 12 | | 9,145 | - | | | - |
| 21XX | Total current liabilities | | | 3,755,220 | 12 | | 2,350,315 | 8 |
| | Non-current liabilities | | | | | | | |
| 2540 | Long-term borrowings | 6(11)(26) | | 8,100,000 | 26 | | 6,500,000 | 23 |
| 2550 | Provisions for liabilities - | 6(12) | | | | | | |
| | non-current | | | 78,242 | - | | 76,802 | - |
| 2570 | Deferred income tax liabilities | 6(23) | | 205,358 | 1 | | 204,498 | 1 |
| 2640 | Accrued pension liabilities - | 6(13) | | | | | | |
| | non-current | | | 379,753 | 1 | | 360,381 | 2 |
| 2645 | Guarantee deposits received | 6(26) | | 5,500 | - | | 6,510 | - |
| 25XX | Total non-current liabilities | | | 8,768,853 | 28 | | 7,148,191 | 26 |
| 2XXX | Total liabilities | | | 12,524,073 | 40 | | 9,498,506 | 34 |
| | Equity | | | | | | | |
| | Share capital | | | | | | | |
| 3110 | Share capital - common stock | 6(14) | | 15,791,453 | 51 | | 15,791,453 | 57 |
| 3200 | Capital surplus | 6(15) | | 230,261 | 1 | | 230,047 | 1 |
| | Retained earnings | 3(1) and 6(16) | | | | | | |
| 3310 | Legal reserve | | | 1,596,669 | 5 | | 1,536,659 | 5 |
| 3320 | Special reserve | | | 860,682 | 3 | | 1,075,145 | 4 |
| 3350 | Unappropriated retained earnings | | | 1,428,456 | 5 | | 659,405 | 2 |
| 3400 | Other equity interest | | (| 1,378,569) (| 5) | (| 860,681) (| 3) |
| 3XXX | Total equity | | | 18,528,952 | 60 | | 18,432,028 | 66 |
| | Contingent liabilities and | 9 | | | | | | |
| | commitments | | | | | | | |
| 3X2X | Total liabilities and equity | | \$ | 31,053,025 | 100 | \$ | 27,930,534 | 100 |

The accompanying notes are an integral part of these financial statements.

<u>TON YI INDUSTRIAL CORP.</u> <u>PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME</u> <u>FOR THE YEARS ENDED DECEMBER 31</u> (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

| | | | | Yea | ar ended l | Decem | ber 31 | |
|--------------|--|---------------------------------------|--------------|---------------|-------------|----------|---------------|-------------|
| | _ | | | 2018 | | | 2017 | |
| 1000 | Items | Notes | | AMOUNT | % | + | AMOUNT | % |
| 4000 5000 | Sales revenue Operating costs | 6(17) and 7 6(3)(8)(13)(21)(22), 7 | \$ 7 | 19,013,654 | 100 | \$ | 17,001,461 | 100 |
| | | and 9 | (| 17,313,179) (| <u>91</u>) | (| 15,593,830) (| <u>92</u>) |
| 5900 | Net operating margin | | | 1,700,475 | 9 | | 1,407,631 | 8 |
| 5910 | Unrealized profit from sales | 6(5) and 7 | (| 87,353) | - | (| 60,386) | - |
| 5920 | Realized profit from sales | 6(5) and 7 | | 60,386 | - | | 142,201 | 1 |
| 5950 | Net operating margin | | | 1,673,508 | 9 | | 1,489,446 | 9 |
| | Operating expenses | 6(13)(21)(22), 7, 9 and 12 | | | | | | |
| 6100 | Selling expenses | | (| 749,814) (| 4) | (| 757,834) (| 5) |
| 6200 | General and administrative expenses | | (| 439,380) (| 3) | (| 337,199) (| 2) |
| 6450 | Expected credit loss | | (| 2,833) | - | | | - |
| 6000 | Total operating expenses | | (| 1,192,027) (| <u>7</u>) | (| 1,095,033) (| 7) |
| 6900 | Operating profit | | | 481,481 | 2 | | 394,413 | 2 |
| | Non-operating income and expenses | | | | | | | |
| 7010 | Other income | 6(18) | | 33,464 | - | | 53,142 | - |
| 7020 | Other gains and losses | 6(19) and 12 | | 48,479 | - | (| 78,603) | - |
| 7050 | Finance costs | 6(6)(12)(20) | (| 127,556) | - | (| 89,649) | - |
| 7070 | Share of profit of associates and joint ventures accounted for using equity | 6(5) | | | | | | |
| | method, net | | | 1,135,516 | 6 | | 375,937 | 2 |
| 7000 | Total non-operating income and expenses | | | 1,089,903 | 6 | | 260,827 | 2 |
| 7900 | Profit before income tax | | | 1,571,384 | 8 | | 655,240 | 4 |
| 7950 | Income tax expense | 6(23) | (| 85,131) | - | (| 55,136) | - |
| 8200 | Profit for the year | | \$ | 1,486,253 | 8 | \$ | 600,104 | 4 |
| 8311 | Components of other comprehensive income that will not be reclassified to profit or loss Actuarial (loss) gain on defined benefit plan | 6(13) | (\$ | 78,023) | _ | \$ | 42,688 | _ |
| 8316 | Unrealised loss from investments in equity instruments measured at fair value through other | 6(4) | | | | | | |
| | comprehensive income | | (| 56,532) | - | | - | - |
| 8349 | Income tax related to components of other comprehensive income | 6(23) | , | | | | | |
| | that will not be reclassified to profit or loss | | | 24 071 | | (| 7 256) | |
| | Components of other comprehensive income that will be reclassified to profit or loss | | | 24,071 | - | (| 7,256) | - |
| 8361 | Exchange translation differences arising on translation of foreign | 6(5) | , | | 2) | | 157 205 | 1 |
| 8362 | operations Unrealized gain on valuation of | 12 | (| 461,374) (| 3) | | 157,305 | I |
| 8399 | available-for-sale financial assets Income tax relating to the components of other | 6(23) | | - | - | | 56,089 | - |
| | comprehensive income | | | 18 | - | | 1,070 | - |
| 8300 | Other comprehensive (loss) income for the year | | (<u></u> \$ | 571,840) (| <u>3</u>) | \$ | 249,896 | 1 |
| 8500 | Total comprehensive income for the year | | \$ | 914,413 | 5 | \$ | 850,000 | 5 |
| | Earnings per share | 6(24) | <u> </u> | | <u> </u> | <u>.</u> | | |
| 9750 | Basic | 0(24) | \$ | | 0.94 | \$ | | 0.38 |
| 9850 | Diluted | | \$ | | 0.94 | \$ | | 0.38 |
| 2030 | Dimen | | φ | | 0.94 | φ | | 0.30 |

The accompanying notes are an integral part of these financial statements.

<u>TON YI INDUSTRIAL CORP.</u> <u>PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY</u> <u>FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017</u> (Expressed in thousands of New Taiwan dollars)

| | | | | | Capita | l Reserves | | | Retained Earnings | | | Other Equity | y Interest | |
|---|---------------|----|----------------------------|---|--------|-------------------------------|----------------------|---------------|-------------------|--|-------------------------------------|--|---|---------------|
| | Notes | | re capitaln- nmon stock | Capital surplus, additional paid-in capital | s | reasury stock stactions | ted assets ceived | Legal reserve | Special reserve | Unappropriated retained earnings | diffe arisii l transla for | hange erence mg on ation of reign rations | Unrealized gain or loss on available-for-sa le financial assets | Total equity |
| 2016 | | | | | | | | | | | | | | |
| Balance at January 1, 2016 | \$ 15,791,453 | \$ | 58,271 | \$ 169,088 | \$ | 819 | \$ - | \$ 1,379,732 | \$ 826,453 | \$ 589,910 | \$ 1 | 179,865 | (\$ 248,021) | \$ 18,747,570 |
| Distribution of 2015 net income (Note) | | | | | | | | | | | | | | |
| Legal reserve | - | | - | - | | - | - | 59,967 | - | (59,967 |) | - | - | - |
| Cash dividends 6(19) | - | | - | - | | - | - | - | - | (505,327 |) | - | - | (505,327) |
| Profit for the year | - | | - | - | | - | - | - | - | 1,069,141 | | - | - | 1,069,141 |
| Other comprehensive loss for the year $6(5)$ | | | _ | | | _ | _ | | | (124,161 |) (9 | 998,735) | (8,254) | (|
| Balance at December 31, 2016 | \$ 15,791,453 | \$ | 58,271 | \$ 169,088 | \$ | 819 | \$ - | \$ 1,439,699 | \$ 826,453 | \$ 969,596 | (<u>\$</u> 8 | 318,870) | (<u>\$ 256,275</u>) | \$ 18,180,234 |
| 2017 | | | | | | | | | | | | | | |
| Balance at January 1, 2017 | \$ 15,791,453 | \$ | 58,271 | \$ 169,088 | \$ | 819 | \$ - | \$ 1,439,699 | \$ 826,453 | \$ 969,596 | (\$ 8 | 818,870) | (\$ 256,275) | \$ 18,180,234 |
| Distribution of 2016 net income (Note) | | | | | | | | | | | | | | |
| Legal reserve | - | | - | - | | - | - | 96,960 | - | (96,960 |) | - | - | - |
| Special reserve | - | | - | - | | - | - | - | 248,692 | (248,692 |) | - | - | - |
| Cash dividends 6(19) | - | | - | - | | - | - | - | - | (600,075 |) | - | - | (600,075) |
| Profit for the year | - | | - | - | | - | - | - | - | 600,104 | | - | - | 600,104 |
| Other comprehensive income for the 6(5) year | - | | - | - | | - | - | - | - | 35,432 | 1 | 158,375 | 56,089 | 249,896 |
| Capital surplus - unclaimed cash dividends | <u> </u> | _ | | | | | 1,869 | <u> </u> | <u> </u> | | | <u> </u> | <u> </u> | 1,869 |
| Balance at December 31, 2017 | \$ 15,791,453 | \$ | 58,271 | \$ 169,088 | \$ | 819 | \$ 1,869 | \$ 1,536,659 | \$ 1,075,145 | \$ 659,405 | (<u>\$</u> 6 | 560,495) | (<u>\$ 200,186</u>) | \$ 18,432,028 |

(Note) The employees' bonuses and directors' remuneration were \$58,920 and \$43,984 in 2014 and 2015, respectively, which had been deducted from net income for the year.

The accompanying notes are an integral part of these financial statements.

TON YI INDUSTRIAL CORP. <u>PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS</u> <u>FOR THE YEARS ENDED DECEMBER 31</u> (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

| $\begin{array}{ c c c c c c c c c c c c c c c c c c c$ | | | Notes | 2017 | | 2016 |
|--|--|----------|-------|------------|----|---------------------------------------|
| Adjustments Adjustments Adjustments to recordle profit (loss) Loss on financial assets at fair value through profit or loss 1,387 - Loss on financial assets at fair value through profit or loss 1,387 - 868 Reversal of provision provision for inventory market 6(3) - 868 (Reversal of provision provision for inventory market 6(5) (1,135,516) (375,937) Unrealized profit from sales 6(5) (60,386) (142,201) Depreciation on property, plant and equipment 6(6)(21) 998,711 996,406 Loss on disposal of property, plant and equipment 6(19) (1,150) - Amortization of long-term prepaid rent 6(8) 4,250 3,951 Dividend income 6(18) (5,510) (18,439) Interest income 6(18) (29,257) (21,508) Changes in operating assets (228,657) (21,508) Accounts receivable (21,508) Accounts receivable (228,657) (214,065) - (21,508) Accounts receivable (228,657) (214,065) <t< td=""><td>CASH FLOWS FROM OPERATING ACTIVITIES</td><td></td><td></td><td></td><td></td><td></td></t<> | CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Adjustments Adjustments Adjustments to recordle profit (loss) Loss on financial assets at fair value through profit or loss 1,387 - Loss on financial assets at fair value through profit or loss 1,387 - 868 Reversal of provision provision for inventory market 6(3) - 868 (Reversal of provision provision for inventory market 6(5) (1,135,516) (375,937) Unrealized profit from sales 6(5) (60,386) (142,201) Depreciation on property, plant and equipment 6(6)(21) 998,711 996,406 Loss on disposal of property, plant and equipment 6(19) (1,150) - Amortization of long-term prepaid rent 6(8) 4,250 3,951 Dividend income 6(18) (5,510) (18,439) Interest income 6(18) (29,257) (21,508) Changes in operating assets (228,657) (21,508) Accounts receivable (21,508) Accounts receivable (228,657) (214,065) - (21,508) Accounts receivable (228,657) (214,065) <t< td=""><td></td><td></td><td>\$</td><td>1,571,384</td><td>\$</td><td>655,240</td></t<> | | | \$ | 1,571,384 | \$ | 655,240 |
| Loss on financial assets at fair value through profit or loss 1,387 - loss 12 2,833 - Provision for doubtful accounts 12 - 868 (Reversal of provision) provision for inventory market 6(3) - 868 price decline (26,000 50,000 Share of profit of associates and joint ventures 6(5) (1,135,516 (375,937 Unrealized profit from sales 6(5) (60,386 (142,201) Depreciation on property, plant and equipment 6(6)(21) 998,711 996,406 277,185 Gain on disposal of property, plant and equipment 6(19) (1,150 - Amortization of long-term prepaid rent 6(18) (5,510 (18,439 Interest income 6(18) (29,642 (21,508 - Changes in operating assets 1 228,657 (21,508 - - Accounts receivable (226,259 (3,523 - - - - - - <td>Adjustments</td> <td></td> <td></td> <td>_ , ,</td> <td>,</td> <td>,</td> | Adjustments | | | _ , , | , | , |
| Loss on financial assets at fair value through profit or loss 1,387 - loss 12 2,833 - Provision for doubtful accounts 12 - 868 (Reversal of provision) provision for inventory market 6(3) - 868 price decline (26,000 50,000 Share of profit of associates and joint ventures 6(5) (1,135,516 (375,937 Unrealized profit from sales 6(5) (60,386 (142,201) Depreciation on property, plant and equipment 6(6)(21) 998,711 996,406 277,185 Gain on disposal of property, plant and equipment 6(19) (1,150 - Amortization of long-term prepaid rent 6(18) (5,510 (18,439 Interest income 6(18) (29,642 (21,508 - Changes in operating assets 1 228,657 (21,508 - - Accounts receivable (226,259 (3,523 - - - - - - <td>Adjustments to reconcile profit (loss)</td> <td></td> <td></td> <td></td> <td></td> <td></td> | Adjustments to reconcile profit (loss) | | | | | |
| Expected croft loss 12 2,833 - Provision for doubtful accounts 12 - 868 (Reversal of provision provision for inventory market 6(3) - 868 price decline (26,000) 50,000 Share of profit of associates and joint ventures 6(5) (1,135,516) (375,937) Unrealized profit from sales 6(5) (60,386) (142,201) Depreciation on property, plant and equipment 6(19) (1,150) - Cain on disposal of property, plant and equipment 6(19) (1,150) - Amortization of long-term prepaid rent 6(18) (908) (455) Dividend income 6(18) (200) 127,556 89,649 Changes in operating assets and liabilities (228,657) (214,065) Other receivable (228,657) (214,065) Other receivable (228,657) (214,065) Other receivable (228,657) (214,065) | • | | | | | |
| Provision for doubtful accounts 12 - 868 (Reversal of provision provision for inventory market 6(3) (26,000) 50,000 Share of profit of associates and joint ventures 6(5) (1,135,516) (375,937) Unrealized profit from sales 6(5) (60,386) (142,201) Depreciation on property, plant and equipment 6(6)(21) 998,711 996,406 142,201) Loss on disposal of investment property 6(19) (1,150) - Amortization of long-term prepaid rent 6(8) 4,250 3,951 Dividend income 6(18) (908) (456) Interest income 6(18) (20,215,56 89,649 Changes in operating assets 121,556 89,649 127,556 89,649 Changes in operating assets (226,257) (21,008) 3,551 Accounts receivable (228,657) (214,005) - Contract liabilities (20,255) (32,535) 1 1,405 1,405 | loss | | | 1,387 | | - |
| Provision for doubtful accounts 12 - 868 (Reversal of provision) provision for inventory market 6(3) (26,000) 50,000 Share of profit of associates and joint ventures 6(5) (1,135,516) (375,937) Unrealized profit from sales 6(5) (60,386) (142,201) Depreciation on property, plant and equipment 6(6)(21) 998,711 996,406 Loss on disposal of investment property 6(19) (1,150) - Amortization of long-term prepaid rent 6(8) 4,250 3,951 Dividend income 6(18) (5,10) (18,439) Interest income 6(18) (20,255) (21,566) Interest expense 6(20) 127,556 89,649 Changes in operating assets (21,508) - - Financial assets at fair value through profit or loss 471,533 - - Notes receivable (228,657) (214,065) - - Other receivable (210,698) (229,909) - - 12,405 Other receivable (30,565) - - - 12,405 | Expected credit loss | 12 | | 2,833 | | - |
| price decline (26,000) 50,000 Share of profit of associates and joint ventures 6(5) (1,135,516) (375,937) Unrealized profit from sales 6(5) (60,386) (142,201) Depreciation on property, plant and equipment 6(60,21) 998,711 996,406 Loss on disposal of property, plant and equipment 6(19) (0,882) 3,951 Dividend income 6(18) (5,510) (18,439) Interest exponse 6(18) (908) (456) Interest exponse 6(20) 127,556 89,649 Changes in operating assets and liabilities (228,657) (214,065) Changes in operating assets (212,678) (3,532) Accounts receivable (228,657) (214,065) Accounts receivable (210,698) (29,909) Prepayments 53,157 21,405 Changes in operating liabilities (210,698) (29,909) Other receivable (210,698) (29,909) Prepayments 53,157 21,405 Changes in operating liabilities (210,698) (29,909) Contract liabilities - con-c | Provision for doubtful accounts | 12 | | - | | 868 |
| Share of profit of associates and joint ventures $6(5)$ $(1,135,516)$ $(375,937)$ Unrealized profit from sales $6(5)$ $87,333$ $60,386$ Realized profit from sales $6(5)$ $(60,386)$ $(142,201)$ Depreciation on property, plant and equipment $6(6)(21)$ $998,711$ $996,406$ Loss on disposal of property, plant and equipment $6(19)$ $(1,150)$ $-$ Amortization of long-term prepaid rent $6(8)$ $4,250$ $3,951$ Dividend income $6(18)$ $(5,510)$ $(18,439)$ Interest ncome $6(18)$ (908) (456) Interest expense $6(20)$ $127,556$ $89,649$ Changes in operating assets and liabilities $(29,242)$ $(21,508)$ Changes in operating assets $471,533$ $-$ Notes receivable $(228,657)$ $(224,065)$ $(214,065)$ Accounts receivable - related parties $(228,657)$ $(214,065)$ $-$ Notes receivable $(228,657)$ $(214,065)$ $-$ Notes receivable $(20,0698)$ $(29,099)$ $-$ Other recei | (Reversal of provision) provision for inventory market | 6(3) | | | | |
| Unrealized profit from sales $6(5)$ $87,353$ $60,386$ Realized profit from sales $6(5)$ $(60,386)$ $(142,201)$ Depreciation on property, plant and equipment $6(6)(21)$ $998,711$ $996,406$ Loss on disposal of property, plant and equipment $6(19)$ $(1,150)$ $-$ Amortization of long-term prepaid rent $6(8)$ $4,250$ $3,951$ Dividend income $6(18)$ $(5,510)$ $(18,439)$ Interest expense $6(20)$ $127,556$ $89,649$ Changes in operating assets $471,533$ $-$ Financial assets at fair value through profit or loss $471,533$ $-$ Notes receivable $(228,657)$ $(214,065)$ Other receivable - related parties $(228,657)$ $(214,065)$ Other receivable $(30,565)$ $-$ Inventories $(210,698)$ $(29,009)$ Prepayments $53,157$ $214,065$ Changes in operating liabilities $ 12,417$ Current receivable $(90,792)$ $(149,840)$ Other payable $(0,90,792)$ $(149,840)$ | price decline | | (| 26,000) | | 50,000 |
| Realized profit from sales 6(5) ($60,386$) ($142,201$) Depreciation on property, plant and equipment $6(6)(21)$ $998,711$ $996,406$ Loss on disposal of property, plant and equipment $6(19)$ ($1,150$) - Amortization of long-term prepaid rent $6(8)$ $4,250$ $3,951$ Dividend income $6(18)$ ($5,510$) ($18,439$) Interest income $6(18)$ (908) (456) Interest expense $6(20)$ $127,556$ $89,649$ Changes in operating assets ($22,229$) ($21,508$) Accounts receivable ($222,657$) ($214,065$) Other receivable - related parties ($222,657$) ($214,065$) Other receivables ($210,698$) ($29,909$) Prepayments $53,157$ $214,065$ $-$ Notes receivable ($20,6908$) $ -$ Notes receivable - related parties ($210,698$) $ -$ | Share of profit of associates and joint ventures | 6(5) | (| 1,135,516) | (| 375,937) |
| Depreciation on property, plant and equipment $6(6)(21)$ $998,711$ $996,406$ Loss on disposal of property, plant and equipment $6(19)$ 608 $27,185$ Gain on disposal of investment property $6(19)$ $(1,150)$ - Amortization of long-term prepaid rent $6(8)$ $4,250$ $3,951$ Dividend income $6(18)$ $(5,510)$ $(18,439)$ Interest income $6(18)$ (908) (456) Interest expense $6(20)$ $127,556$ $89,649$ Changes in operating assets Financial assets at fair value through profit or loss $471,533$ - Notes receivable $(262,259)$ $35,233$) Accounts receivable $(228,657)$ $(214,065)$ Other receivables $(210,698)$ $(29,909)$ Prepayments $53,157$ $21,405$ Changes in operating liabilities $(210,698)$ $(29,909)$ Contract liabilities-current $(30,565)$ - Contract liabilities-current $(30,565)$ - Notes payable <t< td=""><td>Unrealized profit from sales</td><td>6(5)</td><td></td><td>87,353</td><td></td><td>60,386</td></t<> | Unrealized profit from sales | 6(5) | | 87,353 | | 60,386 |
| Loss on disposal of property, plant and equipment $6(19)$ 608 $27,185$ Gain on disposal of investment property $6(19)$ $(1,150)$ $-$ Amortization of long-term prepaid rent $6(8)$ $4,250$ $3,951$ Dividend income $6(18)$ $(5,510)$ $(18,439)$ Interest expense $6(20)$ $127,556$ $89,649$ Changes in operating assets Financial assets at fair value through profit or loss $471,533$ $-$ Notes receivable $(222,52)$ $(21,508)$ $3,533$ Accounts receivable - related parties $(228,657)$ $(214,065)$ Other receivables $(210,698)$ $(29,909)$ Prepayments $53,157$ $21,4065$ Changes in operating liabilities $(30,565)$ $-$ Notes payable $(90,792)$ $(149,840)$ Other receivables $161,601$ $(83,173)$ Accounts receivable $ 12,417$ Changes in operating liabilities $ 12,417$ Changes in operating liabilities $ 12,417$ Changes operating liabilities $ 12,417$ < | Realized profit from sales | 6(5) | (| 60,386) | (| 142,201) |
| Gain on disposal of investment property $6(19)$ $(1,150)$ - Amortization of long-term prepaid rent $6(8)$ $4,250$ $3,951$ Dividend income $6(18)$ $(5,510)$ $(18,439)$ Interest income $6(18)$ (908) (456) Interest expense $6(20)$ $127,556$ $89,649$ Changes in operating assets Financial assets at fair value through profit or loss $471,533$ - Notes receivable $(229,242)$ $(21,508)$ Accounts receivable $(228,657)$ $(214,065)$ Other receivables $(12,678)$ $(3,535)$ Inventories $(210,698)$ $(229,909)$ Prepayments $53,157$ $21,4005$ Changes in operating liabilities Contract liabilities-current $(30,565)$ - 10,334 Accounts payable $(90,792)$ $149,840$ 10,334 Account payables $161,601$ $(8,31,73)$ - Changes in operating liabilities $ 12,417$ - Current refund liabilities - non-current $(58,651)$ $ 12,417$ Current refund liabilities - non | | 6(6)(21) | | 998,711 | | 996,406 |
| Amortization of long-term prepaid rent $6(8)$ $4,250$ $3,951$ Dividend income $6(18)$ $(5,510)$ $(18,439)$ Interest income $6(18)$ 908 (456) Interest expense $6(20)$ $127,556$ $89,649$ Changes in operating assets Financial assets at fair value through profit or loss $471,533$ - Notes receivable $(29,242)$ $(214,065)$ $3,533$ Accounts receivable - related parties $(228,657)$ $(214,065)$ Other receivable - related parties $(210,698)$ $(29,909)$ Inventories $53,157$ $21,405$ Changes in operating liabilities $ -$ Contract liabilities- $ -$ Contract liabilities- $ -$ Notes payable $(90,792)$ $-$ Accounts payable $ -$ Other payables $161,601$ $83,173$ Advance receipts $ -$ Contract liabilities - non-current $ -$ Cash inflow generated from operations $1,319,954$ $797,154$ | Loss on disposal of property, plant and equipment | 6(19) | | 608 | | 27,185 |
| Dividend income $6(18)$ $($ $5,510$ $($ $18,439$ $)$ Interest income $6(18)$ $($ 908 $($ 456 $)$ Interest expense $6(20)$ $127,556$ $89,649$ Changes in operating assets $127,556$ $89,649$ Changes in operating assets $($ $29,242$ $($ $21,508$ Financial assets at fair value through profit or loss $471,533$ -Notes receivable $($ $29,242$ $($ $21,508$ Accounts receivable $($ $228,657$ $($ $214,065$ Other receivables $($ $228,657$ $($ $214,065$ Other receivables $($ $210,698$ $($ $29,909$ Prepayments $53,157$ $21,405$ Changes in operating liabilities $53,157$ $21,405$ Changes in operating liabilities $($ $90,792$ $($ Inventories $($ $90,792$ $($ $149,840$ Other payables $($ $90,792$ $($ $149,840$ Other payables $1,007$ $ 12,417$ Current refund liabilities $1,007$ $ 12,417$ Current refund liabilities $1,007$ $ 12,417$ Dividends received $5,510$ $18,439$ Interest paid $($ $123,111$ $($ Interest paid $($ $123,111$ $($ Income tax paid $($ $123,111$ $($ Income tax paid $($ $123,111$ $($ Income tax paid< | Gain on disposal of investment property | 6(19) | (| 1,150) | | - |
| Interest income $6(18)$ (908) 456 Interest expense $6(20)$ $127,556$ $89,649$ Changes in operating assets Financial assets at fair value through profit or loss $471,533$ - Notes receivable $(29,242)$ $(21,508)$ $Accounts receivable$ $(228,657)$ $(214,065)$ Accounts receivable $(12,678)$ $(3,535)$ $(12,678)$ $(3,535)$ Inventories $(210,698)$ $(29,909)$ $29,909$ 9 Prepayments $53,157$ $21,405$ $21,405$ Changes in operating labilities $53,157$ $21,405$ Changes in operating labilities $-12,417$ $-12,417$ Current refund labilities -1007 $-12,417$ Current refund labilities $-1,007$ $-12,417$ Current refund labilities $-10,07$ $-12,417$ Current refund labilities $-10,07$ $-12,417$ | Amortization of long-term prepaid rent | 6(8) | | 4,250 | | 3,951 |
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| | Net cash flows from operating activities | | | 1,181,879 | | 570,538 |

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| Reversal of unclaimed cash dividends 6(15) 214 | Cash dividends paid | 6(16) | (| 789,573) | (|
| | Reversal of unclaimed cash dividends | 6(15) | | 214 | |
| Net cash flows from financing activities 2,100,583 | Net cash flows from financing activities | | | 2,100,583 | |
| Net (decrease) increase in cash and cash equivalents (5,044) | Net (decrease) increase in cash and cash equivalents | | (| 5,044) | |
| Cash and cash equivalents at beginning of year 6(1) 38,005 | Cash and cash equivalents at beginning of year | 6(1) | | 38,005 | |

6(1)

Cash and cash equivalents at end of year

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~26~

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of Ton Yi Industrial Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Ton Yi Industrial Corp. and its subsidiaries (the "Group") as of December 31, 2018 and 2017, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ton Yi Industrial Corp. consolidated financial statements of 2018. These matters were addressed in the context of our audit of the consolidated statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Existence of sales revenues

Description

Refer to Note 4(29) for the accounting policy on revenue recognition. The Group's sale revenues from Tin Plate products for the year ended December 31, 2018 was NT\$21,829,611 thousand.

The primary business of Ton Yi Industrial Corp. and its subsidiaries is Tin Plate products. The Group has a large volume of transactions from sales of numerous kinds of products to a wide range of customers in many different countries such as Taiwan, Asia, Europe, America, etc. For sales transactions with the group's customers and dealers who are from remote districts, it would require more time to verify the existence and accuracy of sales revenue. Thus, the existence of sales revenue has been identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

- 1. Inspecting whether approved additions to the merchandise master file data had been correctly entered in the merchandise master file which include basic information of customers, such as name of representative, location of company, amount of capital and scope of business for evaluating the creditworthiness of buyers.
- 2. Understanding, evaluating and validating management's controls in respect of the Company's sales transactions from customer order's approval, goods delivery, sales recording, reconciliation of cash receipts and customer's records to subsequent settlement of trade receivables. In addition, testing the internal control environment of the Company's effectiveness of revenue recognition.
- 3. Performing substantive test on selected sales transactions including confirming orders, shipping documents, invoices and cash receipts to verify the existence of sale revenues.

Inventory valuation

Description

Refer to Note 4(9) for accounting policy on inventory valuation, and note 5(2) A for the accounting estimates and assumption uncertainty in relation to inventory valuation. For the year ended December 31, 2018, Tin Plate products inventory and allowance to reduce inventory to market are NT\$3,449,059 thousand and NT\$107,604 thousand, respectively.

The Group's raw materials are often subject to fluctuation in the international steel prices. However, as the Tin Plate products are for necessities, such price changes may not be immediately reflected in the material costs immediately. In addition, the competition landscape within the steel industry in China will continue to affect the price of raw materials that would impact the estimation of net realizable

value of inventory. Thus, the inventory evaluation has been identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

- 1. Evaluating the adequacy of allowance for inventory and the consistency of provision policy.
- 2. Assessing the reasonableness of the estimation of net realizable value of Tin plate products and discussing with management and examining related documents to confirm the adequacy of allowance for price decline.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Ton Yi Industrial Corp. as of and for the years ended December 31, 2018 and 2017.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

Liu, Tzu-Meng

Independent Accountants

Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan Republic of China March 25, 2019

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

| | × • | | llars, except as otherw December 31, 2018 | | December 31, 2017 | 7 |
|------|-------------------------------------|-------------------|--|-----|-----------------------|-----|
| | Assets | Notes | AMOUNT | % | AMOUNT | % |
| | Current assets | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 2,265,386 | 6 | \$ 906,332 | 3 |
| 1150 | Notes receivable, net | 6(2) and 12 | 928,680 | 3 | 942,043 | 3 |
| 1170 | Accounts receivable, net | 3(1), 6(2) and 12 | 2,143,012 | 6 | 1,763,622 | 5 |
| 1180 | Accounts receivable - related | 7 | | | | |
| | parties | | 1,248,553 | 3 | 876,138 | 2 |
| 1200 | Other receivables | | 247,046 | 1 | 108,613 | - |
| 1220 | Current income tax assets | 6(25) | 52,465 | - | 57,551 | - |
| 130X | Inventories | 5(2) and 6(3) | 3,903,529 | 10 | 3,736,553 | 10 |
| 1410 | Prepayments | | 376,439 | 1 | 487,599 | 1 |
| 1476 | Other current financial assets | | 698,578 | 2 | 3,194 | |
| 11XX | Total current assets | | 11,863,688 | 32 | 8,881,645 | 24 |
| | Non-current assets | | | | | |
| 1517 | Financial assets at fair value | 3(1), 6(4) and 7 | | | | |
| | through other comprehensive | | | | | |
| | income - non current | | 122,199 | - | - | - |
| 1523 | Available-for-sale financial assets | 3(1) and 12 | | | | |
| | - non-current | | - | - | 178,731 | 1 |
| 1543 | Financial assets carried at cost - | 3(1) and 12 | | | | |
| | non-current | | - | - | 501,050 | 1 |
| 1600 | Property, plant and equipment - | 6(5)(9) and 9(4) | | | | |
| | net | | 23,286,735 | 63 | 26,208,765 | 70 |
| 1760 | Investment property - net | 6(6)(9) | 114,763 | - | 129,027 | - |
| 1780 | Intangible assets | 6(7) | 362,330 | 1 | 363,051 | 1 |
| 1840 | Deferred income tax assets | 6(25) | 590,016 | 2 | 516,368 | 2 |
| 1915 | Prepayments for business | 6(5) and 7 | | | | |
| | facilities | | 335,343 | 1 | 3,556 | - |
| 1920 | Guarantee deposits paid | 7 | 26,996 | - | 84,473 | - |
| 1985 | Long-term prepaid rents | 6(8) and 9(4) | 494,267 | 1 | 482,516 | 1 |
| 1990 | Other non-current assets | | 16,496 | | 22,221 | |
| 15XX | Total non-current assets | | 25,349,145 | 68 | 28,489,758 | 76 |
| 1XXX | Total assets | | \$ 37,212,833 | 100 | \$ 37,371,403 | 100 |

ON YI INDUSTRIAL CORP. AND SUBSIDIARIES <u>CONSOLIDATED BALANCE SHEETS</u> <u>YEARS ENDED DECEMBER 31</u> (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

| | (Expressed in t | housands of New Taiw | an do | - | | ated) | | , |
|-------|---|-----------------------|-------|-----------------------------|-----|-------|-------------------|-----|
| | Lishiliting and Franktin | Natas | | December 31, 2018 AMOUNT | | | December 31, 2017 | |
| | Liabilities and Equity Current liabilities | Notes | | AMOUNT | % | | AMOUNT | % |
| 2100 | Short-term borrowings | 6(10)(28) | \$ | 3,712,581 | 10 | \$ | 1,617,516 | 4 |
| 21100 | Short-term notes and bills payable | | ψ | 399,927 | 10 | Ψ | 699,816 | 2 |
| 2110 | Current contract liabilities | 3(1), 6(19), 7 and 12 | | 71,206 | 1 | | 099,810 | Z |
| 2150 | Notes payable | S(1), O(1), 7 and 12 | | 15,245 | - | | 23,659 | - |
| 2150 | Accounts payable | | | 1,035,480 | 3 | | 1,246,651 | - 3 |
| 2170 | Accounts payable - related parties | 7 | | 134,098 | 5 | | 112,170 | 5 |
| 2200 | Other payables | 1 | | 1,504,902 | - 4 | | 1,257,149 | - 4 |
| 2200 | Other payables - related parties | 7 | | 67,824 | 4 | | 54,933 | 4 |
| 2220 | Current income tax liabilities | 6(25) | | 212,191 | - | | 3,777 | - |
| 2305 | Other current financial liabilities | 6(23) | | 20,180 | 1 | | 19,563 | - |
| 2303 | Advance receipts | 3(1), 6(19) and 7 | | 20,100 | - | | 83,524 | - |
| 2310 | Long-term liabilities, current | | | - | - | | 65,524 | - |
| 2520 | - | 6(12)(13)(28) | | 950 920 | 2 | | 2 066 194 | 6 |
| 2365 | portion Current refund liabilities | 2(1) = 12 | | 850,829 | 2 | | 2,066,184 | 6 |
| | Total current liabilities | 3(1) and 12 | | 9,145 | - | | - 194 042 | |
| 21XX | | | | 8,033,608 | 21 | | 7,184,942 | 19 |
| 25.40 | Non-current liabilities | (10) (00) | | 0 100 000 | 22 | | 0 014 140 | 27 |
| 2540 | Long-term borrowings | 6(13)(28) | | 8,100,000 | 22 | | 9,914,142 | 27 |
| 2550 | Provisions for liabilities - | 6(14) | | 50.040 | | | F (000 | |
| | non-current | | | 78,242 | - | | 76,802 | - |
| 2570 | Deferred income tax liabilities | 6(25) | | 664,485 | 2 | | 428,263 | 1 |
| 2640 | Accrued pension liabilities - | 6(15) | | | | | | |
| | non-current | | | 379,753 | 1 | | 360,381 | 1 |
| 2645 | Guarantee deposits received | 6(28) | | 26,086 | | | 9,392 | |
| 25XX | Total non-current liabilities | | | 9,248,566 | 25 | | 10,788,980 | 29 |
| 2XXX | Total liabilities | | | 17,282,174 | 46 | | 17,973,922 | 48 |
| | Equity attributable to owners of | | | | | | | |
| | parent | | | | | | | |
| | Share capital | | | | | | | |
| 3110 | Share capital - common stock | 6(16) | | 15,791,453 | 43 | | 15,791,453 | 42 |
| 3200 | Capital surplus | 6(17) | | 230,261 | 1 | | 230,047 | - |
| | Retained earnings | 3(1) and 6(18) | | | | | | |
| 3310 | Legal reserve | | | 1,596,669 | 4 | | 1,536,659 | 4 |
| 3320 | Special reserve | | | 860,682 | 2 | | 1,075,145 | 3 |
| 3350 | Unappropriated retained earnings | | | 1,428,456 | 4 | | 659,405 | 2 |
| 3400 | Other equity interest | | (| 1,378,569) (| () | (| 860,681) (| 2) |
| 31XX | Equity attributable to owners | | | | | | | |
| | of the parent | | | 18,528,952 | 50 | | 18,432,028 | 49 |
| 36XX | Non-controlling interest | 4(3) | | 1,401,707 | 4 | | 965,453 | 3 |
| 3XXX | Total equity | | | 19,930,659 | 54 | | 19,397,481 | 52 |
| - | Contingent liabilities and | 9 | | | | | | |
| | commitments | | | | | | | |
| 3X2X | Total liabilities and equity | | \$ | 37,212,833 | 100 | \$ | 37,371,403 | 100 |
| | | | Ψ | 27,212,000 | 100 | Ψ | 27,271,103 | 100 |

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS YEARS ENDED DECEMBER 31

| | - | <u>CONSOLIDA</u> YEARS E | ATED F | <u>BALANCE SHEETS</u> DECEMBER 31 | | | |
|------|-----------------------------|-----------------------------|--------|--------------------------------------|-----------------------------|--------------|-----|
| | (Expressed in | n thousands of New | Taiwa | n dollars, except as other | wise indicate ended Dece | | |
| | | | | 2018 | ended Dece | 2017 | |
| | Items | Notes | _ | AMOUNT | % | AMOUNT | % |
| 4000 | Sales revenue | 6(19) and 7 | \$ | 35,103,806 | 100 \$ | 32,667,383 | 100 |
| 5000 | Operating costs | 6(3)(7)(8)(15)(2 | 3 | | | | |
| | |)(24), 7 and 9 | (| 31,752,956)(| 90)(| 29,217,870)(| 89) |
| 5900 | Net operating margin | | | 3,350,850 | 10 | 3,449,513 | 11 |
| | Operating expenses | 6(7)(8)(15)(23)(| 2 | | | | |
| | | 4), 7, 9 and 12 | | | | | |
| 6100 | Selling expenses | | (| 1,237,027)(| 4)(| 1,213,486)(| 4) |
| 6200 | General and administrative | | | | | | |
| | expenses | | (| 1,120,198)(| 3)(| 998,297)(| 3) |
| 6450 | Excepted credit loss | | (| 11,781) | | <u> </u> | - |
| 6000 | Total operating expenses | | (| 2,369,006)(| 7)(| 2,211,783)(| 7) |
| 6900 | Operating profit | | | 981,844 | 3 | 1,237,730 | 4 |
| | Non-operating income and | | | | | | |
| | expenses | | | | | | |
| 7010 | Other income | 6(6)(20) and 9(4 | l) | 1,082,609 | 3 | 172,678 | - |
| 7020 | Other gains and losses | 6(5)(9)(21), 9(4) |) | | | | |
| | | and 12 | | 464,156 | 2 (| 104,486) | - |
| 7050 | Finance costs | 6(5)(14)(22) | (| 338,543)(| 1)(| 435,824)(| 1) |
| 7000 | Total non-operating | | | | | | |
| | income and expenses | | | 1,208,222 | 4 (| 367,632)(| 1) |
| 7900 | Profit before income tax | | | 2,190,066 | 7 | 870,098 | 3 |
| 7950 | Income tax expense | 6(25) and 9(4) | (| 650,485)(| 2)(| 267,196)(| 1) |
| 8200 | Profit for the year | | \$ | 1,539,581 | 5 \$ | 602,902 | 2 |
| | Other comprehensive income | | | | | | |
| | Components of other | | | | | | |
| | comprehensive income that | | | | | | |
| | will not be reclassified to | | | | | | |
| | profit or loss | | | | | | |
| | | | | | | | |

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31 (Expressed in thousands of New Taiwan dollars, except for earning per share)

| | | | Year ended December 31 | | | | | | | | | | |
|-----|--|-------|------------------------|--------------------------|----------------------|----------|------|--|--|--|--|--|--|
| | Items Actuarial (loss) gain on | | | 2018 | | 2017 | | | | | | | |
| | | Notes | A | MOUNT | % | AMOUNT | % | | | | | | |
| 311 | Actuarial (loss) gain on | 6(15) | <u>ر ۴</u> | 79 000 | ¢ | 40 (00 | | | | | | | |
| 316 | defined benefit plan Unrealized loss on | 6(4) | (\$ | 78,023) | - \$ | 42,688 | - | | | | | | |
| 510 | valuation of investments in | 0(4) | | | | | | | | | | | |
| | equity instruments | | | | | | | | | | | | |
| | measured at fair value | | | | | | | | | | | | |
| | through other | | | | | | | | | | | | |
| | comprehensive income | | (| 56,532) | - | - | - | | | | | | |
| 349 | Income tax related to | 6(25) | | | | | | | | | | | |
| | components of other | | | | | | | | | | | | |
| | comprehensive income that will not be reclassified to | | | | | | | | | | | | |
| | profit or loss | | | 24,071 | - (| 7,256) | _ | | | | | | |
| | Components of other | | | 21,071 | (| 7,250) | | | | | | | |
| | comprehensive income that | | | | | | | | | | | | |
| | will be reclassified to profit | | | | | | | | | | | | |
| | or loss | | | | | | | | | | | | |
| 361 | Exchange translation | | | | | | | | | | | | |
| | differences arising on | | | | | | | | | | | | |
| | translation of foreign operations | | (| 485,359)(| 2) | 137,678 | 1 | | | | | | |
| 362 | Unrealized gain on | 12 | (| 465,559)(| 2) | 157,078 | 1 | | | | | | |
| 502 | valuation of | 12 | | | | | | | | | | | |
| | available-for-sale financial | | | | | | | | | | | | |
| | assets | | | - | - | 56,089 | - | | | | | | |
| 399 | Income tax relating to the | 6(25) | | | | | | | | | | | |
| | components of other | | | 4.0 | | | | | | | | | |
| 200 | comprehensive income | | | 18 | | 1,070 | | | | | | | |
| 300 | Other comprehensive (loss) income for the year | | (\$ | 595,825)(| 2) \$ | 220, 260 | 1 | | | | | | |
| 500 | Total comprehensive income | | (<u></u> | <u> </u> | <u>2</u>) <u>\$</u> | 230,269 | 1 | | | | | | |
| 500 | for the year | | \$ | 943,756 | 3 \$ | 833,171 | 3 | | | | | | |
| | Profit attributable to: | | Ψ | 515,150 | υ φ | 055,171 | | | | | | | |
| 610 | Owners of the parent | | \$ | 1,486,253 | 5 \$ | 600,104 | 2 | | | | | | |
| 620 | Non-controlling interest | | • | 53,328 | - | 2,798 | - | | | | | | |
| | | | \$ | 1,539,581 | 5 \$ | 602,902 | 2 | | | | | | |
| | Comprehensive income (loss) | | | | | | | | | | | | |
| | attributable to: | | | | | | - | | | | | | |
| 710 | Owners of the parent | | \$ | 914,413 | 3 \$ | 850,000 | 3 | | | | | | |
| 720 | Non-controlling interest | | ¢ | <u>29,343</u> 943,756 | - (| 16,829) | | | | | | | |
| | | | \$ | 943,730 | 3 \$ | 833,171 | | | | | | | |
| | Earnings per share | 6(26) | | | | | | | | | | | |
| 750 | Basic | 0(20) | \$ | | 0.94 \$ | | 0.38 | | | | | | |
| 850 | Diluted | | \$ | | $0.94 \frac{0}{\$}$ | | 0.38 | | | | | | |
| | | | Ψ | | φ | | 0.50 | | | | | | |

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015 (Expressed in thousands of New Taiwan dollars)

| | | Equity attributable to owners of the parent | | | | | | | | | | | |
|--|-------|---|---|-----------------------------------|-------------------------------|---------------|-----------------|--|---|---|---------------|------------------------------|----------------------|
| | | | | Capital Reserves | |] | Retained Earnir | ngs | | uity Interest | | | |
| | Notes | Share capital - common stock | Capital surplus, additional paid-in capital | Treasury stock transactions | Donated assets received | Legal reserve | Special reserve | Unappropriated retained earnings | Exchange difference arising on translation of foreign operations | Unrealized gain or loss on available-for-sa le financial assets | Total | Non-controlli ng interest | Total equity |
| <u>2015</u> | | | | | | | | | | | | | |
| Balance at January 1, 2015 | | \$ 15,791,453 | \$ 58,271 | \$ 169,088 | \$ 819 | \$1,303,221 | \$826,453 | \$ 811,964 | \$ 673,800 | (\$ 200,577) | \$ 19,434,492 | \$1,174,555 | \$ 20,609,047 |
| Distribution of 2014 net income(Note): | | | | | | | | | | | | | |
| Legal reserve | | - | - | - | - | 76,511 | - | (76,511) | - | - | - | - | - |
| Cash dividends | 6(20) | - | - | - | - | - | - | (710,615) | - | - | (710,615) | (3,659) | (714,274) |
| Profit for the year | | - | - | - | - | - | - | 590,018 | - | - | 590,018 | (98,061) | 491,957 |
| Other comprehensive loss for the year | | | | | | | | (<u>24,946</u>) | (<u>493,935</u>) | (47,444) | (566,325) | (<u>24,477</u>) | (590,802) |
| Balance at December 31, 2015 | | \$ 15,791,453 | \$ 58,271 | \$ 169,088 | \$ 819 | \$1,379,732 | \$826,453 | \$ 589,910 | \$ 179,865 | (<u>\$ 248,021</u>) | \$ 18,747,570 | \$1,048,358 | \$ 19,795,928 |
| 2016 | | | | | | | | | | | | | |
| Balance at January 1, 2016 | | \$15,791,453 | \$ 58,271 | \$ 169,088 | \$ 819 | \$1,379,732 | \$826,453 | \$ 589,910 | \$ 179,865 | (\$ 248,021) | \$18,747,570 | \$1,048,358 | \$ 19,795,928 |
| Distribution of 2015 net income: | | | | | | | | | | | | | |
| Legal reserve | | - | - | - | - | 59,967 | - | (59,967) | - | - | - | - | - |
| Cash dividends | 6(20) | - | - | - | - | - | - | (505,327) | - | - | (505,327) | - | (505,327) |
| Profit for the year | | - | - | - | - | - | - | 1,069,141 | - | - | 1,069,141 | 1,489 | 1,070,630 |
| Other comprehensive loss for the year | | | | <u> </u> | | <u> </u> | | (<u>124,161</u>) | (<u>998,735</u>) | (8,254) | () | (<u>67,565</u>) | (<u>1,198,715</u>) |
| Balance at December 31, 2016 | | \$ 15,791,453 | \$ 58,271 | \$ 169,088 | \$ 819 | \$1,439,699 | \$826,453 | \$ 969,596 | (<u>\$ 818,870</u>) | (<u>\$256,275</u>) | \$ 18,180,234 | \$ 982,282 | \$ 19,162,516 |

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

| | Notes | | 2018 | | 2017 |
|---|----------------|----|----------------------|------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Profit before tax | | \$ | 2,190,066 | \$ | 870,098 |
| Adjustments | | + | -,, | Ŧ | 0,0,050 |
| Adjustments to reconcile profit (loss) | | | | | |
| Loss on financial assets at fair value through profit or | | | | | |
| loss | | | 1,387 | | - |
| Expected credit loss | 12 | | 11,781 | | - |
| Provision for doubtful accounts | 12 | | - | | 6,230 |
| Provision for inventory market price decline | 6(3) | | 36,214 | | 33,521 |
| Depreciation on property, plant and equipment | 6(5)(6) | | 2,530,914 | | 2,580,784 |
| Impairment loss of property, plant and equipment | 6(5)(9)(21) | | 77,490 | | - |
| (Gain) loss on disposal of property, plant and | 6(21) | | | | |
| equipment | | (| 555,300) | | 30,007 |
| Gain on disposal of investment property | 6(21) | (| 1,150) | | - |
| Gain on disposal of intangible assets | | (| 1) | | - |
| Amortization | 6(7)(23) | | 9,626 | | 9,508 |
| Amortization of long-term prepaid rent | 6(8) 0(4) | 1 | 13,930 | | 13,748 |
| Gain on disposal of long-term prepaid rent Dividend income | 9(4) 6(20) | (| 608,644) | (| 10 420) |
| Interest income | 6(20) 6(20) | (| 5,510) 22,363) | (| 18,439) 16,298) |
| Interest expense | 6(20) 6(22) | (| 338,543 | (| 435,824 |
| Changes in operating assets and liabilities | 0(22) | | 556,545 | | 433,824 |
| Changes in operating assets | | | | | |
| Financial assets at fair value through profit or loss | | | 471,533 | | _ |
| Notes receivable | | | 13,071 | (| 251,539) |
| Accounts receivable | | (| 381,338) | (| 104,771 |
| Accounts receivable - related parties | | Ì | 372,415) | | 10,616 |
| Other receivables | | ì | 30,070) | | 9,484 |
| Inventories | | Ì | 201,722) | (| 248,121) |
| Prepayments | | Ì | 111,160 | | 242,054 |
| Changes in operating liabilities | | | | | |
| Contract liabilities - current | | (| 12,318) | | - |
| Notes payable | | (| 8,414) | | 10,334 |
| Accounts payable | | (| 211,171) | | 175,249 |
| Accounts payable - related parties | | | 21,928 | | 19,894 |
| Other payables | | | 274,661 | (| 31,403) |
| Other payables - related parties | | | 12,891 | (| 49,453) |
| Advance receipts | | | - | (| 154,073) |
| Current refund liabilities | | , | 1,007 | , | - |
| Accrued pension liabilities - non-current | | (| 58,651) | (| 56,391) |
| Cash inflow generated from operations | | | 3,647,135 | | 3,726,405 |
| Dividends received | | | 5,510 | | 18,439 |
| Interest received | | | 22,363 | | 16,298 |
| Income tax refund | | (| 16,195 | (| 16,871 |
| Interest paid Income tax paid | | (| 363,909) 264,750) | $\left(\right)$ | 446,004) 290,454) |
| Net cash flows from operating activities | | (| 3,062,544 | (| 3,041,555 |
| There cash nows from operating activities | | | 5,002,344 | | 5,041,555 |

(Continued)

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES <u>CONSOLIDATED STATEMENTS OF CASH FLOWS</u> <u>FOR THE YEARS ENDED DECEMBER 31</u> (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

| | Notes | 20 | 18 | | 2017 |
|---|----------|----|-------------|----|-------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Proceeds from disposal of disposal groups held for sale | 6(28) | \$ | - | \$ | 387,937 |
| (Increase) decrease in other current assets - other financial | | | | | |
| assets | | (| 14,745) | | 47,357 |
| Acquisition of property, plant and equipment | 6(28) | (| 358,417) | (| 1,803,425) |
| Proceeds from disposal of property, plant and equipment | | | 95,053 | | 12,576 |
| Acquisition of investment property | 6(9) | (| 992) | (| 758) |
| Proceeds from disposal of investment property | | | 10,178 | | - |
| Acquisition of intangible assets | 6(10) | (| 2,404) | (| 346) |
| Increase in prepayments for equipment | | (| 124,434) | (| 243,327) |
| Interest paid for prepayments for equipment | 6(8)(23) | (| 869) | (| 773) |
| Decrease (increase) in guarantee deposits paid | | | 930 | (| 37,200) |
| Increase in long-term prepaid rent | | (| 24,201) | (| 50,436) |
| Decrease in other non-current assets | | | 18,225 | | 16,298 |
| Net cash flows used in investing activities | | (| 401,676) | (| 1,672,097) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Decrease in short-term borrowings | | (| 322,931) | (| 1,204,026) |
| Increase (decrease) in notes and bills payable | | | 350,000 | (| 100,000) |
| (Decrease) increase in other current liabilities - other | | | | | |
| financial liabilities | | (| 702) | | 5,194 |
| Proceeds from issuance of corporate bonds | 6(14) | | - | | 717,242 |
| Increase in long-term borrowings | | | 28,348,218 | | 42,117,420 |
| Decrease in long-term borrowings | | (| 31,909,682) | (| 45,747,361) |
| (Decrease) increase in guarantee deposits received | | (| 1,986) | | 115 |
| Cash dividends paid | 6(20) | (| 505,327) | (| 710,615) |
| Payment of cash dividends to non-controlling interests | | | | (| 3,659) |
| Net cash flows used in financing activities | | (| 4,042,410) | (| 4,925,690) |
| Effect of foreign exchange rate changes on cash and cash | | | | | |
| equivalents | | (| 180,431) | | 38,987 |
| Net increase (decrease) in cash and cash equivalents | | | 40,862 | (| 867,144) |
| Cash and cash equivalents at beginning of year | 6(1) | | 704,759 | _ | 1,571,903 |
| Cash and cash equivalents at end of year | 6(1) | \$ | 745,621 | \$ | 704,759 |

Ton Yi Industrial Corp.

(Attachment 5)

2018 Earnings Appropriation

| | Unit:NT\$ |
|--|------------------|
| Item | Amount |
| Retained earnings-unappropriated in previous year | 24, 285, 240 |
| Add : An effort to ascertain the amount of remeasuring of the fringe benefit programs. | (62, 417, 927) |
| Add : Tax rate change influence | 8, 465, 633 |
| Less : IFRS 9 influence | (28, 130, 000) |
| Adjusted retained earnings-unappropriated | (57, 797, 054) |
| Add : 2018Earnings Available for Distribution | 1, 486, 253, 322 |
| Less : 10% Legal Reserve | (142, 845, 627) |
| Less : special reserve | (517, 887, 515) |
| Distribution Items : | 767, 723, 126 |
| Distributable earnings in 2018 | |
| Cash Dividends to Common Share Holders (NT\$ 0.47per share) | (742, 198, 311) |
| Retained earnings-unappropriated, at the end of 2018 | 25, 524, 815 |
| OTE : Net income for 2018shall be preferred in the profie distribution. Each common shareholder will be entitled to receive the cash divider In dollar amount. The fractional parts would be classified as "other no income" | |

income".

Manager: Feng-Fu Chen Head of Accounting: Yi-Hsin Liu Chairman: Chih-Hsien Lo

Ton Yi Industrial Corp. **(Attachment 6)** Comparison Table of Articles of the Company Corporate Charter

| Provision After Proposed Amendments | Current Provision | Explanation |
|---|--|--|
| Article 1 The Company was named "TON YI INDUSTRIAL CORP." in accordance with the provisions of the Company Act for company limited and the English name <u>was</u> <u>named "TON YI INDUSTRIAL</u> <u>CORP."</u> | Article 1 The Company is duly incorporated under the provisions governing a company limited by shares as set forth in the Companies Act in the full name of Ton Yi Industrial Corp. | According to Article 392-1 of the Company Act, a company may apply for registration of corporate name in a foreign language; therefore, the amendment was included. |
| (No change) | Article 2 The businesses operated by the Company are as follows: 1. Domestic and export sales of processed and manufactured various types of metal sheets, printed sheets and other processed materials. 2. Domestic and export sales of processed and manufactured tinted steel plates and raw steel plates. 3. Domestic and export sales of manufactured cans and tinplate machinery. 4. Provide processing and manufacturing technology for tin cans, tinted steel plate and other raw steel plate. 5. F199990 other wholesale business (oxidized metal, | |

| Provision After Proposed Amendments | Current Provision | Explanation |
|---|---|--|
| | aliphatic acid, tin products and oxidized tin). 6. ZZ999999 other businesses not prohibited or restricted by law except any business requiring special approval. | |
| <u>Article 3</u> When the Company needs to invest in other businesses due to its business needs, it will <u>not be</u> <u>restricted by the over 40% of the</u> <u>paid in capital</u> which is stipulated in <u>Article 13</u> of the Company Act. <u>Any re-investment matters</u> shall be decided by the resolution of the Board of Directors. | Article 2-1 The Company may invest in other enterprise and be free from the restriction of total investment amount referred to in the Companies Act. Any matters regarding long-term equity investment shall be resolved in accordance with the resolutions of the Board of Directors. The aforementioned business operations shall abide by relevant laws. | In accordance with Article 13 of the Company Act, the text and order of this article shall be amended as appropriate. |
| Article 4 The Company may make external endorsement/guarantee due to the business. | Article 3 The Company may make external endorsement/guarantee due to the business. | In accordance with the adjustment of the original Article 2-1, this article was amended to Article 4. |
| <u>Article 5</u> The Company's head office is based in Tainan, and may establish branches and representative offices domestically or overseas through the <u>decision of the Board of Directors</u> if necessary. | Article 4 The Company's head office is based in Tainan, and may establish branches and representative offices domestically or overseas if necessary. | 1.In accordance with the adjustment of the original Article 2-1, this article was amended to Article 5. 2.To follow the existing operation. |

| Provision After Proposed Amendments | Current Provision | Explanation |
|--|--|--|
| Article 6 The total capital stock of the Company shall be in the amount of NTD 17,847,009,180 divided into 1,784,700,918 shares at a par value of NTD 10 each, and may be paid-up in installments. The Company may issue preferred shares within the amount of aforementioned shares, and the unissued shares are authorized to be issued by the Board of Directors when deemed necessary for the business. | Article 5 The total capital stock of the Company shall be in the amount of NTD 17,847,009,180 divided into 1,784,700,918 shares at a par value of NTD 10 each, and may be paid-up in installments. Where any increase in capitalization occurs, the Company may issue shares over par value. The Company may issue preferred shares within the amount of aforementioned shares, and the unissued shares are authorized to be issued by the Board of Directors when deemed necessary for the business. | 1.In accordance with the adjustment of the original Article 2-1, this article was amended to Article 6. 2.It was amended by the provisions of Article 156 of the Company Act. |
| <u>Article 7</u> The shares shall be registered and shall be numbered and signed or sealed by a director who is a <u>representative of the Company</u> and issued by a stock issuer of a bank in accordance with the law, the registered stocks issued by the <u>Company</u> may not be printed, but th <u>e shares issued shall be registered</u> in Governing Centralized Securities Depository Enterprises and <u>processed in accordance with</u> the regulations of the institution. | Article 6 It is not necessary for the Company to print stock certificates, but if stock certificates are to be issued, all of them have to be registered. Upon the competent authorities' approval to register or issue new shares, the share certificates hereof, shall be duly signed or sealed of no less than three Directors of the Company, and duly authenticated by the competent authorities of the government or the certification organization authorized thereby before issuance. | 1.Inaccordancewith theadjustment ofthe originalArticle 2-1,this article wasamended toArticle 7.2.It wasamended bythe provisionsof Article161-2 andArticle 162 ofthe CompanyAct. |
| <u>Article 8</u> If the company handles <u>shareholder</u> <u>operation services such as</u> <u>shareholders transfer, mortgage</u> <u>setting, registering loss, inheritance,</u> <u>gift, seal change and address</u> <u>change, except as otherwise</u> <u>provided by the Act and the</u> <u>Securities Exchange Act</u> , it shall be handled in accordance with the | Article 7 For transfer of any stock certificate, both the transferor and transferee shall fill out the application form, sign or affix seals thereon and apply to the Company for stock certificate transfer. Until the transfer procedures are completed in full and until the shares under transfer are entered into the Register (Roster) of | 1.In accordance with the adjustment of the original Article 2-1, this article was amended to Article 8. 2.This article |

| Provision After Proposed Amendments | Current Provision | Explanation |
|---|---|---|
| "Regulations Governing the Administration of Shareholder Services of Public Companies". | Shareholders, the transferred stock certificate shall not act against the Company. The matters regarding the Company's equity affairs shall be duly handled in accordance with the "Regulations Governing Equity Affairs of Public Companies" promulgated by the Stock Securities & Exchange Commission, Ministry of Finance. | was amended in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" as appropriate. |
| (delete) | Article 8 The shareholders hereof shall have their seal specimen cards, ID Cards or profit-seeking enterprise certificates submitted to and archived at the Company upon opening accounts. The specimen seals shall be taken as the grounds for the shareholders to receive dividend, bonus and exercise shareholders' interests. A shareholder who has lost or changed his registered specimen seal shall fill out the application form and submit it along with the supporting documents verifying his/her capacity along with the Xerox copy (photocopy) thereof, the new registered seal impression card and share certificates to the Company in person for registration. The new registered seal impression card comes into effect on the date which the application is approved. In case of application for change in the shareholder name because of succession, the inheritor shall submit supporting documents verifying the lawful succession. | Not a matter of the companys' Articles of association,so delete it |

| Provision After Proposed Amendments | Current Provision | Explanation |
|--|--|--|
| Article 9 No transfer of shares shall be handled within sixty days prior to a shareholders' regular meeting, or within thirty days prior to a shareholders' extraordinary meeting, or within five days prior to allocation of dividend' bonus or any other benefits. | Article 9 No transfer of shares shall be handled within sixty days prior to a shareholders' regular meeting <u></u> or within thirty days prior to a shareholders' extraordinary meeting, or within five days prior to allocation of dividend' bonus or any other benefits. | Text error correction |
| (delete) | Article 10 The following formalities shall take place for processing any application pertaining to the loss of share certificates and replacement of such: 1.A shareholder who has lost his/her share certificates shall report to the security authority and apply to the Company with an application form for registration of the lost share certificates. | Not a matter of the companys' Articles of association,so delete it. |
| | 2.Such shareholder shall apply to the court for public summons in accordance with the Code of Civil Procedure and shall submit to the Company the application form, duplicate copy, and the receipt issued by the court verifying the receipt of the application within five days, otherwise the application shall be annulled. | |
| | 3.Upon expiry of the public disclosure dunning, the shareholder may apply for reissuance of share certificates by providing the invalidating judgment to the Company. | |
| (delete) | Article 11 The Company may collect adequate handling charge cover printing cost and revenue stamp tax for transfer of the share certificates. | Not a matter of the companys' Articles of association,so |

| Provision After Proposed Amendments | Current Provision | Explanation |
|--|--|----------------------------|
| | | delete it. |
| | | |
| | | |
| | | |
| Article 10 | Article 12 | In accordance |
| The shareholders' meeting hereof consists of two categories—the | The shareholders' meeting hereof | with the |
| consists of two categories—the shareholders' regular meeting and | consists of two categories—the shareholders' regular meeting and | adjustment of the original |
| shareholders' extraordinary meeting. | shareholders' regular meeting and shareholders' extraordinary meeting. | Article 2-1, |
| The shareholders' regular meeting | The shareholders' regular meeting | this article was |
| shall be convened by the Board of | shall be convened by the Board of | amended to |
| Directors once per annum within six | Directors once per annum within six | Article 10. |
| months from the closing of each | months from the closing of each | |
| fiscal year, with notices for the | fiscal year, with notices for the | |
| shareholders' meeting to be sent to | shareholders' meeting to be sent to | |
| all shareholders at least thirty days | all shareholders at least thirty days | |
| in advance. A shareholders' | in advance. A shareholders' | |
| extraordinary meeting may be called | extraordinary meeting may be called | |
| whenever it is deemed necessary | whenever it is deemed necessary | |
| with notices for the shareholders' | with notices for the shareholders' | |
| meeting to be sent to all | meeting to be sent to all | |
| shareholders fifteen days in | shareholders fifteen days in | |
| advance. Article 11 | advance. Article 13 | 1.In |
| In the event where a shareholder is | In the event where a shareholder is | accordance |
| unable to attend a shareholders' | unable to attend a shareholders' | with the |
| meeting for any reason, the | meeting for any reason, the | adjustment of |
| shareholder may appoint a proxy to | shareholder may appoint a proxy to | the original |
| attend the meeting on behalf of the | attend the meeting on behalf of the | Article 2-1, |
| shareholder by executing a power of | shareholder by executing a power of | this article was |
| attorney in accordance with Article | attorney in accordance with Article | amended to |
| 177 of the Company Act. | 177 of the Company Act. | Article 11. |
| | | 2.Text error |
| | | correction |

| Provision After Proposed Amendments | Current Provision | Explanation |
|--|--|---|
| Article 12 If the shareholders' meeting is convened by the Board of Directors, it shall be chaired by the Chairman of Board. If the Chairman is absent or fails to perform the duty with justified reasons, the chairperson may be assumed by Vice-Chairman of the Board. If the Vice-Chairman is absent or fails to perform the duty with justified reasons, the chairperson shall be assumed by a Director designated by the Chairman. If no such designee is appointed, the chairperson shall be elected out of the Directors. If the shareholders' meeting is called by any convener other than the Board of Directors, the chairperson shall be assumed by the convener. If there are more than two conveners, the chairperson shall be elected out of the conveners. In the event where the chairman adjourns the meeting and is in violation of the rules, another person shall be nominated to be the chairperson and be elected by a majority of shareholder votes to continue with the meeting accordingly. | Article 14 If the shareholders' meeting is convened by the Board of Directors, it shall be chaired by the Chairman of Board. If the Chairman is absent or fails to perform the duty with justified reasons, the chairperson may be assumed by Vice-Chairman of the Board. If the Vice-Chairman is absent or fails to perform the duty with justified reasons, the chairperson shall be assumed by a Director designated by the Chairman. If no such designee is appointed, the chairperson shall be elected out of the Directors. If the shareholders' meeting is called by any convener other than the Board of Directors, the chairperson shall be assumed by the convener. If there are more than two conveners, the chairperson shall be elected out of the conveners. In the event where the chairman adjourns the meeting and is in violation of the rules, another person shall be nominated to be the chairperson and be elected by a majority of shareholder votes to continue with the meeting accordingly. | In accordance with the adjustment of the original Article 2-1, this article was amended to Article 12. |
| Article 13 Unless otherwise provided for in the Companies Act, decisions in the shareholders' meeting shall be resolved by a majority vote in the meeting attended by shareholders representing a majority of the total issued shares. When the number of shareholders present does not constitute the quorum prescribed in the preceding article, but those present represent one-third or more of the total number of issued shares, | Article 15 Unless otherwise provided for in the Companies Act, decisions in the shareholders' meeting shall be resolved by a majority vote in the meeting attended by shareholders representing a majority of the total issued shares. When the number of shareholders present does not constitute the quorum prescribed in the preceding article, but those present represent one-third or more of the total number of issued shares, | In accordance with the adjustment of the original Article 2-1, this article was amended to Article 13. It was amended by the provisions of Article 174 |

| Provision After Proposed Amendments | Current Provision | Explanation |
|--|--|--|
| a tentative resolution may be passed by a majority of those present. A notice of such tentative resolution shall be given to each of the shareholders, and reconvene a Shareholders' meeting within one month. In the aforesaid meeting of shareholders, if the tentative resolution is again adopted by a majority of those present who represent one-third or more of the total number of issued shares, such tentative resolution shall be deemed to be a resolution under the preceding article. | a tentative resolution may be passed by a majority of those present. A notice of such tentative resolution shall be given to each of the shareholders, and reconvene a Shareholders' meeting within one month. In the aforesaid meeting of shareholders, if the tentative resolution is again adopted by a majority of those present who represent one-third or more of the total number of issued shares, such tentative resolution shall be deemed to be a resolution under the preceding article. | of the Company Act as appropriate. |
| Article 14 Unless otherwise provided in laws, a shareholder shall be entitled to one voting right for each share held by him/her. | Article 16 Unless otherwise provided in laws, a shareholder shall be entitled to one voting right for each share held by him/her. | In accordance with the adjustment of the original Article 2-1, this article was amended to Article 14. |
| Article 15 Meeting minutes shall be kept for meeting, specifying the date, month, year and location of the meeting, the name of the Chairman, the method of adopting resolutions, a summary of the essential points of the proceedings and the results of the meeting, and bearing the signature or seal of the Chairman of the meeting. The minutes shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting and the distribution of the minutes may be effected by means of a public notice in accordance with the Company Act. The aforesaid minutes shall be kept persistently throughout the life of the Company | Article 17 Meeting minutes shall be kept for every meeting, specifying the date, month, year and location of the meeting, the name of the Chairman, the method of adopting resolutions, a summary of the essential points of the proceedings and the results of the meeting, and bearing the signature or seal of the Chairman of the meeting. The minutes shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting and the distribution of the minutes may be effected by means of a public notice in accordance with the Company Act. The aforesaid minutes shall be kept persistently throughout the life of the Company | In accordance with the adjustment of the original Article 2-1, this article was amended to Article 15. It was amended by the provisions of Article 183 of the Company Act as appropriate. |

| and processed in accordance with Article 183 of the Company Act.and processed in accordance with Article 183 of the Company Act.Article 183 of the Company Act.Article 183 of the Company Act.Article 16 The Directors' meeting is authorized to agree on the remuneration of Directors according to the contribution of the Director toward business operations and also the standard generally prevailing in the same trade.Article 18 The Company shall establish the Board of Directors constituted by seven (7) to ten (10) Directors, for whom the election thereof adopts the candidates nomination system and on the shareholders' meeting votes shall be cast on the candidates list based on the cumulative ballot system specified in Article 19 so the Company Act; provided that the total number of the Company's outstanding shares. The rules governing the aforesaid shareholding percentage and the verification and execution thereof shall be established in compliance with orders of the company's outstanding shares. The rules governing the aforesaid shareholding percentage and the verification and execution thereof shall be established in compliance with orders of the competent authority. The rules governing the election of the Board of Directors shall be established in compliance with orders of the competent authority. The rules governing the election of the Board of Directors shall be established in compliance with orders of the competent authority. The rules governing the election of the Board of Directors shall be established in compliance with orders of the competent authority. The rules governing the election of the Board of Directors shall be established in compliance with orders of the competent authority. The rules governing the election of the Board of D | Provision After Proposed Amendments | Current Provision | Explanation |
|---|--|--|---|
| The Directors' meeting is authorized to agree on the remuneration of Directors according to the contribution of the Director toward business operations and also the standard generally prevailing in the same trade. Article 17 The Company shall establish the Board of Directors constituted by seven (7) to ten (10) Directors, for whom the election thereof adopts the candidates nomination system and on the shareholders' meeting its based on the cumulative ballot system specified in Article 198 of the Company Act; provided that the total number of registered shares held by all of the Directors shall not be less than a certain percentage of the total number of the Company's outstanding shares. The rules governing the aforesaid shareholding percentage and the verification and execution thereof shall be established in compliance with orders of the competent authority. The rules governing the election of the Board of Directors with orders of the competent authority. The rules governing the election of the Board of Directors with orders of the competent authority. The rules governing the election of the Board of Directors with orders of the competent authority. The rules governing the election of the Board of Directors with orders of the competent authority. The rules governing the election of the Board of Directors with orders of the competent authority. The rules governing the election of the Board of Directors with orders of the competent authority. The rules governing the election of the Board of Directors with orders of the competent authority. The rules governing the election of the Board of Directors | ± | - | |
| meeting. meeting. | The Directors' meeting is authorized to agree on the remuneration of Directors according to the contribution of the Director toward business operations and also the standard generally prevailing in the same trade. Article 17 The Company shall establish the Board of Directors constituted by seven (7) to ten (10) Directors, for whom the election thereof adopts the candidates nomination system and on the shareholders' meeting votes shall be cast on the candidates list based on the cumulative ballot system specified in Article 198 of the Company Act; provided that the total number of registered shares held by all of the Directors shall not be less than a certain percentage of the total number of the Company's outstanding shares. The rules governing the aforesaid shareholding percentage and the verification and execution thereof shall be established in compliance with orders of the competent authority. The rules governing the election of the Board of Directors shall be passed by a shareholder's | The Directors' meeting is authorized to agree on the remuneration of Directors according to the contribution of the Director toward business operations and also the standard generally prevailing in the same trade. Article 19 The Company shall establish the Board of Directors constituted by seven (7) to ten (10) Directors, for whom the election thereof adopts the candidates nomination system and on the shareholders' meeting votes shall be cast on the candidates list based on the cumulative ballot system specified in Article 198 of the Company Act; provided that the total number of registered shares held by all of the Directors shall not be less than a certain percentage of the total number of the Company's outstanding shares. The rules governing the aforesaid shareholding percentage and the verification and execution thereof shall be established in compliance with orders of the competent authority. The rules governing the election of the Board of Directors shall be passed by a shareholder's | with the adjustment of the original Article 2-1, this article was amended to Article 16. In accordance with the deletion of the original Article 10 and Article 11, this article was amended to |

| Provision After Proposed Amendments | Current Provision | Explanation |
|--|--|------------------------------|
| In order to abide by Article 14-2 of the Securities and Exchange Act, the number of independent Directors shall not be less than 2 persons, and shall not be lower than one-fifth of the overall directorships on the board. The matters of qualifications, shareholdings, non-compete limitations, impartiality and nomination and selection of independent Directors shall be in accordance with related law and regulation. | In order to abide by Article 14-2 of the Securities and Exchange Act, the number of independent Directors shall not be less than 2 persons, and shall not be lower than one-fifth of the overall directorships on the board. The matters of qualifications, shareholdings, non-compete limitations, impartiality and nomination and selection of independent Directors shall be in accordance with related law and regulation. | |
| The election of all Directors of the Company shall adopt a nomination approach, and the nomination process shall be in accordance to Article 192-1 of the Companies Act. Article 18 | The election of all Directors of the Company shall adopt a nomination approach, and the nomination process shall be in accordance to Article 192-1 of the Companies Act. Article 19-1 | In accordance |
| The Company shall establish an | The Company shall establish an | with the |
| Audit Committee in accordance | Audit Committee in accordance | deletion of the original |
| with Articles 14-4 and 181-2 of the | with Articles 14-4 and 181-2 of the | Article 10 and |
| Securities and Exchange Act. The | Securities and Exchange Act. The | Article 11, this article was |
| exercise of powers of supervisors | exercise of powers of supervisors | amended to |
| under the Company Act and | under the Company Act and | Article 18. |
| Securities and Exchange Act shall | Securities and Exchange Act shall | |
| now be carried out by members of | now be carried out by members of | |
| the Audit Committee. The Audit | the Audit Committee. The Audit | |
| Committee shall include all of the | Committee shall include all of the | |
| independent Directors of the | independent Directors of the | |
| Company. It shall not be fewer | Company. It shall not be fewer | |
| than three persons in number, one of | than three persons in number, one of | |
| whom shall be committee convenor, | whom shall be committee convenor, | |
| and at least one of whom shall have | and at least one of whom shall | |
| accounting or financial expertise. | have accounting or financial | |
| The Company's Board of Directors | expertise. The Company's Board of | |

| Provision After Proposed Amendments | Current Provision | Explanation |
|---|---|---|
| May establish other functional | Directors may establish other | |
| committees of which the committee | functional committees of | |
| charter may be stipulated by the | which the committee charter may be | |
| Board of Directors. | stipulated by the Board of Directors. | |
| board of Directors. | supulated by the Board of Directors. | |
| Article 19 The Directors constitute the Board of Directors and shall elect one Chairman from among the Directors by a majority vote at a meeting attended by over two-thirds of the Directors and one Vice-Chairman may be elected from among the Directors to assist the chairman. The Chairman shall represent the Company externally and shall take charge of the Company's business operation internally pursuant to laws, these Articles and resolutions of shareholders' meetings and Directors' meetings. | Article 20 The Directors constitute the Board of Directors and shall elect one Chairman from among the Directors by a majority vote at a meeting attended by over two-thirds of the Directors and one Vice-Chairman may be elected from among the Directors to assist the chairman. The Chairman shall represent the Company externally and shall take charge of the Company's business operation internally pursuant to laws, these Articles and resolutions of shareholders' meetings and Directors' meetings. | 1.In accordance with the deletion of the original Article 10 and Article 11, this article was amended to Article 19. 2.It was amended by the provisions of Article 208 of the Company Act as appropriate. |
| Article 20 The Board of Director shall be chaired by the Chairman of the Board. If the Chairman is absent or fails to perform the duty with justified reasons, the chairperson may be assumed by the Vice-Chairman of the Board. If the Vice-Chairman is absent or fails to perform such duty for any reason, the chairperson shall be assumed by a Director designated by the Chairman. If no such designee is | Article 21 The Board of Director shall be chaired by the Chairman of the Board. If the Chairman is absent or fails to perform the duty with justified reasons, the chairperson may be assumed by the Vice-Chairman of the Board. If the Vice-Chairman is absent or fails to perform such duty for any reason, the chairperson shall be assumed by a Director designated by the Chairman. If no such designee is | In accordance with the deletion of the original Article 10 and Article 11, this article was amended to Article 21. |

| Provision After Proposed Amendments | Current Provision | Explanation |
|--|---|------------------|
| appointed, the chairperson shall be | appointed, the chairperson shall be | |
| elected from remaining Directors. | elected from remaining Directors. | |
| Article 21 | Article 22 | In accordance |
| The Directors have a three-year | The Directors have a three-year | with the |
| tenure of office and are eligible for | tenure of office and are eligible for | deletion of the |
| reelection. In the event where the | reelection. In the event where the | original |
| period of tenure is reached and the | period of tenure is reached and the | Article 10 and |
| election has not taken place, the | election has not taken place, the | Article 11, this |
| duties and tenure of the Directors | duties and tenure of the Directors | article was |
| shall be extended to such time that | shall be extended to such time that | amended to |
| the election has taken place, | the election has taken place, | Article 21. |
| however the competent authority | however the competent authority | |
| may, ex officio, order that the | may, ex officio, order that the | |
| Company complete the reelection | Company complete the reelection | |
| within the specified time limit. If | within the specified time limit. If | |
| reelection is not held within the | reelection is not held within the | |
| specified time limit, the Directors | specified time limit, the Directors | |
| shall be discharged automatically ex | shall be discharged automatically ex | |
| officio upon expiry of the specified | officio upon expiry of the specified | |
| time limit. Where one third or more | time limit. Where one third or more | |
| of the seats of the Directors are | of the seats of the Directors are | |
| vacant, a special (extraordinary) | vacant, a special (extraordinary) | |
| meeting of shareholders shall be | meeting of shareholders shall be | |
| duly held by the Board of Directors | duly held by the Board of Directors | |
| within sixty days to elect | within sixty days to elect | |
| supplemental Directors. | supplemental Directors. | |
| Article 22 | Article 23 | 1.In |
| The Board of Directors is organized | Directors hold the following | accordance |
| by <u>directors</u> and hold the following | responsibilities and powers: (I) | with the |
| responsibilities and powers: | review and accredit a variety of | deletion of the |
| (I) <u>Review the company's operating</u> | operating rules, (II) resolve business | original |
| plan. (II) Appoint and remove the | policies, (III) review budgets and | Article 10 and |
| manager of the Company. | final account closing, (IV) propose | Article 11, this |
| (III) <u>Review</u> budgets and final | the ratio for profit allocation or loss | article was |
| account closing. (IV) Propose the | coverage, (V) propose for | amended to |
| motion for the ratio of | increase/decrease of capital, (VI) | Article 22. |
| profit <u>allocation</u> or loss offsetting. | determination of major personnel | 2.It was |
| (V) <u>Propose</u> the motion for the | lineups, (VII) enforce the decisions | amended by |
| increase/decrease of capital. | resolved in the shareholders' | the provisions |
| (VI) Branch setting and dissolving. | meeting and (VIII) exercise other | of Article 193 |
| (VII) Enforce the decisions resolved | responsibilities and powers as | of the |
| in the shareholders' meeting. (VIII) | bestowed by law and the | Company Act |
| Exercise other responsibilities and | shareholders' meeting. | and |

| Provision After Proposed Amendments | Current Provision | Explanation |
|---|--|---|
| Powers conferred by the resolution in accordance with the provisions of the <u>Company Act</u> and the <u>shareholders' meeting</u> . | | Regulations Governing Procedure for Board of Directors Meetings of Public Companies. |
| Article23 The Company may purchase liability insurance for Directors and important officers to insure their business performance during the tenure of office. The Board of Directors is authorized with full power to implement this policy. Article 24 The Board of Directors Meeting shall be convened at least once per quarter, in case of urgent matters or a request for more than half of the directors, a temporary meeting may be held. The Board of Directors shall be convened by the chairman, <u>except as otherwise</u> <u>provided in the Company Act.</u> The notice of the Board of Directors shall be notified in writing, by fax or an electronic way. | Article 23-1 The Company may purchase liability insurance for Directors and important officers to insure their business performance during the tenure of office. The Board of Directors is authorized with full power to implement this policy. Article 24 Board of Directors Meeting shall be convened at least once per quarter. A temporary meeting may be called in the case of any emergency or upon request of a majority of the Directors. The Directors' meeting and temporary meeting, if any, shall be called by the Chairman of the Board pursuant to laws, provided that the first Directors meeting at each term shall be called by the Director winning the most votes pursuant to laws. The convening of the Board of Directors meetings shall be announced in writing, fax or email. | In accordance with the adjustment of the original Article 2-1, this article was amended to Article 23. It was amended by the provisions of Article 203-1 of the Company Act as appropriate. |
| Article 25 All business of the Company will be carried out by the Chairman after it is resolved by the Board of Directors. Except otherwise specified in the Company Act, the resolutions of the Board of Directors shall be passed by the majority of Directors present at the board meeting. In the event where a | Article 25 All business of the Company will be carried out by the Chairman after it is resolved by the Board of Directors. Except otherwise specified in the Company Act, the resolutions of the Board of Directors shall be passed by the majority of Directors present at the board meeting. In the event where a | It was amended by the provisions of Article 206 of the Company Act. |

| Provision After Proposed Amendments | Current Provision | Explanation |
|--|--|----------------------|
| Director is unable to attend a meeting, he/she may appoint another Director on his behalf by issuing a written proxy, stating therein the scope of authorization with reference to the subjects to be discussed at the meeting. However, each Director may accept the appointment to act as the proxy of only one other Director. The resolutions of a Board meeting shall be recorded in the minutes with the signature or seal of the Chairman of the meeting and kept in the Company. | Director is unable to attend a meeting, he/she may appoint another Director on his behalf by issuing a written proxy, stating therein the scope of authorization with reference to the subjects to be discussed at the meeting. However, each Director may accept the appointment to act as the proxy of only one other Director. The resolutions of a Board meeting shall be recorded in the minutes with the signature or seal of the Chairman of the meeting and kept in the Company. | |
| (No change) | Article 26 The Company may appoint one or more managerial personnel who shall manage all affairs of the Company in accordance with the Board resolutions. The managerial personnel and the employment, discharge and remuneration thereof shall be decided by a resolution to be adopted by a majority vote of the Directors at a meeting of the Board of Directors attended by at least a majority of the entire Directors of the Company. | |
| Article 27 The Company may retain a certain number of consultants as resolved by the Board of Directors. | Article 27 The Company may retain a certain number of consultants as resolved by the Board of Directors. | Discretionary tex |
| (No change) | Article 28 The Company's fiscal year starts from January 1 and runs until December 31 of every calendar year. The final account closing shall be conducted at end of every fiscal year. | |
| (No change) | Article 29 The Company takes the calendar | |

| Provision After Proposed Amendments | Current Provision | Explanation |
|--|---|-------------|
| | year as its fiscal year. Upon closing | |
| | of each fiscal year, the Board of | |
| | Directors shall produce the | |
| | following documents and proposals | |
| | to the shareholders' meeting in | |
| | accordance with the legal | |
| | procedures for adoption: (I) | |
| | Business report; (II) Financial | |
| | statements and (III) Proposals of | |
| | profit allocation or loss coverage. | |
| (No change) | Article 30 | |
| | Annual profits concluded by the | |
| | Company shall be subject to | |
| | employee remuneration of no lesser | |
| | than 2% and director remuneration | |
| | of no higher than 2%. However, | |
| | profits must first be taken to offset | |
| | against cumulative losses if any. | |
| | The annual profit mentioned in | |
| | Paragraph 1 shall refer to pre-tax | |
| | profit before employees' and directors' remuneration. | |
| | Employees' remuneration can be | |
| | paid to employees of affiliated | |
| | companies that satisfy certain | |
| | criteria. | |
| Article 31 | Article 31 | Text error |
| The Company operates in a rapidly | The Company operates in a rapidly | correction |
| changing environment and is | changing environment and is | |
| currently in the growing stage of its | currently in the growing stage of its | |
| life cycle. Distribution of earnings | life cycle. Distribution of earnings | |
| should depend on the Company's | should depend on the Company's | |
| future budgeted capital spending | future budgeted capital spending | |
| and capital requirements, and | and capital requirements, and | |
| weighed against the source of | weighed against the source of | |
| capital in order decide the amount of | capital in order decide the amount of | |
| earnings to be retained or distributed | earnings to be retained or distributed | |
| in cash to shareholders. | in cash to shareholders. | |
| Annual surpluses concluded by the | Annual surpluses concluded by the | |
| Company are first subject to | Company are first subject to | |
| taxation and reimbursement of | taxation and reimbursement of | |
| previous losses; any balances | previous losses; any balances | |
| remaining will then be subject to a | remaining will then be subject to a | |

| Provision After Proposed Amendments | Current Provision | Explanation |
|--|--|---|
| 10% provision for statutory reserves followed by a provision or reversal of special reserves. The residual balance plus undistributed earnings carried from the previous year will be available for distribution. 50% to 100% of distributable earnings shall be distributed as shareholders' dividends, with cash dividends amounting to no lesser than 30% of total dividends proposed for the year. Earnings appropriation plans shall be proposed by the board of directors and are subject to shareholdersing to no lesser than 30% of to. | 10% provision for statutory reserves followed by a provision or reversal of special reserves. The residual balance plus undistributed earnings carried from the previous year will be available for distribution. 50% to 100% of distributable earnings shall be distributed as shareholders' dividends, with cash dividends amounting to no lesser than 30% of total dividends proposed for the year. Earnings appropriation plans shall be proposed by the board of directors and are subject to shareholdersing to no lesser than 30% of to. | |
| Article 32 The organizational rules and operational rules shall be separately worked out by the Board of Directors. (No change) | Article 32 The organizational rules and operational rules shall be separately worked out by the Board of Directors. Article 33 Any matters inadequately provided for herein shall be subject to Company Act and other laws and regulations concerned. | Discretionary tex |
| Article 34 This charter was concluded on March 20, 1969 with the following <u>amendments</u> : The forty-second time amendment was on June 23, 2016. The forty-third time amendment was on June 23, 2017. <u>The forty- fourth time amendment</u> <u>was on XX XX, XXXX.</u> To implement after the resolution of the shareholders' meeting, and amending is the same. | Article 34 This charter was concluded on March 20, 1969 with the following <u>amendments</u> : The forty-second time amendment was on June 23, 2016. The forty-third time amendment was on June 23, 2017. To implement after the resolution of the shareholders' meeting, and amending is the same. | To modify the text and indicate the date of revision as appropriate. |

Ton Yi Industrial Corp. (Attachment 7) The Comparison Table of Amendments of Regulations Governing the Acquisition and Disposal of Assets

| Amended articles | Original articles | Description |
|-------------------------------------|-----------------------------------|---------------|
| Article 1 | Article 1 | To modify the |
| The acquisition or disposal of | The acquisition or disposal of | statement of |
| assets by Ton Yi Industrial Corp. | assets by Ton Yi Industrial Corp. | text as |
| (hereinafter referred to as the | (hereinafter referred to as the | appropriate. |
| "Company") shall be done in | "Company") shall be done in | |
| accordance with this operational | accordance with this operational | |
| procedures (hereinafter referred to | procedures (the "Procedures") in | |
| as the "Procedures") in addition to | addition to the "Regulations | |
| the "Regulations Governing the | Governing the Acquisition and | |
| Acquisition and Disposal of | Disposal of Assets by Public | |
| Assets by Public Companies" | Companies" promulgated by the | |
| promulgated by the Financial | Financial Supervisory | |
| Supervisory Commission of the | Commission of the Executive | |
| Executive Yuan (hereinafter | Yuan and any other laws and | |
| referred to as the "FSC") and any | regulations. | |
| other laws and regulations. | | |
| Article 2 | Article 2 | In accordance |
| The Procedure "Assets" as used in | The Procedure "Assets" as used in | with the |
| the Regulations includes the | the Regulations includes the | provisions of |
| following: | following: | the |
| 1. Investments in stocks, | 1. Investments in stocks, | International |
| government bonds, corporate | government bonds, corporate | Financial |
| bonds, financial bonds <u>,</u> | bonds, <u>financial bonds,</u> | Reporting |
| securities representing | domestic beneficiary | Standards No. |
| interest in a fund, depositary | certificates, offshore funds, | 16 Lease and |
| receipts, call (put) warrants, | depositary receipts, call (put) | the |
| beneficial interest securities, | warrants, beneficial interest | "Regulations |
| and asset-backed securities. | securities, and asset-backed | Governing the |
| 2. Real property (including land, | securities, such as long-term | Acquisition |
| houses and buildings, | and short-term investments. | and Disposal |
| investment property) and | 2. Real property (including land, | of Assets by |
| equipment. | houses and buildings, | Public |
| 3. Memberships. | investment property, land use | Companies" |

| Amended articles | Original articles | Description |
|-------------------------------------|--------------------------------------|---------------|
| 4. Patents, copyrights, trademarks, | rights) and equipment. | amended, the |
| franchise rights, and other | 3. Memberships. | range of the |
| intangible assets. | 4. Patents, copyrights, trademarks, | right to use |
| 5. Right-of-use asset. | franchise rights, and other | assets is |
| 6. Claims of financial institutions | intangible assets. | expanded, so |
| (including receivables, bills | 5. Claims of financial institutions | the Article |
| purchased and discounted, | (including receivables, bills | was amended |
| loans, and overdue | purchased and discounted, | as |
| receivables). | loans, and overdue | appropriate. |
| <u>7.</u> Derivatives. | receivables). | |
| 8. Assets acquired or disposed in | 6. Derivatives. | |
| connection with mergers, | 7. Assets acquired or disposed in | |
| demergers, acquisitions, or | connection with mergers, | |
| transfer of shares in | demergers, acquisitions, or | |
| accordance with law. | transfer of shares in | |
| <u>9.</u> Other major assets. | accordance with law. | |
| | 8. Other major assets. | |
| Article 3 | Article 3 | In accordance |
| Terms used in the Procedure are | Terms used in the Procedure are | with the |
| defined as follows: | defined as follows: | definition of |
| 1. Derivatives: Forward | 1. Derivatives: | Financial |
| contracts, options contracts, | Forward contracts, options | Instruments |
| futures contracts, leverage | contracts, futures contracts, | by No. 9 of |
| contracts, and swap contracts, | leverage contracts, swap | the |
| and compound <u>contracts</u> | contracts and hybrid contracts | International |
| combining the above | combining the above | Financial |
| products, or a combination | products whose value is | Reporting |
| contract or structured product | derived from assets, interest | Standards, |
| in which a derivative product | rates, foreign exchange rates, | defining the |
| is embedded whose value is | indexes or other interests. | scope of |
| derived from specific interest | The term "forward contracts" | derivative |
| rate, financial instrument | does not include insurance | products and |
| price, commodity price, | contracts, performance | the |
| interest rates, price or rate | contracts, after-sales service | "Regulations |
| index, credit rating, or credit | contracts, long-term leasing | Governing the |
| index, or other variables. The | contracts or long-term | Acquisition |
| term "forward contracts" does | purchase (sales) <u>agreements</u> . | and Disposal |

| | Amended articles | Original articles | Description |
|----|--------------------------------------|--------------------------------|------------------------|
| | not include insurance | | _ |
| | | 2. Assets acquired or disposed | of Assets by Public |
| | contracts, performance | through mergers, demergers, | |
| | contracts, after-sales service | acquisitions, or transfer of | Companies" |
| | contracts, long-term leasing | shares in accordance with | was amended, |
| | contracts, or long-term | law: | so the Article |
| | purchase (sales) agreements. | Refers to assets acquired or | was amended |
| 2. | Assets acquired or disposed | disposed through mergers, | as |
| | through mergers, demergers, | demergers, or acquisitions | appropriate. |
| | acquisitions, or transfer of | conducted under the Business | |
| | shares in accordance with | Mergers and Acquisitions | |
| | law: | Act, Financial Holding | |
| | Refers to assets acquired or | Company Act, Financial | |
| | disposed through mergers, | Institution Merger Act and | |
| | demergers, or acquisitions | other acts, or to transfer of | |
| | conducted under the Business | shares from another company | |
| | Mergers and Acquisitions | through issuance of new | |
| | Act, Financial Holding | shares of its own as the | |
| | Company Act, Financial | consideration therefor | |
| | Institution Merger Act and | (hereinafter referred to as | |
| | other acts, or to transfer of | "transfer of shares") under | |
| | shares from another company | paragraph 6 of Article 156 of | |
| | through issuance of new | the Company Act. | |
| | shares of its own as the | 3 (omission) | |
| | consideration therefor | 4 (omission) | |
| | (hereinafter referred to as | 5 (omission) | |
| | "transfer of shares") under | 6 (omission) | |
| | Article 156 <u>-3</u> of the Company | | |
| | Act. | | |
| 3 | (omission) | | |
| | (omission) | | |
| | (omission) | | |
| | (omission) | | |
| 7. | Investment professional: | | |
| | Refers to financial holding | | |
| | companies, banks, insurance | | |
| | companies, bill finance | | |
| | - | | |
| | companies, trust enterprises, | | |

| Amended articles | Original articles | Description |
|-----------------------------------|-------------------|-------------|
| securities firms operating | | |
| proprietary trading or | | |
| underwriting business, futures | | |
| commission merchants | | |
| operating proprietary trading | | |
| business, securities | | |
| investment trust enterprises, | | |
| securities investment | | |
| consulting enterprises, and | | |
| fund management companies, | | |
| that are lawfully incorporated | | |
| and are regulated by the | | |
| competent financial | | |
| authorities of the jurisdiction | | |
| where they are located. | | |
| 8. Securities exchange: "Domestic | | |
| securities exchange" refers to | | |
| the Taiwan Stock Exchange | | |
| Corporation; "foreign | | |
| securities exchange" refers to | | |
| any organized securities | | |
| exchange market that is | | |
| regulated by the competent | | |
| securities authorities of the | | |
| jurisdiction where it is | | |
| located. | | |
| 9. Over-the-counter venue ("OTC | | |
| venue", "OTC"): "Domestic | | |
| OTC venue" refers to a venue | | |
| for OTC trading provided by | | |
| <u>a securities firm in</u> | | |
| accordance with the | | |
| Regulations Governing | | |
| Securities Trading on the | | |
| Taipei Exchange; "foreign | | |
| OTC venue" refers to a venue | | |
| at a financial institution that | | |

| Amended articles | Original articles | Description |
|----------------------------------|---------------------------------|----------------|
| is regulated by the foreign | | |
| competent authority and that | | |
| is permitted to conduct | | |
| securities business. | | |
| Article 4 | Article 4 | In accordance |
| Appraisal procedures: | Appraisal procedures: | with the |
| 1. Where the Company acquires | 1. Where the Company acquires | definition of |
| or disposes of any securities | or disposes of any securities | International |
| investment or engages in any | investment or engages in any | Financial |
| transaction of derivatives, the | transaction of derivatives, | Reporting |
| Planning Department or the | the finance department shall | Standard No. |
| Finance Department shall | perform an analysis of | 16 Lease and |
| perform an analysis of | relevant return and evaluate | the |
| relevant return and evaluate | possible risks. For any | "Regulations |
| potential risks. For any | acquisition or disposal of real | Governing the |
| acquisition or disposal of real | property or equipment, each | Acquisition |
| property, equipment or its | division shall draft capital | and Disposal |
| right-of-use assets, each | expenditure plan in advance | of Assets by |
| division shall draft capital | and perform feasibility | Public |
| expenditure plan in advance | evaluation about the purpose | Companies" |
| and perform feasibility | and expected return of the | was amended, |
| evaluation about the purpose | acquisition or disposal. | so the Article |
| and expected return of the | Where the Company | was amended |
| acquisition or disposal. | envisages transacting with a | as |
| Where the Company | related party, an evaluation of | appropriate. |
| envisages transacting with a | the reasonableness of the | |
| related party, an evaluation of | transactional terms and | |
| the reasonableness of the | conditions shall be performed | |
| transactional terms and | in accordance with Chapter | |
| conditions shall be performed | two of the Procedures. | |
| in accordance with Chapter | 2. Where the Company | |
| two. | envisages acquiring or | |
| 2. Where the Company envisages | disposing of securities, prior | |
| acquiring or disposing of | to the date of occurrence of | |
| securities, prior to the date of | the event, the Company shall | |
| occurrence of the event, the | obtain financial statements of | |
| Company shall obtain | the issuing company for the | |

| Amended articles | Original articles | Description |
|---------------------------------|----------------------------------|-------------|
| financial statements of the | most recent period, certified | |
| issuing company for the most | or reviewed by a certified | |
| recent period, certified or | public accountant (the | |
| reviewed by a certified public | "CPA"), for reference in | |
| accountant (hereinafter | appraising the transaction | |
| referred to as CPA), for | price, and if the amount of | |
| reference in appraising the | the transaction reaches | |
| transaction price, and if the | twenty percent (20%) of the | |
| amount of the transaction | Company's paid-in capital or | |
| reaches twenty percent (20%) | NTD three hundred million | |
| of the Company's paid-in | (NTD 300,000,000) or more, | |
| capital or NTD three hundred | the Company shall | |
| million (NTD 300,000,000) | additionally engage a CPA | |
| or more, the Company shall | prior to the date of | |
| additionally engage a CPA | occurrence of the event to | |
| prior to the date of occurrence | provide an opinion regarding | |
| of the event to provide an | the reasonableness of the | |
| opinion regarding the | transaction price. If the CPA | |
| reasonableness of the | needs to use the report of an | |
| transaction price. If the CPA | expert as evidence, the CPA | |
| needs to use the report of an | shall do so in accordance | |
| expert as evidence, the CPA | with the provisions of No. 20 | |
| shall do so in accordance with | of Statement of Auditing | |
| the provisions of No. 20 of | Standards published by the | |
| Statement of Auditing | ROC Accounting Research | |
| Standards published by the | and Development Foundation | |
| ROC Accounting Research | (ARDF). This requirement | |
| and Development Foundation | does not apply, however, to | |
| (hereinafter referred to as | publicly quoted prices of | |
| ARDF). This requirement | securities that have an active | |
| does not apply, however, to | market, or where otherwise | |
| publicly quoted prices of | provided by regulations of the | |
| securities that have an active | FSC. This requirement does | |
| market, or where otherwise | not apply, however, to publicly | |
| provided by regulations of the | quoted prices of securities that | |
| FSC. This requirement does | have an active market, or | |
| not apply, however, to | where otherwise provided by | |

| Amended articles | Original articles | Description |
|--------------------------------------|--------------------------------------|-------------|
| publicly quoted prices of | regulations of the Financial | |
| securities that have an active | Supervisory Commission | |
| market, or where otherwise | (hereinafter referred to as | |
| provided by regulations of the | FSC). | |
| Financial Supervisory | 3. In acquiring or disposing of real | |
| Commission (hereinafter | property or other equipment | |
| referred to as FSC). | where the transaction amount | |
| 3. In acquiring or disposing of real | reaches twenty percent (20%) | |
| property, equipment or its | of the Company's paid-in | |
| right-of-use assets where the | capital or NTD three hundred | |
| transaction amount reaches | million (NTD 300,000,000) | |
| twenty percent (20%) of the | or more, the Company, unless | |
| Company's paid-in capital or | transacting with a | |
| NTD three hundred million | government agency, engaging | |
| (NTD 300,000,000) or more, | others to build on its own | |
| the Company, unless | land, engaging others to build | |
| transacting with a domestic | on rented land, or acquiring | |
| government agency, engaging | or disposing of equipment for | |
| others to build on its own | business use, shall obtain an | |
| land, engaging others to build | appraisal report prior to the | |
| on rented land, acquiring or | date of occurrence of the | |
| disposing of equipment for | event from a professional | |
| business use or its | appraiser and shall further | |
| right-of-use assets, shall | comply with the following | |
| obtain an appraisal report | provisions: | |
| prior to the date of occurrence | (1) Where due to special | |
| of the event from a | circumstances it is | |
| professional appraiser and | necessary to give a | |
| shall further comply with the | limited price, specified | |
| following provisions: | price or special price as a | |
| (1) Where due to special | reference basis for the | |
| circumstances it is | transaction price, the | |
| necessary to give a | transaction shall be | |
| limited price, specified | submitted for approval in | |
| price, or special price as | advance by the Board of | |
| a reference basis for the | Directors, and the same | |
| transaction price, the | procedure shall apply to | |

| Amended articles | Original articles | Description |
|-------------------------------|--------------------------------|-------------|
| transaction shall be | any future changes to the | |
| submitted for approval in | terms and conditions of | |
| advance by the Board of | the transactions. | |
| Directors; the same | (2) (omission) | |
| procedure shall also be | (3) (omission) | |
| followed whenever there | (4) (omission) | |
| is any subsequent change | 4. Where the Company acquires | |
| to the terms and | or disposes of memberships | |
| conditions of the | or intangible assets and the | |
| transaction. | transaction price reaches | |
| | twenty percent (20%) or more | |
| (2) (omission) | of the paid-in capital of the | |
| (3) (omission) | Company or reaches NTD | |
| (4) (omission) | three hundred million (NTD | |
| 4. Where the Company acquires | 300,000,000) or more, unless | |
| or disposes of | transacting with a | |
| memberships, intangible | government agency, the | |
| assets or its right-of-use | Company shall engage a CPA | |
| assets and the transaction | prior to the date of | |
| price reaches twenty percent | occurrence of the event to | |
| (20%) or more of the paid-in | render an opinion on the | |
| capital of the Company or | reasonableness of the | |
| reaches NTD three hundred | transaction price; the CPA | |
| million (NTD 300,000,000) | shall comply with the | |
| or more, unless transacting | provisions of No. 20 of | |
| with a domestic government | Statement of Auditing | |
| agency, the Company shall | Standards by the Accounting | |
| engage a CPA prior to the | Research and Development | |
| date of occurrence of the | Foundation. | |
| event to render an opinion on | 5. The calculation of the | |
| the reasonableness of the | transaction prices referred to | |
| transaction price; the CPA | in the preceding three | |
| shall comply with the | subparagraphs shall be done | |
| provisions of No. 20 of | in accordance with Article 6, | |
| Statement of Auditing | and "within the preceding | |
| Standards by the Accounting | year" as used herein refers to | |
| Research and Development | the year preceding the date of | |

| Amended articles | Original articles | Description |
|--------------------------------|------------------------------|-------------|
| Foundation. | occurrence of the current | |
| 5. The calculation of the | transaction. Items for which | |
| transaction prices referred to | an appraisal report from a | |
| in the preceding three | professional appraiser or a | |
| subparagraphs shall be done | CPA's opinion has been | |
| in accordance with Article 6, | obtained in accordance with | |
| subparagraph 2 and "within | the Procedures need not be | |
| the preceding year" as used | counted toward the | |
| herein refers to the year | transaction price. | |
| preceding the date of | 6 (omission) | |
| occurrence of the current | 7 (omission) | |
| transaction. Items for which | (1) For the acquisition or | |
| an appraisal report from a | disposal of securities that | |
| professional appraiser or a | are already traded on any | |
| CPA's opinion has been | centralized trading | |
| obtained in accordance with | market or | |
| the Procedures need not be | over-the-counter trading | |
| counted toward the | center, the price shall be | |
| transaction price. | determined based on the | |
| 6 (omission) | price of the stock or bond | |
| 7 (omission) | at the time of trading. | |
| (1) For the acquisition or | (2) (omission) | |
| disposal of securities that | (3) For the acquisition or | |
| are already traded on any | disposal of membership, | |
| centralized trading | the price shall be | |
| market or | determined in | |
| over-the-counter trading | consideration of the | |
| center, the price shall be | return that may be | |
| determined based on the | generated and in | |
| price of the stock or bond | reference to the latest | |
| at the time of trading as | closing price at the time. | |
| appreciate. | For the acquisition or | |
| (2) (omission) | disposal of intangible | |
| (3) For the acquisition or | assets such as patent | |
| disposal of membership, | right, copyright, | |
| the price shall be | trademark right and | |
| determined in | license right, the price | |

| Amended articles | | Original articles | Description |
|-----------------------------|----|--------------------------------|-------------|
| consideration of the | | shall be determined in | |
| return that may be | | reference to international | |
| generated and in | | or market practice, | |
| reference to the latest | | remaining life and the | |
| closing price at the time. | | impact on the Company's | |
| For the acquisition or | | technology and business. | |
| disposal of intangible | | (4) For the acquisition or | |
| assets such as patent | | disposal of real property | |
| right, copyright, | | or equipment, the price | |
| trademark right and | | shall be determined in | |
| license right or its | | reference to the current | |
| right-of-use assets, the | | value under public | |
| price shall be determined | | announcement, appraised | |
| in reference to | | current value, actual | |
| international or market | | closing price or book | |
| practice, remaining life | | value of real property in | |
| and the impact on the | | the vicinity and | |
| Company's technology | | suppliers' price | |
| and business. | | proposals. Where the | |
| (4) For the acquisition or | | Company transacts with | |
| disposal of real property, | | a related party, | |
| equipment or its | | calculation shall first be | |
| right-of-use assets, the | | made in accordance with | |
| price shall be determined | | Chapter two of the | |
| in reference to the current | | Procedures hereof in | |
| value under public | | order to evaluate whether | |
| announcement, appraised | | the transaction price is | |
| current value, actual | | reasonable. | |
| closing price or book | | (5) (omission) | |
| value of real property in | | (6) (omission) | |
| the vicinity and suppliers' | 8. | When the Company performs | |
| price proposals. Where | | a merger, spin-off, | |
| the Company transacts | | acquisition, or transfer of | |
| with a related party, | | shares, prior to convening the | |
| calculation shall first be | | board of directors to pass a | |
| made in accordance with | | resolution, a CPA, an | |
| Chapter two hereof in | | attorney, or a securities | |

| | Amended articles | Original articles | Description |
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| | order to evaluate whether | underwriter shall be engaged | |
| | the transaction price is | to provide opinions on the | |
| | reasonable. | reasonableness of the share | |
| | (5) (omission) | swap proportion, acquisition | |
| | (6) (omission) | price, or cash or other | |
| 8. | When the Company performs | property distributed to | |
| | a merger, spin-off, | shareholders and such | |
| | acquisition, or transfer of | opinion s shall be submitted | |
| | shares, prior to convening the | to the Board of Directors for | |
| | board of directors to pass a | discussion and approval. | |
| | resolution, a CPA, an | | |
| | attorney, or a securities | | |
| | underwriter shall be engaged | | |
| | to provide opinions on the | | |
| | reasonableness of the share | | |
| | swap proportion, acquisition | | |
| | price, or cash or other | | |
| | property distributed to | | |
| | shareholders and such | | |
| | opinion s shall be submitted | | |
| | to the Board of Directors for | | |
| | discussion and | | |
| | approval. However, the | | |
| | requirement of obtaining an | | |
| | aforesaid opinion on | | |
| | reasonableness issued by an | | |
| | expert may be exempted in | | |
| | the case of a merger by a | | |
| | public company of a | | |
| | subsidiary in which it directly | | |
| | or indirectly holds 100 | | |
| | percent of the issued shares or | | |
| | authorized capital, and in the | | |
| | case of a merger between | | |
| | subsidiaries in which the | | |
| | public company directly or | | |
| | indirectly holds 100 percent | | |

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| of the respective subsidiaries' | | |
| issued shares or authorized | | |
| <u>capital.</u> | | |
| Article 5 | Article 5 | In accordance |
| Processing Procedure: | Processing Procedure: | with the |
| 1. The Company shall proceed | 1. The Company shall proceed | definition of |
| with the acquisition or | with the acquisition or | International |
| disposal of assets specified in | disposal of assets specified in | Financial |
| Article 2 of the Procedures in | Article 2 of the Procedures in | Reporting |
| accordance with the | accordance with the | Standard No. |
| following rules: | following rules: | 16 Lease, the |
| (1) Securities: | (1) Securities: | amended |
| (i) For the acquisition or | (i) For any purchase and | "Regulations |
| disposal of securities | sale of securities that | Governing the |
| that are not traded on | are not traded on the | Acquisition |
| the centralized trading | centralized trading | and Disposal |
| market or | market or | of Assets by |
| over-the-counter | over-the-counter | Public |
| trading center with the | trading center with the | Companies" |
| sale or purchase price | sale or purchase price | and the |
| of NTD <u>ten million</u> (NTD | of NTD <u>ten million (</u> NTD | company |
| 10,000,000) or lower, | 10,000,000) or lower, | practice, so |
| the chairman shall be | the chairman, the | the Article |
| authorized to make | director <u>authorized</u> by | was amended |
| decisions. For any price | the chairman or | as |
| exceeding NTD <u>ten</u> | the general manager | appropriate. |
| <u>million</u> (NTD | <u>shall be authorized</u> to | |
| 10,000,000) (inclusive), | make decisions. For any | |
| the chairman shall | price exceeding | |
| submit the proposal to | NTD <u>ten million</u> (NTD | |
| the Board of Directors | 10,000,000) (inclusive), | |
| for a discussion or a | the chairman, the | |
| ratification. The | director authorized by_ | |
| relevant procedure | the chairman or the | |
| shall be carried out by | <u>general manager</u> shall | |
| the <u>Planning</u> | submit the proposal to | |
| | the Board of Directors | |

| Amended articles | Original articles | Description |
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| Department. | for discussion or | |
| (ii) For the acquisition or | ratification. The | |
| disposal of securities | relevant procedure | |
| that are traded through | shall be carried out by | |
| a stock exchange or | the <u>finance</u> | |
| over-the-counter | <u>department</u> . | |
| market, the <u>chairman</u> | (ii) For any purchase and | |
| shall decide to authorize | sale of securities that | |
| the Planning | are traded through a | |
| Department to carry out | stock exchange or | |
| the transaction through | over-the-counter | |
| a stock exchange or | market, the <u>chairman</u> | |
| over-the-counter market | shall authorize | |
| based on the market | the <u>finance</u> | |
| value of the securities at | department to carry out | |
| that time and submit | the transaction through | |
| the proposal to the | a stock exchange or | |
| Board of Directors for a | over-the-counter market | |
| ratification. | based on the market | |
| (2) Real property, equipment | value of the securities | |
| or its right-of-use | at that time. | |
| assets: The acquisition | (2) Real property or | |
| or disposal of real | equipment: The | |
| property or equipment | acquisition or disposal of | |
| for an amount more | real property or | |
| than NT\$300 million | equipment for an amount | |
| must be presented to the | more than NT\$300 | |
| Board of Directors for a | million must be | |
| discussion or a | presented to the Board of | |
| ratification. The land | Directors for discussion | |
| shall be investigated | and acknowledgement. | |
| and evaluated by the | The land shall be | |
| Planning Department in | investigated and | |
| accordance with the | evaluated by the | |
| market conditions, and | Planning Division | |
| the acquisition shall be | according to the market | |

| Amended articles | Original articles | Description |
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| handled by each unit in | situation and then | |
| accordance with the | presented to the | |
| method of Rules | Chairman or the Director | |
| Governing the Capital | or President authorized | |
| Expenditure Budget, | by the Chairman for | |
| shall be <u>approved</u> by | approval, while the other | |
| the directors at all | assets acquired shall be | |
| levels according to the | presented by the | |
| checking authority, and | responsible department | |
| then <u>handled</u> through | to the Chairman or the | |
| the procurement | Director or President | |
| procedures; for the | authorized by the_ | |
| disposal of the assets, | Chairman for review and | |
| the using department is | approval in accordance | |
| to fill out the | with the Rules | |
| Transaction Notice or | Governing the Capital | |
| Project Form for the | Expenditure Budget. The | |
| disposal of the assets | use of the assets should | |
| shall be approved | have a requisition form | |
| according to the | enclosed for the approval | |
| checking authority in | of the supervisors at all | |
| advance. | levels in accordance with | |
| (3) Transaction with a related | the level of authorities | |
| party: | before having it handled | |
| It should be handled in | in accordance with the | |
| accordance with the | procurement process. For | |
| provisions of Chapter | the disposal of the assets, | |
| <u>two.</u> | the using department is | |
| (4) Derivatives : | to fill out the Transaction | |
| It should be handled in | Notice or Project Form | |
| accordance with the | for the disposal of the | |
| provisions of Chapter | assets to be approved in | |
| three. | accordance with the level | |
| (5) Merger, spin-off, | of authorities in advance. | |
| acquisition or transfer of | (3) Derivatives : | |
| shares: | Transactions of | |
| It should be handled in | derivatives shall be done | |

| Amended articles | Original articles | Description |
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| accordance with the | in accordance with | |
| provisions of Chapter | Chapter three of the | |
| four. Any merger, | Procedures. | |
| spin-off or acquisition | (4) Transaction with a related | |
| shall be subject to prior | <u>party:</u> | |
| approval by resolution of | Such transaction shall be | |
| shareholders meeting. | preceded pursuant to | |
| However, if other laws | Chapter two of the | |
| provide that no | Procedures. | |
| shareholder resolution is | (5) Merger, spin-off, | |
| necessary, it may be | acquisition or transfer of | |
| waived. Any transfer of | shares: <u>Relevant</u> | |
| shares shall be subject to | procedures shall be | |
| prior approval by the | carried out and relevant | |
| Board of Directors. | information shall be | |
| (6) (omission) | prepared in accordance | |
| 2. The execution department of | with Chapter four of the | |
| the Company for acquiring or | Procedures. Any merger, | |
| disposing of securities and | spin-off or acquisition | |
| transactions regarding | shall be subject to prior | |
| derivatives is the <u>Planning</u> | approval by resolution of | |
| Department and the person | shareholders meeting. | |
| approved by the chairman; | However, if other laws | |
| the execution department for | provide that no | |
| real property and other assets | shareholder resolution is | |
| is the departments using such | necessary, it may be | |
| real property or assets and | waived. Any transfer of | |
| other relevant departments | shares shall be subject to | |
| with authorization; the | prior approval by the | |
| execution department for | Board of Directors. Any | |
| merger, spin-off, acquisition, | transfer of shares shall be | |
| or transfer of shares shall be | subject to prior approval | |
| the departments assigned by | by the Board of | |
| the chairman. After the | Directors. | |
| acquisition or disposal of an | (6) (omission) | |
| asset is evaluated and | 2. The execution department of | |
| approved in accordance with | the Company for acquiring or | |

| Amended articles | Original articles | Description |
|----------------------------------|--------------------------------|-------------|
| relevant rules, the execution | disposing of securities and | |
| department shall proceed with | transactions regarding | |
| the transaction procedures, | derivatives is the Department | |
| including making contracts, | of Finance and Accounting | |
| collecting and paying, deliver | and staffs assigned by the | |
| and inspection and | chairman, the director | |
| acceptance, and handle the | authorized by the chairman or | |
| same based on the nature of | the general manager. The | |
| the asset in accordance with | execution department for real | |
| procedures regarding internal | property and other assets is | |
| control related matters. | the departments using such | |
| Furthermore, transactions | real property or assets and | |
| involving a related party, | other relevant departments | |
| engaging in transactions of | with authorization. The | |
| derivatives and merger, | execution department for | |
| spin-off, acquisition or | merger, spin-off, acquisition, | |
| transfer of shares shall also be | or transfer of shares shall be | |
| proceeded with in accordance | the departments assigned by | |
| with Chapter two to Chapter | the chairman, the director | |
| four of the Procedures. | authorized by the chairman or | |
| | the general manager. After | |
| | the acquisition or disposal of | |
| | an asset is evaluated and | |
| | approved in accordance with | |
| | relevant rules, the execution | |
| | department shall proceed | |
| | with the transaction | |
| | procedures, including making | |
| | contracts, collecting and | |
| | paying, deliver and inspection | |
| | and acceptance, and handle | |
| | the same based on the nature | |
| | of the asset in accordance | |
| | with procedures regarding | |
| | internal control related | |
| | matters. Furthermore, | |
| | transactions involving a | |
| | 71 | |

| Amended articles | Original articles | Description |
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| | related party, engaging in | |
| | transactions of derivatives | |
| | and merger, spin-off, | |
| | acquisition or transfer of | |
| | shares shall also be proceeded | |
| | with in accordance with | |
| | Chapter two to Chapter four | |
| | of the Procedures. | |
| Article 6 | Article 6 | In accordance |
| Procedures of Public | Procedures of Public | with the |
| Announcement and | Announcement and | definition of |
| Reporting: | Reporting: | International |
| 1. Under any of the following | 1. Under any of the following | Financial |
| circumstances, the Company | circumstances, the Company | Reporting |
| acquiring or disposing of | acquiring or disposing of | Standard No. |
| assets shall publicly announce | assets shall publicly | 16 Lease and |
| and report the relevant | announce and report the | the |
| information on the FSC's | relevant information on the | "Regulations |
| designated website in the | FSC's designated website in | Governing the |
| appropriate format by | the appropriate format and | Acquisition |
| regulations within two (2) | with contents by regulations | and Disposal |
| days commencing | within two (2) days | of Assets by |
| immediately from the date of | commencing immediately | Public |
| occurrence of the event: | from the date of occurrence | Companies" |
| (1) For the acquisition or | of the event: | was amended, |
| disposal of real property | (1) For the acquisition or | so the Article |
| or its <u>right-of-use assets</u> | disposal of real property | was amended |
| with the related party, or, | with the related party, or, | as |
| for the acquisition or | for the acquisition or | appropriate. |
| disposal of assets other | disposal of assets other | |
| than the real property | than the real property | |
| or its right-of-use assets | with the related party for | |
| with the related party for | an amount over 20% of | |
| an amount over 20% of | the paid-in capital of the | |
| the paid-in capital of the | Company, 10% of the | |
| Company, 10% of the | total assets, or NT\$300 | |
| total assets, or NT\$300 | million. Except for the | |

| Amended articles | Original articles | Description |
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| million. Except for the | purchase and sale of the | |
| purchase and sale of the | bonds, | |
| domestic bonds, | repurchase/reverse | |
| repurchase/reverse | repurchase bonds, and | |
| repurchase bonds, and | requisition or repurchase | |
| requisition or repurchase | of the money market | |
| of the money market | fund issued by the | |
| fund issued by the | domestic securities | |
| domestic securities | investment and trust | |
| investment and trust | industry. | |
| industry. | (2) (omission) | |
| (2) (omission) | (3) Engage in transactions of | |
| (3) Engage in transactions of | derivatives where the | |
| derivatives where the | loss thereof reaches the | |
| loss thereof reaches the | limits on aggregate loss | |
| limits on aggregate loss | of all or individual | |
| of all or individual | contracts as specified in | |
| contracts as specified in | the Procedures. | |
| the Procedures. | (4) The acquisition or | |
| (4) The acquisition or | disposal of asset whose | |
| disposal of assets that | type is equipment used | |
| refer to equipment used | for business operation, | |
| for business operation or | traded with a non-related | |
| its right-of-use assets, | party for an amount more | |
| traded with a non-related | than NT\$1 billion. | |
| party for an amount more | (5) For the acquisition of real | |
| than NT\$1 billion. | property by the | |
| (5) For the acquisition of real | proprietary land | |
| property by the | construction, leased land | |
| proprietary land | construction, joint | |
| construction, leased land | construction - unit | |
| construction, joint | sharing program, joint | |
| construction - unit | construction – ratio | |
| sharing program, joint | sharing program, and | |
| construction – ratio | joint construction – sales | |
| sharing program, and | sharing program, the | |
| joint construction – <u>sales</u> | Company is expected to | |

| Amended articles | Original articles | Description |
|--------------------------------|-------------------------------|-------------|
| sharing program and the | invest for an amount over | |
| transaction object is not a | NT\$500 million. | |
| related party. The | (6) For asset trades, or | |
| Company is expected to | investment in Mainland | |
| invest for an amount | China, other than the | |
| over NT\$500 million. | practices stated in the | |
| (6) For asset trades, or | five preceding | |
| investment in Mainland | paragraphs, for an | |
| China, other than the | amount over 20% of the | |
| practices stated in the | paid-in capital or | |
| five preceding | NT\$300 million. | |
| paragraphs, for an | However, the following | |
| amount over 20% of the | matters are not subject to | |
| paid-in capital or | such requirements: | |
| NT\$300 million. | a. Trading of government | |
| However, the following | bonds. | |
| matters are not subject to | b (omission) | |
| such requirements: | 2. The amount of transactions | |
| a. Trading of <u>domestic</u> | above shall be calculated as | |
| government bonds. | follows: | |
| b. (omission) | (1) (omission) | |
| 2. The amount of transactions | (2) (omission) | |
| above shall be calculated as | (3) The cumulative | |
| follows: | transaction amount of | |
| (1) (omission) | real property acquisitions | |
| (2) (omission) | and disposals | |
| (3) The cumulative | (cumulative acquisitions | |
| transaction amount of | and disposals, | |
| real property or | respectively) within the | |
| its <u>right-of-use assets</u> | same development | |
| acquisitions and | project within the | |
| disposals (cumulative | preceding year. | |
| acquisitions and | (4) The cumulative | |
| disposals, respectively) | transaction amount of | |
| within the same | acquisitions and | |
| development project | disposals (cumulative | |
| within the preceding | acquisitions and | |

| Amended articles | Original articles | Description |
|-----------------------------------|-----------------------------------|-------------|
| year. | disposals, respectively) | |
| (4) The cumulative | of the same security | |
| transaction amount of | within the preceding | |
| acquisitions and | year. | |
| disposals (cumulative | The aforesaid "within the | |
| acquisitions and | preceding year" refers to the | |
| disposals, respectively) | year preceding the date of | |
| of the same security | occurrence of the current | |
| within the preceding | transaction. Items duly | |
| year. | announced in accordance | |
| The aforesaid "within the | with these Regulations need | |
| preceding year" refers to the | not be counted toward the | |
| year preceding the date of | transaction amount. | |
| occurrence of the current | 3. (omission) | |
| transaction. Items duly | 4. The mandatory disclosures with | |
| announced in accordance | any error or omission found | |
| with the Procedures need not | at the time of announcement | |
| be counted toward the | should be reported and | |
| transaction amount. | announced again within 2 | |
| 3. (omission) | days from the event date. | |
| 4. The mandatory disclosures with | 5. Where any of the following | |
| any error or omission found | circumstances occurs with | |
| at the time of announcement | respect to a transaction that | |
| should be announced | the Company has already | |
| and reported again within 2 | publicly announced and | |
| days from the event date. | reported in accordance with | |
| 5. After the transaction of | paragraph 1 of this Article, a | |
| announcement in accordance | public report of relevant | |
| with the provisions of this | information shall be made on | |
| Article, in any of the | the information reporting | |
| following circumstances, a | website designated by the | |
| public report of relevant | FSC within two (2) days | |
| information shall be made on | commencing immediately | |
| the information reporting | from the date of occurrence | |
| website designated by the | of the event: | |
| FSC within two days | (1) Change, termination, or | |
| commencing immediately | rescission of a contract | |

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| from the date of occurrence | signed in regard to the | |
| of the event: | original transaction. | |
| (1) Change, termination, or | (2) The merger, spin-off, | |
| rescission of a contract | acquisition, or transfer of | |
| signed in regard to the | shares is not completed | |
| original transaction. | by the scheduled date set | |
| (2) The merger, spin-off, | forth in the contract. | |
| acquisition, or transfer of | (3) Change to the originally | |
| shares is not completed | publicly announced and | |
| by the scheduled date set | reported information. | |
| forth in the contract. | | |
| (3) Change to the originally | | |
| publicly announced and | | |
| reported information. | | |
| Article 7 | Article 7 | In accordance |
| Investment Scope and Limit: | Investment Scope and Limit: | with the |
| 1. The total amount of real | 1. The total amount of assets | definition of |
| property or its right-of-use | acquired by the Company for | International |
| assets acquired by the | non-operational use shall not | Financial |
| Company for non-operational | exceed fifty percent (50%) | Reporting |
| use shall not exceed fifty | of shareholder's equity. The | Standard No. |
| percent (50%) of | total amount of securities | 16 Lease and |
| shareholder's equity. The | acquired shall not exceed | the |
| total amount of securities | one hundred and fifty | "Regulations |
| acquired shall not exceed one | percent (150%) of | Governing the |
| hundred and fifty percent | shareholder's equity. | Acquisition |
| (150%) of shareholder's | Acquisition of any individual | and Disposal |
| equity. Acquisition of any | security shall not exceed | of Assets by |
| individual security shall not | thirty percent (30%) of | Public |
| exceed thirty percent (30%) | shareholder's equity. This | Companies" |
| of shareholder's equity. This | provision shall not be | was amended, |
| provision shall not be | applicable if there is | so the Article |
| applicable if there is approval | approval by resolution of | was amended |
| by resolution of shareholders | shareholders meeting. | as |
| meeting. | 2. The total amount of real | appropriate. |
| 2. The total amount of acquisition | property <u>purchased</u> for | |
| of real property or its | non-operational use by any | |

| Amended articles | Original articles | Description |
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| right-of-use assets for | subsidiary shall not exceed | |
| non-operational use by any | fifty percent (50%) of its | |
| subsidiary shall not exceed | capital amount or | |
| fifty percent (50%) of its | shareholder's equity | |
| capital amount or | (whichever is higher), the | |
| shareholder's equity | total amount of securities | |
| (whichever is higher), the | purchased shall not exceed | |
| total amount of <u>acquisition</u> of | one hundred and fifty | |
| securities shall not exceed | percent (150%) of its capital | |
| one hundred and fifty percent | amount or shareholder's | |
| (150%) of its capital amount | equity (whichever is higher), | |
| or shareholder's equity | the amount of investment in | |
| (whichever is higher), the | any individual security shall | |
| amount of investment in any | not exceed fifty percent | |
| individual security shall not | (50%) of its capital or | |
| exceed fifty percent (50%) of | shareholder's equity | |
| its capital or shareholder's | (whichever is higher), but | |
| equity (whichever is higher), | the provision shall not be | |
| but the provision shall not be | applicable if there is | |
| applicable if there is approval | approval by the board of | |
| by the Board of Directors of | directors of such company | |
| such company and ratification | and ratification by the board | |
| by the Board of Directors of | of directors of the Company. | |
| the Company. | | |
| Article 8 | Article 8 | The Article |
| Control Procedures for the | Control Procedures for the | was amended |
| Acquisition and Disposal of | Acquisition and Disposal of | with the |
| Assets by Subsidiaries: | Assets by Subsidiaries: | "Regulations |
| 1. Subsidiaries of the Company | 1. Subsidiaries of the Company | Governing the |
| shall establish the | shall establish the | Acquisition |
| "Processing Procedure for | "Processing Procedure for | and Disposal |
| Acquisition and Disposal of | Acquisition and Disposal of | of Assets by |
| Assets" in accordance with | Assets" in accordance with | Public |
| the "Regulations Governing | the "Regulations Governing | Companies" |
| the Acquisition and Disposal | the Acquisition and Disposal | as |
| of Assets by Public | of Assets by Public | appropriate. |
| Companies" promulgated by | Companies" promulgated by | |

| Amended articles | Original articles | Description |
|--------------------------------|--------------------------------|-------------|
| the Financial Supervisory | the Financial Supervisory | |
| Commission and the | Commission and the | |
| Procedures. Following | Procedures. Following | |
| approval by the board of | approval by the board of | |
| directors, such procedures | directors, such procedures | |
| shall be submitted to each | shall be submitted to each | |
| supervisor and submitted to | supervisor and submitted to | |
| the shareholders meeting for | the shareholders meeting for | |
| approval. The same shall be | approval. The same shall be | |
| applicable to any amendment | applicable to any amendment | |
| thereof. Article 26 should be | thereof. Article 27 should be | |
| applied if the Company has | applied if the Company has | |
| instituted an Audit | instituted an Audit | |
| Committee. | Committee. | |
| 2. If any subsidiary of the | 2. Subsidiaries of the Company | |
| Company in not a publicly | shall submit monthly report | |
| listed company and if the | to the Company, prior to the | |
| assets acquired or disposed of | second (2nd) date of each | |
| reaches the threshold for | month, on the status of all | |
| public announcement filing, | transactions involving | |
| the Company shall be notified | derivative products up to the | |
| on the date of occurrence and | previous month. | |
| the Company shall make | 3. If any subsidiary of the | |
| filing for public | Company in not a publicly | |
| announcement on the | listed company and if the | |
| designated website in | assets acquired or disposed | |
| accordance with the rules. | of reaches the threshold for | |
| The public announcement and | public announcement filing, | |
| reporting standard is based on | the Company shall be | |
| the Company's paid-in capital | notified on the date of | |
| or total assets. | occurrence of the fact and | |
| | the Company shall make | |
| | filing for public | |
| | announcement on the | |
| | designated website in | |
| | accordance with the rules. | |
| | The paid-in capital or total | |

| Amended articles | Original articles | Description |
|--------------------------------------|-------------------------------------|---------------|
| | assets of the public company | |
| | shall be the standard for | |
| | determining whether or not a | |
| | subsidiary requiring a public | |
| | announcement and | |
| | regulatory filing in the event | |
| | the type of transaction | |
| | specified therein | |
| | reaches <u>twenty percent</u> | |
| | (20%) of paid-in capital | |
| | or ten percent (10%) of the | |
| | total assets. | |
| Article 9 | Article 9 | To modify the |
| Penalty: | Penalty: | statement of |
| If the related personnel of the | If the manager or personnel of the | text as |
| Company responsible for | Company responsible for | appropriate. |
| acquisition or disposal of assets | acquisition or disposal of assets | |
| violates the "Regulations | violates the "Regulations | |
| Governing the Acquisition and | Governing the Acquisition and | |
| Disposal of Assets by Public | Disposal of Assets by Public | |
| Companies" promulgated by the | Companies" promulgated by the | |
| FSA or the Procedures, an oral | FSA or the Procedures, an oral | |
| warning shall be rendered for first | warning shall be rendered for first | |
| violation, following by written | violation, following by written | |
| warning for continual violation. | warning for continual violation. | |
| Persons who violate the aforesaid | Persons who violate the aforesaid | |
| repeatedly or materially shall be | repeatedly or materially shall be | |
| transferred from the original | transferred from the original | |
| position. | position. | |
| Article 11 | Article 11 | In accordance |
| Resolution Procedures: | Resolution Procedures: | with the |
| When the Company intends to | When the Company intends to | definition of |
| acquire or dispose of real property | acquire or dispose of real property | International |
| or its right-of-use assets to a | from or to a related party, or when | Financial |
| related party, or when it intends to | it intends to acquire or dispose of | Reporting |
| acquire or dispose of assets other | assets other than real property | Standard No. |
| than real property or its | from or to a related party and the | 16 Lease and |

| Amended articles | Original articles | Description |
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| right-of-use assets from or to a | transaction amount reaches twenty | the |
| related party and the transaction | percent (20%) or more of paid-in | "Regulations |
| amount reaches twenty percent | capital, ten percent (10%) or more | Governing the |
| (20%) or more of paid-in capital, | of the company's total assets, or | Acquisition |
| ten percent (10%) or more of the | NTD three hundred million (NTD | and Disposal |
| company's total assets, or NTD | 300,000,000) or more, Except for | of Assets by |
| three hundred million (NTD | the purchase and sale of the | Public |
| 300,000,000) or more. Except for | bonds, repurchase/reverse | Companies" |
| the purchase and sale of the | repurchase bonds, and requisition | was amended, |
| bonds, repurchase/reverse | or repurchase of money market | so the Article |
| repurchase bonds, and requisition | funds issued by the domestic | was amended |
| or repurchase of money market | security investment and trust | as |
| funds issued by the domestic | industry, the unit responsible for | appropriate. |
| security investment and trust | implementation may not proceed | |
| industry, the unit responsible for | to enter into a transaction contract | |
| implementation may not proceed | or make a payment until the | |
| to enter into a transaction contract | following matters have been | |
| or make a payment until the | submitted to the Audit Committee | |
| following matters have been | and obtain the consent of the | |
| submitted to the Audit Committee | Audit Committee and proposed to | |
| and obtain the consent of more | the board of directors for a | |
| than one-half of all members and | resolution: | |
| proposed to the Board of | 1 (omission) | |
| Directors for a resolution: | 2 (omission) | |
| 1 (omission) | 3. With respect to the acquisition | |
| 2 (omission) | of real property from a | |
| 3. With respect to the acquisition | related party, information | |
| of real property or | regarding appraisal of the | |
| its <u>right-of-use assets</u> from a | reasonableness of the | |
| related party, information | preliminary transaction | |
| regarding appraisal of the | terms in accordance with | |
| reasonableness of the | Article 12 and Article 13. | |
| preliminary transaction terms | 4 (omission) | |
| in accordance with Article 12 | 5 (omission) | |
| and Article 13. | 6 (omission) | |
| 4 (omission) | 7 (omission) | |
| 5 (omission) | The calculation of the transaction | |

| Amended articles | Original articles | Description |
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| 6 (omission) | amounts referred to in the | |
| 7 (omission) | preceding paragraph shall be | |
| The calculation of the transaction | made in accordance with Article 6 | |
| amounts referred to in the | herein, and "within the preceding | |
| preceding paragraph shall be | year" as used herein refers to the | |
| made in accordance with Article 6 | year preceding the date of | |
| herein, and "within the preceding | occurrence of the current | |
| year" as used herein refers to the | transaction. Items that have been | |
| year preceding the date of | approved by the board of directors | |
| occurrence of the current | and recognized by the audit | |
| transaction. Items that have been | committee in accordance with the | |
| adopted by the board of directors | Procedures need not be counted | |
| and recognized by the audit | toward the transaction amount. | |
| committee in accordance with the | With respect to the acquisition or | |
| Procedures need not be counted | disposal of business-use | |
| toward the transaction amount. | equipment between the Company | |
| The Company engages in the | and its parent or subsidiaries, the | |
| following transactions with its | Company's board of directors may | |
| parent company, subsidiaries, or | delegate the board chairman to | |
| subsidiaries that directly or | decide such matters when the | |
| indirectly hold 100% of the issued | transaction is within a <u>certain</u> | |
| shares or total capital, the Board | amount and have the decisions | |
| of Directors shall authorize the | subsequently submitted to and | |
| chairman to make a decision | ratified by the next board of | |
| within NT\$1 billion and then | directors meeting. | |
| report to the Board of Directors | | |
| for the most recent period: | | |
| (1) For the acquisition or | | |
| disposal of equipment | | |
| for business use or its | | |
| right-of-use assets | | |
| (2) For the acquisition or | | |
| disposal of real property | | |
| for business use or its | | |
| right-of-use assets | | |

| Amended articles | Original articles | Description |
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| Article 12 | Article 12 | In accordance |
| Assessment on Reasonableness of | Assessment on Reasonableness of | with the |
| Transaction Conditions: | Transaction Conditions: | definition of |
| When the Company acquires real | When the Company acquires real | International |
| property or its right-of-use assets | property from a related party, the | Financial |
| from a related party, the | reasonableness of the transaction | Reporting |
| reasonableness of the transaction | costs shall be evaluated by the | Standard No. |
| costs shall be evaluated by the | following means and an | 16 Lease and |
| following means: | accountant shall be engaged to | the |
| 1 (omission) | verify the result and provide | "Regulations |
| 2 (omission) | substantial opinion, unless the | Governing the |
| Where land and structures | related party acquired the real | Acquisition |
| thereupon are combined as a | property through inheritance or as | and Disposal |
| single property purchased or | a gift, or more than five (5) years | of Assets by |
| leased in one transaction, the | will have elapsed from the time | Public |
| transaction costs for the land and | the related party signed the | Companies" |
| the structures may be separately | contract to obtain the real property | was amended, |
| appraised in accordance with | to the signing date for the current | so the Article |
| either of the means listed in | transaction, or the real property is | was amended |
| the preceding paragraph. | acquired through signing of a joint | as |
| When the Company acquires real | development contract with the | appropriate. |
| property or its right-of-use assets | related party, or through engaging | |
| thereof from a related party and | a related party to build real | |
| appraises the cost of the real | property, either on the company's | |
| property or right-of-use assets | own land or on rented land. | |
| thereof in accordance with the | 1 (omission) | |
| preceding two paragraphs shall | 2 (omission) | |
| also engage a CPA to check the | 3. Where land and structures | |
| appraisal and render a specific | thereupon are combined as a | |
| opinion. | single property purchased in | |
| Where the Company acquires real | one transaction, the | |
| property or its right-of-use assets | transaction costs for the land | |
| thereof from a related party and | and the structures may be | |
| one of the following | separately appraised in | |
| circumstances exists, the | accordance with either of the | |
| acquisition shall be conducted in | means provided | |
| accordance with the preceding | under <u>subparagraph 1 or</u> | |

| Amended articles | Original articles | Description |
|-----------------------------------|-----------------------------------|---------------|
| article, and the preceding three | <u>2</u> above respectively. | |
| paragraphs do not apply: | | |
| 1. The related party acquired the | | |
| real property or its | | |
| right-of-use assets thereof | | |
| through inheritance or as a | | |
| <u>gift.</u> | | |
| 2. More than 5 years will have | | |
| elapsed from the time the | | |
| related party signed the | | |
| contract to obtain the real | | |
| property or its right-of-use | | |
| assets thereof to the signing | | |
| date for the current | | |
| transaction. | | |
| 3. The real property is acquired | | |
| through signing of a joint | | |
| development contract with | | |
| the related party, or through | | |
| engaging a related party to | | |
| build real property, either on | | |
| the company's own land or on | | |
| rented land. | | |
| 4. The real property right-of-use | | |
| assets for business use are | | |
| acquired by the Company | | |
| with its parent or subsidiaries, | | |
| or by its subsidiaries in which | | |
| it directly or indirectly holds | | |
| 100 percent of the issued | | |
| shares or authorized capital. | | |
| Article 13 | Article 13 | In accordance |
| Matters to be processed where the | Matters to be processed where the | with the |
| Calculated Transaction Cost is | Calculated Transaction Cost is | definition of |
| lower than the Transaction Price: | lower than the Transaction Price: | International |
| 1. If the transaction cost | 1. If the transaction cost | Financial |
| calculated from the results of | calculated from the results of | Reporting |

| Amended articles | Original articles | Description |
|-------------------------------|---------------------------------|----------------|
| an evaluation in accordance | an evaluation in accordance | Standard No. |
| with paragraph 1 and | with the previous article is | 16 Lease and |
| paragraph 2 of the previous | lower than the transaction | the |
| articles is lower than the | price, <u>unless</u> any of the | "Regulations |
| transaction price, shall be | following circumstances | Governing the |
| applicable in accordance with | exist and objective evidence | Acquisition |
| the provisions of the third | has been submitted and | and Disposal |
| subparagraph, unless any of | specific opinions on | of Assets by |
| the following circumstances | reasonableness have been | Public |
| exist and objective evidence | obtained from a professional | Companies" |
| has been submitted and | real property appraiser and | was amended, |
| specific opinions on | accountant, Article 4 shall be | so the Article |
| reasonableness have been | applicable. | was amended |
| obtained from a professional | (1) Where the related party | as |
| real property appraiser and | acquired undeveloped | appropriate. |
| accountant. | land or leased land for | |
| (1) Where the related party | development, it may | |
| acquired undeveloped | submit proof of | |
| land or leased land for | compliance with one of | |
| development, it may | the following | |
| submit proof of | conditions: | |
| compliance with one of | 1 (omission) | |
| the following | 2. <u>Completed</u> | |
| conditions: | transactions by | |
| 1 (omission) | unrelated parties | |
| 2. Concluded a | within the preceding | |
| transaction by | year involving other | |
| unrelated parties | floors of the same | |
| within the preceding | property or | |
| year involving other | neighboring or | |
| floors of the same | closely valued | |
| property or | parcels of land, | |
| neighboring or | where the land area | |
| closely valued | and transaction terms | |
| parcels of land, | are similar after | |
| where the land area | calculation of | |
| and transaction terms | reasonable price | |

| Amended articles | Original articles | Description |
|--------------------------------|-------------------------------|-------------|
| are similar after | discrepancies in floor | |
| calculation of | or area land prices in | |
| reasonable price | accordance with | |
| discrepancies in | standard property | |
| floor or area land | market practices. | |
| prices in accordance | 3. Completed leasing | |
| with standard | transactions by | |
| property or rental | unrelated parties for | |
| market practices. | other floors of the | |
| (2) The Company acquiring | same property from | |
| real property or <u>rent</u> | within the preceding | |
| acquisition right-of-use | year, where the | |
| assets of real property | transaction terms are | |
| from a related party | similar after | |
| provides evidence that | calculation of | |
| the terms of the | reasonable price | |
| transaction are similar | discrepancies among | |
| to the terms of | floors in accordance | |
| transactions completed | with standard | |
| for the acquisition of | property leasing | |
| neighboring or closely | market practices. | |
| valued parcels of land | (2) The company acquiring | |
| of a similar size by | real property from a | |
| unrelated parties within | related party provides | |
| the preceding year. | evidence that the terms | |
| 2. Concluded a transaction for | of the transaction are | |
| neighboring or closely valued | similar to the terms of | |
| parcels of land in the | transactions completed | |
| preceding paragraph in | for the acquisition of | |
| principle refers to parcels on | neighboring or closely | |
| the same or an adjacent block | valued parcels of land of | |
| and within a distance of no | a similar size by | |
| more than five hundred (500) | unrelated parties within | |
| meters or parcels close in | the preceding year. | |
| publicly announced current | 2. Completed transactions for | |
| value; transaction for | neighboring or closely | |
| similarly sized parcels in | valued parcels of land in the | |

| Amended articles | Original articles | Description |
|---------------------------------|---------------------------------|-------------|
| principle refers to conclude a | preceding paragraph in | |
| transaction by unrelated | principle refers to parcels on | |
| parties for parcels with a land | the same or an adjacent | |
| area of no less than fifty | block and within a distance | |
| percent (50%) of the property | of no more than five hundred | |
| in the planned transaction; | (500) meters or parcels close | |
| within the preceding year | in publicly announced | |
| refers to the year preceding | current value; transaction for | |
| the date of occurrence of the | similarly sized parcels in | |
| acquisition of the real | principle refers to | |
| property or its right-of-use | transactions completed by | |
| assets. | unrelated parties for parcels | |
| 3. Where the Company acquires | with a land area of no less | |
| real property or its | than fifty percent (50%) of | |
| right-of-use assets from a | the property in the planned | |
| related party and the results | transaction; within the | |
| of appraisals conducted in | preceding year refers to the | |
| accordance with | year preceding the date of | |
| aforementioned 2 | occurrence of the acquisition | |
| subparagraphs are uniformly | of the real property. | |
| lower than the transaction | 3. Where the Company acquires | |
| price, the following steps | real property from a related | |
| shall be processed: | party and the results of | |
| (1) A special reserve shall be | appraisals conducted in | |
| set aside in accordance | accordance with | |
| with Article 41, | aforementioned Article are | |
| paragraph 1 of the | uniformly lower than the | |
| Securities and Exchange | transaction price, and if there | |
| Act against the | is no circumstance provided | |
| difference between the | under paragraph 1 of this | |
| real property or its | Article, the following steps | |
| right-of-use assets | shall be processed: | |
| transaction price and the | (1) A special reserve shall be | |
| appraised cost, and may | set aside in accordance | |
| not be distributed or used | with Article 41, | |
| for capital increase or | paragraph 1 of the | |
| issuance of bonus shares. | Securities and Exchange | |

| Amended articles | Original articles | Description |
|---------------------------------|----------------------------|-------------|
| (2) (omission) | Act against the | |
| (3) The processing situation | difference between the | |
| of the <u>previous</u> | real property transaction | |
| <u>2</u> subparagraphs shall be | price and the appraised | |
| reported to the | cost, and may not be | |
| shareholders meeting, | distributed or used for | |
| and the details of the | capital increase or | |
| transaction shall be | issuance of bonus | |
| disclosed in the annual | shares. The Company | |
| report and any | has set aside a special | |
| investment prospectus. | reserve may not utilize | |
| 4. The Company has set aside a | the special reserve until | |
| special reserve under the | it has recognized a loss | |
| provision of the third | on decline in market | |
| paragraph may not utilize | value of the assets it | |
| the special reserve until it | purchased at a premium, | |
| has recognized a loss on | or they have been | |
| decline in market value of | disposed of, or adequate | |
| the assets it purchased or | compensation has been | |
| leased at a premium, or they | made, or the status quo | |
| have been disposed of, or | ante has been restored, | |
| the leasing contract has been | or there is other | |
| terminated, or adequate | evidence confirming | |
| compensation has been | that there was nothing | |
| made, or the status quo ante | unreasonable about the | |
| has been restored, or there is | transaction, and the FSC | |
| other evidence confirming | has given its consent. | |
| that there was nothing | (2) (omission) | |
| unreasonable about the | (3) Actions taken pursuant | |
| transaction, and the FSC has | to subparagraph 1 and | |
| given its consent. | subparagraph 2 shall be | |
| 5. When the Company acquires | reported to the | |
| real property or its | shareholders meeting, | |
| right-of-use assets thereof | and the details of the | |
| from a related party, it shall | transaction shall be | |
| also comply with the | disclosed in the annual | |
| preceding two paragraphs if | report and any | |

| Amended articles | Original articles | Description |
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| there is other evidence | investment prospectus. | |
| indicating that the acquisition | | |
| was not an arm's length | | |
| transaction. | | |
| Article 14 | Article 14 | According to |
| Transaction Principles and | Transaction Principles and | the Company |
| Guidelines : | Guidelines : | practice, the |
| 1 (omission) | 1 (omission) | Article was |
| 2. Operational or Hedging | 2. Operational or Hedging | amended as |
| Strategies: Transactions in | Strategies: Transactions in | appropriate. |
| derivative products carried | derivative products carried | |
| out by the Company are | out by the Company are | |
| divided into transactions for | divided into transactions for | |
| trading purpose and | hedging purpose and | |
| transactions that are not for | transactions that are not for | |
| trading purpose. In the | hedging purpose (i.e., for | |
| transactions not for trading | transaction purpose). The | |
| purpose, the strategy shall be | strategy shall be to focus on | |
| to focus on the main purpose | the main purpose of hedging. | |
| of hedging. The main | The main selection of | |
| selection of transaction | transaction products shall be | |
| products shall be for avoiding | for avoiding the risk of | |
| the risk of foreign exchange | foreign exchange income, | |
| income, expense, asset or | expense, asset or | |
| indebtedness incurred from | indebtedness incurred from | |
| the operation of the | the operation of the | |
| Company's business. In | Company's business. In | |
| case of any change of | case of any change of | |
| objective | objective environment, | |
| environment, "trading | "non-hedging transactions" | |
| transactions" in derivative | in derivative products may | |
| products may be engaged at | be engaged at appropriate | |
| appropriate timing in the | timing in the market in order | |
| market in order to increase | to increase additional | |
| additional non-operational | non-operational income or | |
| income or reduce | reduce non-operational loss. | |
| non-operational loss. Further, | Further, to the extent | |

| | | Amended articles | | Original articles | Description |
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| | to th | e extent possible, the | | possible, the selected | |
| | selee | cted transaction | | transaction counterparties | |
| | cour | nterparties shall be | | shall be financial institutions | |
| | fina | ncial institutions that have | | that have business dealings | |
| | busi | ness dealings with the | | with the Company in order | |
| | Con | npany in order | | to avoid credit risk. The | |
| | to <u>de</u> | <u>ecrease</u> credit risk. | | type of transaction shall be | |
| 3. | Tran | saction Amount Limits: | | clearly defined as hedging | |
| | (1) <u>1</u> | <u>Non-Trading</u> | | transaction or financial | |
| | | Transactions: The | | operation in pursuit of | |
| | | maximum hedging limit | | investment return prior to the | |
| | | shall be the net | | transaction as the basis for | |
| | | positions of foreign | | accounting. | |
| | | exchange (including net | 3. | Transaction Amount Limits: | |
| | | positions expected to | | (1) <u>Hedging Transactions</u> : | |
| | | incur in the future) after | | The maximum hedging | |
| | | individual assets and | | limit shall be the net | |
| | | debt. | | positions of foreign | |
| | (2) | Trading Transactions: | | exchange (including net | |
| | | Limit on unsettled | | positions expected to | |
| | | transactions shall not | | incur in the future) after | |
| | | exceed USD 2 million. | | consolidation of assets | |
| | | The personnel | | and debt. | |
| | | executing the trade shall | | (2) <u>Non-Hedging</u> | |
| | | first submit an analysis | | Transactions: Limit on | |
| | | report on foreign | | unsettled transactions | |
| | | exchange trends, its | | shall not exceed | |
| | | details must clearly | | USD one hundred | |
| | | analyze the trends in the | | million (USD | |
| | | foreign exchange | | 100,000,000). The | |
| | | market and recommend | | personnel executing the | |
| | | operating mode, and | | trade shall first submit | |
| | | may proceed only upon | | an analysis report on | |
| | | getting the approval | | foreign exchange trends, | |
| | | from the chairman. | | its details must clearly | |
| 4. (| Globa | l and Individual Contract | | analyze the trends in the | |
| | Loss | s Limit Amount | | foreign exchange market | |

| Amended articles | Original articles | Description |
|-----------------------------------|-----------------------------------|-------------|
| (1) <u>Non-Trading</u> | and recommend | |
| Transactions: After a | operating mode, and | |
| position is established, | may proceed only upon | |
| in case of any of the | getting the approval | |
| following, | from the chairman, the | |
| recommendations of | director authorized by | |
| corresponding measures | the chairman or general | |
| shall be proposed | manager. | |
| immediately to the | 4. Global and Individual Contract | |
| chairman for a decision: | Loss Limit Amount | |
| 1 (omission) | (1) <u>Hedging Transactions</u> : | |
| 2. Evaluated loss | After a position is | |
| amount for all | established, in case of | |
| contracts exceed ten | any of the following, | |
| percent of the total | recommendations of | |
| transaction contract | corresponding measures | |
| amount for | shall be proposed | |
| consecutive two | immediately to president | |
| months. | or the supervisor | |
| (2) <u>Trading Transaction</u> s: | authorized by the | |
| After a position is | chairman or the director | |
| established, in case of | authorized by the | |
| any of the following, | chairman or general | |
| recommendations of | manager for decision: | |
| corresponding measures | 1 (omission) | |
| shall be proposed | 2. Evaluated loss | |
| immediately to the | amount for all | |
| chairman for a decision: | contracts exceed ten | |
| 1 (omission) | percent of the total | |
| 2 (omission) | transaction contract | |
| 5. Authorization Amount: | amount for consecutive | |
| (1) <u>Non-Trading</u> | two months. | |
| Transactions: Based on | (2) <u>Non-Hedging</u> | |
| the changes of company | Transactions: After a | |
| revenue and risk | position is established, | |
| position, and the trading | in case of any of the | |
| personnel shall be | following, | |

| Amended articles | Original articles | Description |
|--------------------------------|----------------------------------|-------------|
| approved by the general | recommendations of | |
| manager and shall be | corresponding measures | |
| traded within USD 30 | shall be proposed | |
| million of the | immediately to the | |
| accumulated trading | chairman, the director | |
| position not exceeding | authorized by the | |
| the existing hedge part | chairman or general | |
| or the accumulated | manager for decision: | |
| trading position. The | 1 (omission) | |
| relevant transaction | 2 (omission) | |
| must be carried out | 5. Authorization Amount: | |
| after approval by the | (1) <u>Hedging Transactions:</u> | |
| chairman if the above | Based on the changes of | |
| amount is exceeded. | company revenue and | |
| (2) Trading Transactions: To | risk position, <u>the</u> | |
| reduce risks, all | chairman or the director | |
| transactions must be | authorized by the | |
| approved by the | chairman or general | |
| chairman before | manager designated | |
| proceeding. | person may carry out | |
| 6. Division of powers and | trading of USD five | |
| responsibilities: | million (USD | |
| (1) <u>Finance Department:</u> | 5,000,000) (inclusive) | |
| <u>a.</u> An | and below for any single | |
| executive <u>department</u> of | trade, whereas for any | |
| a derivative commodity | single trade exceeds | |
| transaction of the | USD five million (USD | |
| Company, it is | 5,000,000), the approval | |
| responsible for the | from the chairman, the | |
| formulation of the | director authorized by | |
| trading strategy within | the chairman or general | |
| the scope of | manager must first be | |
| authorization, the | obtained before | |
| execution of the trade | proceeding. | |
| command, the | (2) <u>Non-Hedging</u> | |
| disclosure of future | Transactions: To reduce | |
| transaction risks, and | risks, all transactions | |

| Amended articles | Original articles | Description |
|----------------------------|---------------------------------|-------------|
| providing information | must be approved by the | |
| to the relevant | chairman, the director | |
| departments for | authorized by the | |
| reference promptly. The | chairman or general | |
| confirmation of the | manager before | |
| transaction and the | proceeding. | |
| settlement of the | (3) <u>In order to</u> | |
| transaction are the | accommodate the | |
| responsibility of other | management control of | |
| non-trading transaction | the bank, the authorized | |
| executives of the | person must inform the | |
| Finance Department. | bank regarding the | |
| b. Responsible for the | company authorization. | |
| confirmation of the | 6. Division of powers and | |
| transaction, reserve the | responsibilities: | |
| transaction records, | (1) <u>Trader:</u> An executive | |
| regularly initiating the | officer of a derivative | |
| assessment of the fair | commodity transaction | |
| value of the position | of the Company who | |
| held and the settlement | is appointed by the | |
| of the derivatives. | Chairman, or the | |
| (2) Accounting Department: | director or general | |
| Responsible for making | manager authorized by | |
| vouchers based on | the Chairman. They are | |
| various documents, | responsible for the | |
| completing relevant | formulation of the | |
| accounting statements | trading strategy within | |
| according to accounting | the scope of | |
| cycle and disclosing | authorization, the | |
| relevant information in | execution of the trade | |
| financial reports. | command, the disclosure | |
| (3) Audit Office: | of future transaction | |
| 1. Regularly to | risks, and providing | |
| supervise whether the | information to the | |
| assessment meets the | relevant departments for | |
| already set business | reference promptly. | |
| strategy and whether | (2) <u>Finance Department</u> : | |

| Amended articles | Original articles | Description |
|----------------------------------|-------------------------------|-------------|
| the risks assumed are | Responsible for the | |
| within the company's | confirmation of the | |
| tolerance. | transaction, reserve the | |
| 2. Regularly to assess | transaction records, | |
| whether the currently | regularly initiating the | |
| used risk management | assessment of the fair | |
| procedures are | value of the position | |
| appropriate and conduct | held and the settlement | |
| in accordance with the | of the derivatives. | |
| company's "Policies | (3) Accounting Department: | |
| and Procedures for | Responsible for having | |
| Financial Derivatives | bookkeeping processed | |
| Transactions". | and relevant information | |
| 7. Principles for Performance | disclosed in accordance | |
| Evaluation: | with the " <u>Regulations</u> | |
| (1) Non-Trading | Governing the | |
| Transactions: | Preparation of Financial | |
| Performance evaluation | Reports by Securities | |
| shall be based on the | <u>Firms</u> ". | |
| foreign exchange | 7. Principles for Performance | |
| (interest) rate cost on | Evaluation: | |
| the Company's books | (1) <u>Hedging</u> | |
| and the profit and loss | Transactions: Performan | |
| incurred from | ce evaluation shall be | |
| derivative financial | based on the foreign | |
| transactions. There shall | exchange (interest) rate | |
| be at least two | cost on the Company's | |
| evaluations every | books and the profit and | |
| month and the | loss incurred from | |
| performance shall be | derivative financial | |
| submitted to | transactions. There shall | |
| management for | be at least two | |
| reference. | evaluations every month | |
| (2) <u>Trading Transactions:</u> | and the performance | |
| Performance evaluation | shall be submitted to | |
| shall be based on the | management for | |
| profit and loss actually | reference. | |

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| incurred. There shall be | (2) <u>Non-Hedging</u> | |
| at least one evaluation | Transactions: | |
| every week and the | Performance evaluation | |
| performance shall be | shall be based on the | |
| submitted to | profit and loss actually | |
| management for | incurred. There shall be | |
| reference. | at least one evaluation | |
| | every week and the | |
| | performance shall be | |
| | submitted to | |
| | management for | |
| | reference. | |
| Article 15 | Article 15 | According to |
| Risk Management | Risk Management | the Company |
| Measures: | Measures: | practice, the |
| In engaging in transactions of | In engaging in transactions of | Article was |
| derivative products, the | derivative products, the | amended as |
| Company's risk management | Company's risk management | appropriate. |
| scope and the risk management | scope and the risk management | |
| measures to be taken are as | measures to be taken are as | |
| follows: | follows: | |
| 1 (omission) | 1 (omission) | |
| 2. The future market price | 2. Market Price Risk | |
| fluctuation of derivative | Consideration: The future | |
| products may incur uncertain | market price fluctuation of | |
| losses. Therefore after | derivative products may | |
| positions are established, the | incur uncertain losses. | |
| profit and loss shall continue | Therefore after positions are | |
| to be followed. When the loss | established, the profit and | |
| exceeds the preset loss stop | loss shall continue to be | |
| point, report shall be made | followed. When the loss | |
| immediately to the chairman | exceeds the preset loss stop | |
| for a decision. | point, report shall be made | |
| | immediately to the | |
| 3 (omission) | chairman, the director | |
| 4 (omission) | authorized by the chairman | |
| 5. Legal Risk Consideration: | or general manager for | |

| As far as possible, when signing any agreements with financial institutions, it shall be carefully reviewed by the organizer and assisted bydecision.3 (omission) 4 (omission)5. Legal Risk Consideration: As far as possible, use | |
|--|--|
| financial institutions, it shall be carefully reviewed by4 (omission)5.Legal Risk Consideration: | |
| be carefully reviewed by 5. Legal Risk Consideration: | |
| | |
| the <u>organizer and assisted by</u> As far as possible, <u>use</u> | |
| | |
| the legal department or the international standardized | |
| professional legal counsel to documents when signing any | |
| avoid legal risks. agreements with financial | |
| 6 (omission) institutions to avoid legal | |
| 7 (omission) <u>risks.</u> | |
| 8 (omission) 6 (omission) | |
| 9. Verification personnel shall 7 (omission) | |
| regularly verify accounts with 8 (omission) | |
| banks or through 9. Verification personnel shall | |
| confirmation letters and shall regularly verify accounts with | |
| verify whether the total banks or through | |
| amount of transaction has confirmation letters and shall | |
| exceeded the limit provided verify whether the total | |
| under this Procedure at all amount of transaction has | |
| times. exceeded the limit provided | |
| 10. Weighing Risk. In accordance under this Procedure at all | |
| to subparagraph 8 herein, the times. | |
| supervising personnel and 10. Weighing Risk. In accordance | |
| administering personnel shall to Paragraph 8 herein, the | |
| not belong to the same supervising personnel and | |
| department, and report to the administering personnel | |
| Board of Directors or a senior shall not belong to the same | |
| executive from a different department, and report to the | |
| department. board of directors or a senior | |
| 11. All positions shall beexecutive from a different | |
| evaluated at least once department. | |
| every week. In case of 11. All positions shall be | |
| hedging transactions evaluated at least once | |
| pursuant to business every week. In case of | |
| requirement, evaluation hedging transactions | |
| shall be performed at least pursuant to business | |
| twice every month. The requirement, evaluation | |

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| evaluation report shall be | shall be performed at least | |
| submitted to the general | twice every month. The | |
| manager. | evaluation report shall be | |
| | submitted to the chairman, | |
| | the director authorized by | |
| | the chairman or general | |
| | manager. | |
| | | |
| Article 16 | Article 16 | According to |
| Internal Audit System: | Internal Audit System: | the Company |
| The internal audit staff of the | The internal audit staff of the | practice, the |
| Company shall regularly | Company shall regularly | Article was |
| understand the appropriateness of | understand the appropriateness of | amended as |
| internal control for transactions of | internal control for transactions of | appropriate. |
| derivative products, perform | derivative products, perform | |
| monthly audit on the | monthly audit on the operating | |
| circumstances of trading | procedure of the transaction | |
| department engages in derivative | department with regard to | |
| commodity trading procedures | transactions of derivative | |
| and prepare audit reports. If any | products and prepare audit | |
| significant breach of this rule is | reports. If any significant breach | |
| discovered, an immediate report | of this rule is discovered, an | |
| shall be submitted to chairman, | immediate report shall be | |
| the director authorized by the | submitted to chairman, the | |
| chairman and the audit committee | director authorized by the | |
| shall be informed in writing. | chairman <u>or general manager</u> and | |
| | the audit committee shall be | |
| | informed in writing. | |
| Article 17 | Article 17 | According to |
| Regular Evaluation Method and | Regular Evaluation Method and | the Company |
| Handling of Abnormal Situations: | Handling of Abnormal Situations: | practice, the |
| 1. Transactions of derivative | 1. Transactions of derivative | Article was |
| products shall be regularly | products shall be regularly | amended as |
| evaluated on monthly or | evaluated on monthly or | appropriate. |
| weekly basis and profit and | weekly basis and profit and | |
| loss as well as open positions | loss as well as open positions | |
| of transactions during the | of <u>non-hedging</u> transactions | |

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|----|--------------------------------|----|-------------------------------|-------------|
| | current month or current | | during the current month or | |
| | week shall be listed and | | current week shall be listed | |
| | submitted to general manager | | and submitted to the | |
| | as reference for management | | Chairman or the director or | |
| | performance evaluation and | | President authorized by the | |
| | risk consideration. | | Chairman as reference for | |
| 2. | The senior | | management performance | |
| | executive authorized by the | | evaluation and risk | |
| | Board of Directors of the | | consideration. | |
| | Company shall pay attention | 2. | The senior executive | |
| | to the monitoring and control | | designated by the board of | |
| | of risk for transactions of | | directors shall pay attention | |
| | derivative products at all | | to the monitoring and control | |
| | times. The Board of Directors | | of risk for transactions of | |
| | shall evaluate whether the | | derivative products at all | |
| | performance of transactions | | times. The Board of | |
| | of derivative products | | Directors shall evaluate | |
| | complies with the fixed | | whether the performance of | |
| | operational strategies and | | transactions of derivative | |
| | whether the risk undertaken is | | products complies with the | |
| | within the Company's scope | | fixed operational strategies | |
| | of tolerance. | | and whether the risk | |
| 3. | The senior executive | | undertaken is within the | |
| | authorized by the Board of | | Company's scope of | |
| | Directors shall manage | | tolerance. | |
| | transactions of derivative | 3. | The senior executive | |
| | products based on the | | authorized by the Board of | |
| | following principles: | | Directors shall manage | |
| | (1) Regularly evaluate | | transactions of derivative | |
| | whether the risk | | products based on the | |
| | management measures | | following principles: | |
| | currently used are | | (1) Regularly evaluate | |
| | appropriate and ensure | | whether the risk | |
| | to handle under the | | management measures | |
| | "Rules Governing the | | currently used are | |
| | Acquisition and | | appropriate and ensure | |
| | Disposal of Asset" | | that the <u>relevant</u> | |

| Amended articles | Original articles | Description |
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| established by the | provisions under the | |
| Financial Supervisory | "Rules Governing the | |
| Commission and the | Acquisition and | |
| Procedures. | Disposal of Asset" | |
| (2) To supervise transaction | established by the | |
| and profit and loss | Financial Supervisory | |
| situations. Take | Commission and | |
| necessary | this <u>Procedure</u> are | |
| corresponding measures | complied with. | |
| if any anomaly is | (2) Monitor transaction | |
| discovered and report | and profit and loss | |
| immediately to the | situations. Take | |
| board of directors, and | necessary corresponding | |
| the Board of Directors | measures if any anomaly | |
| shall have <u>independent</u> | is discovered and report | |
| directors present and | immediately to the | |
| give their opinions. | board of directors. | |
| 4 (omission) | 4 (omission) | |
| Article 19 | Article 19 | To modify the |
| The Company that conducts a | The Company that conducts a | statement of |
| merger, spin-off or acquisition | merger, spin-off or acquisition | text as |
| shall prepare a public report to | shall prepare a public report to | appropriate. |
| shareholders detailing important | shareholders detailing important | |
| contractual content and matters | contractual content and matters | |
| relevant to the merger, spin-off, or | relevant to the merger, spin-off, or | |
| acquisition prior to the | acquisition prior to the | |
| shareholders meeting and include | shareholders meeting and include | |
| it along with the expert opinion | it along with the expert opinion | |
| referred to the preceding Article | referred to the preceding Article | |
| when sending shareholders | when sending shareholders | |
| notification of the shareholders | notification of the shareholders | |
| meeting for reference in deciding | meeting for reference in deciding | |
| whether to approve the merger, | whether to approve the merger, | |
| spin-off, or acquisition. | spin-off, or acquisition. | |
| Provided, where a provision of | Provided, where a provision of | |
| another law exempts a company | another law exempts a company | |
| from convening a shareholders | from convening a shareholders | |

| Amended articles | Original articles | Description |
|---|---------------------------------------|---------------|
| meeting to approve the merger, | meeting to approve the merger, | |
| spin-off or acquisition, this | spin-off or acquisition, this | |
| restriction shall not apply. | restriction shall not apply. Where | |
| Where the shareholders meeting | the shareholders meeting of any | |
| of any one of the companies | one of the companies participating | |
| participating in a merger, spin-off, | in a merger, spin-off, or | |
| or acquisition fails to convene or | acquisition fails to convene or | |
| pass a resolution due to <u>lack of a</u> | pass a resolution or the proposal is | |
| quorum, insufficient votes, or | rejected by the shareholders | |
| other legal restriction, or the | meeting, the companies | |
| proposal is rejected by the | participating in the merger, | |
| shareholders meeting, the | spin-off or acquisition shall | |
| companies participating in the | immediately publicly explain the | |
| merger, spin-off or acquisition | reason, the follow-up measures, | |
| shall immediately publicly explain | and the preliminary date of the | |
| the reason, the follow-up | next shareholders meeting. | |
| measures, and the preliminary | | |
| date of the next shareholders | | |
| meeting. | | |
| Article 20 | Article 20 | To modify the |
| Unless specified by other laws or_ | Unless another act provides | statement of |
| have special factors are notified | otherwise or the FSC is notified in | text as |
| of the FSC in advance, when the | advance, when the Company | appropriate. |
| Company participates in any | participates in any merger, split or | |
| merger, split or acquisition, it | acquisition, it shall convene the | |
| shall convene the board meeting | board meeting and the | |
| and the shareholders meeting on | shareholders meeting on the same | |
| the same day as the other | day as the other participating | |
| participating companies to resolve | companies to resolve on matters | |
| on matters of merger, split or | of merger, split or acquisition. | |
| acquisition. | When the Company participates in | |
| Unless specified by other laws or | any transfer of shares, it shall | |
| have special factors are notified of | convene the board meeting on the | |
| the FSC in advance, when the | same day as the other | |
| Company participates in transfer | participating companies. | |
| of shares, it shall convene the | When participating in a merger, | |
| board meeting on the same day. | spin-off, acquisition, or transfer of | |

| Amended articles | Original articles | Description |
|---------------------------------------|--------------------------------------|---------------|
| When participating in a merger, | another company's shares, a | |
| spin-off, acquisition, or transfer of | company that is listed on an | |
| another company's shares, a | exchange or has its shares traded | |
| company that is listed on an | on an OTC market shall prepare a | |
| exchange or has its shares traded | full written record of the | |
| on an OTC market shall prepare a | following information and retain it | |
| full written record of the | for five (5) years for reference: | |
| following information and retain it | 1 (omission) | |
| for five 5 years for reference: | 2 (omission) | |
| 1 (omission) | 3 (omission) | |
| 2 (omission) | (omission) | |
| 3 (omission) | Where any of the companies | |
| (omission) | participating in a merger, spin-off, | |
| Where any of the companies | acquisition, or transfer of another | |
| participating in a merger, spin-off, | company's shares is neither listed | |
| acquisition, or transfer of another | on an exchange nor has its shares | |
| company's shares is neither listed | traded on an OTC market, the | |
| on an exchange nor has its shares | company(s) so listed or traded | |
| traded on an OTC market, the | shall sign an agreement with such | |
| companies listed or traded shall | company whereby the latter is | |
| sign an agreement with such | required to abide by the | |
| company whereby the latter is | provisions of paragraphs 2 and 3. | |
| required to abide and conduct in | | |
| accordance with the preceding | | |
| <u>two paragraphs</u> . | | |
| Article 21 | Article 21 | To modify the |
| The proportion of the shares or the | Share exchange ratio and | statement of |
| purchase price of the | acquisition price: | text as |
| company participating in the | The share exchange ratio or | appropriate. |
| merger, division, acquisition or | acquisition price shall not be | |
| share transfer shall not be | amended at will pertaining to any | |
| arbitrarily changed except in the | merger, split, acquisition or share | |
| following cases, and <u>shall be</u> | transfer except for any of the | |
| changed in the merger, division, | following circumstances: | |
| acquisition or share transfer | 1 (omission) | |
| contract: | 2 (omission) | |
| 1 (omission) | 3 (omission) | |

| Amended articles | Original articles | Description |
|---|-------------------------------------|---------------|
| 2 (omission) | 4 (omission) | |
| 3 (omission) | 5 (omission) | |
| 4 (omission) | 6 (omission) | |
| 5 (omission) | | |
| 6 (omission) | | |
| Article 22 | Article 22 | To modify the |
| Where the Company participates | Matters which must be provided | statement of |
| in a merger, split, acquisition or | in the agreement: | text as |
| transfer of shares, the deal | Where the Company participates | appropriate. |
| agreement shall specify the rights | in a merger, split, acquisition or | |
| and obligations of the | transfer of shares, the deal | |
| participating companies merger, | agreement shall specify the rights | |
| split, acquisition or transfer of | and obligations of the | |
| shares, and shall state the | participating companies, the share | |
| following matters: | exchange ratio and the acquisition | |
| 1 (omission) | price which may be changed as | |
| 2 (omission) | stated in the previous article, and | |
| 3 (omission) | the following matters: | |
| 4 (omission) | 1 (omission) | |
| 5 (omission) | 2 (omission) | |
| 6 (omission) | 3 (omission) | |
| | 4 (omission) | |
| | 5 (omission) | |
| | 6 (omission) | |
| Article 23 | Article 23 | To modify the |
| Other noted matters for the | Other noted matters for the | statement of |
| Company's participating in a | Company's participating in a | text as |
| merger, split, acquisition or share | merger, split, acquisition or share | appropriate. |
| transfer: | transfer: | |
| 1. For <u>all</u> persons participating | 1. The requirement for all | |
| in or knowing the <u>Company</u> | persons participating in or | |
| merger, split, acquisition or | knowing the merger, split, | |
| share transfer to enter into a | acquisition or share transfer | |
| written non-disclosure | to enter into a written | |
| undertaking. Before | non-disclosure undertaking. | |
| announcement of the | Before announcement of the | |
| information, all persons | information, all persons | |

| Amended articles | Original articles | Description |
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| involved shall neither reveal | involved shall neither reveal | |
| the project nor engage in | the project nor engage in | |
| buying, selling or merger, | buying or selling of any | |
| split, acquisition or transfer of | share or other securities of | |
| shares of any share or other | equity nature of any | |
| securities of equity nature of | company which is related to | |
| any company which is related | the transaction either in his | |
| to the transaction either in his | own name or in the name of | |
| own name or in the name of | any other person. | |
| any other person. | 2. Subsequent to the | |
| 2. Subsequent to the | announcement of the merger, | |
| announcement of any party | split, acquisition or share | |
| that participates in the | transfer, if a further merger, | |
| merger, split, acquisition or | split, acquisition or share | |
| share transfer, if a further | transfer is contemplated with | |
| merger, split, acquisition or | another company, unless the | |
| share transfer is contemplated | number of participating | |
| with another company, unless | entities is decreased and the | |
| the number of participating | shareholders meeting has | |
| entities is decreased and the | resolved and authorized the | |
| shareholders meeting has | board of directors to make | |
| resolved and authorized the | changes, in which | |
| board of directors to make | circumstances no additional | |
| changes, in addition to the | resolution from the | |
| resolution of the shareholder | shareholders meeting shall | |
| meeting, the participation in | be necessary, all completed | |
| the company's merger, | procedures or legal actions | |
| division, acquisition or share | under the original proposal | |
| transfer case, the completion | shall be redone. | |
| of the procedures or legal | 3. Where a company participating | |
| acts, should be carried out by | in the merger, split, acquisition or | |
| all participating companies. | share transfer is not a public | |
| 3. Where a company | reporting company, the Company | |
| participating in the merger, split, | shall enter into an agreement with | |
| acquisition or share transfer is not | such company and proceed in | |
| a public reporting company, the | accordance with Article 20 | |
| Company shall enter into an | hereunder and the two preceding | |

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| agreement with such company and | paragraphs of this article. | |
| proceed in accordance with | | |
| Article 20 hereunder and the two | | |
| preceding subparagraphs of this | | |
| article. | | |
| Article 25 | Article 25 | The Article |
| Professional appraisers and their | With regards to price appraisal | was amended |
| officers, certified public accounts, | reports issued by expert appraisals | with the |
| attorneys, and securities | or opinions of accountants, | "Regulations |
| underwriters that provide to the | attorneys or securities | Governing the |
| Company with appraisal reports, | underwriters, the aforementioned | Acquisition |
| certified public accountant's | persons shall not be a related party | and Disposal |
| opinions, attorney's opinions, or | to any of the companies to a | of Assets by |
| underwriter's opinions shall meet | transaction. | Public |
| the following requirements: | | Companies" |
| 1. May not have previously | | as |
| received a final and | | appropriate. |
| unappealable sentence to | | |
| imprisonment for 1 year or | | |
| longer for a violation of the | | |
| Securities and Exchange | | |
| Act, the Company Act, the | | |
| Banking Act of The | | |
| Republic of China, the | | |
| Insurance Act, the Financial | | |
| Holding Company Act, or | | |
| the Business Entity | | |
| Accounting Act, or for | | |
| fraud, breach of trust, | | |
| embezzlement, forgery of | | |
| documents, or occupational | | |
| crime. However, this | | |
| provision does not apply if 3 | | |
| years have already passed | | |
| since completion of service | | |
| of the sentence, since | | |
| expiration of the period of a | | |

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| suspended sentence, or since | | |
| a pardon was received. | | |
| 2. May not be a related party or de | | |
| facto related party of any | | |
| party to the transaction. | | |
| 3. If the company is required to | | |
| obtain appraisal reports from | | |
| two or more professional | | |
| appraisers, the different | | |
| professional appraisers or | | |
| appraisal officers may not be | | |
| related parties or de facto | | |
| related parties of each other. | | |
| When issuing an appraisal report | | |
| or opinion, the personnel referred | | |
| to in the preceding paragraph shall | | |
| comply with the following: | | |
| 1. Prior to accepting a case, they | | |
| shall prudently assess their | | |
| own professional capabilities, | | |
| practical experience, and | | |
| independence. | | |
| 2. When examining a case, they | | |
| shall appropriately plan and | | |
| execute adequate working | | |
| procedures, in order to | | |
| produce a conclusion and use | | |
| the conclusion as the basis for | | |
| issuing the report or opinion. | | |
| The related working | | |
| procedures, data collected, | | |
| and conclusion shall be fully | | |
| and accurately specified in | | |
| the case working papers. | | |
| 3. They shall undertake an | | |
| item-by-item evaluation of | | |
| the comprehensiveness, | | |

| Amended articles | Original articles | Description |
|-------------------------------------|-------------------------------------|---------------|
| accuracy, and reasonableness | | |
| of the sources of data used, | | |
| the parameters, and the | | |
| information, as the basis for | | |
| issuance of the appraisal | | |
| report or the opinion. | | |
| 4. They shall issue a statement | | |
| attesting to the professional | | |
| competence and | | |
| independence of the | | |
| personnel who prepared the | | |
| report or opinion, and that | | |
| they have evaluated and | | |
| found that the information | | |
| used is reasonable and | | |
| accurate, and that they have | | |
| complied with applicable | | |
| laws and regulations. | | |
| Article 26 | Article 26 | To modify the |
| When the procedures for the | Where an acquisition or disposal | statement of |
| acquisition and disposal of assets | of assets by the Company is | text as |
| of the Company are adopted or | subject to approval by the board | appropriate. |
| amended they shall be approved | of directors according to the | |
| by more than half of all audit | Procedures or other laws or | |
| committee members and | regulations and where the director | |
| submitted to the board of directors | voices objection which is recorded | |
| for a resolution, and where the | or stated in writing, such director | |
| director voices objection which is | objection information shall be | |
| recorded or stated in writing, such | submitted to the audit | |
| director objection information | committee. If the Company has | |
| shall be submitted to the audit | independent directors, the | |
| committee. | opinions of each independent | |
| If approval of more than half of | director shall be fully taken into | |
| all audit committee members as | consideration. For any objection | |
| required in the preceding | or reservation an independent | |
| paragraph is not obtained, the | director might have, it shall be | |
| procedures may be implemented if | specified in the minutes of board | |

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| approved by more than two-thirds | meetings. | |
| of all directors, and the resolution | | |
| of the audit committee shall be | | |
| recorded in the minutes of the | | |
| board of directors meeting. | | |
| The terms "all audit committee | | |
| members" in paragraph 1 and "all | | |
| directors" in the preceding | | |
| paragraph shall be counted as the | | |
| actual number of persons | | |
| currently holding those positions. | | |
| Article 27 | Article 27 | To modify the |
| The Company shall establish its | The Procedures shall be | statement of |
| procedures for the acquisition or | implemented after the audit | text as |
| disposal of assets in accordance | committee's consent, the board of | appropriate. |
| with the provisions of | directors' passage by resolution | |
| "Regulations Governing the | and the shareholders meeting's | |
| Acquisition and Disposal of | approval and so shall the | |
| Assets by Public Companies", and | amendment thereto. If any | |
| be agreed by more than one-half | director expresses dissent and | |
| of all the members of the Audit | such dissent has been recorded in | |
| Committee, after the procedures | the minutes or substantiated by a | |
| have been approved by the Board | written declaration, the Company | |
| of Directors, and then to a | shall submit the director's | |
| shareholders' meeting for | dissenting opinion to the audit | |
| approval; the same applies when | committee. When the Procedures | |
| the procedures are amended. If | are submitted to discussion by the | |
| any director expresses dissent and | board of directors, the board of | |
| such dissent has been recorded in | directors shall fully take into | |
| the minutes or substantiated by a | account each independent | |
| written declaration, the Company | director's opinions. If an | |
| shall submit the director's | independent director objects to or | |
| dissenting opinion to the audit | expresses reservations about any | |
| committee. | matter, it shall be recorded in the | |
| If approval of more than half of | minutes of the board of directors | |
| all audit committee members as | meeting. | |
| required in the preceding | The aforementioned all members | |

| Amended articles | Original articles | Description |
|--------------------------------------|-----------------------------------|-------------|
| paragraph is not obtained, the | of the audit committee and all | |
| procedures may be implemented if | members of the directors refer to | |
| approved by more than two-thirds | actual incumbent audit committee. | |
| of all directors, and the resolution | | |
| of the audit committee shall be | | |
| recorded in the minutes of the | | |
| board of directors meeting. | | |
| The terms "all audit committee | | |
| members" in paragraph 1 and "all | | |
| directors" in the preceding | | |
| paragraph shall be counted as the | | |
| actual number of persons | | |
| currently holding those positions. | | |

Ton Yi Industrial Corp. (Attachment 8)

"Operational Procedures for Loaning Funds to Others" chart of amended provisions

| Amended articles | Original articles | Description |
|---|---|---|
| Article 2 Any loans given to others by the Company shall fulfill any one of the following conditions: (1) Where an inter-company or inter-firm business transaction calls for such lending arrangement; or (2) Where short-term financing facility is necessary. Short term refers to a period of one year or one business lifecycle(the longer of which shall apply) | Article 2 Any loans given to others by the Company shall fulfill any one of the following conditions: (1) Where an inter-company or inter-firm business transaction calls for such lending arrangement; or (2) Where an inter-company or inter-firm short-term financing facility is necessary. Short term refers to a period of one year or one business lifecycle (the longer of which shall apply). | Amendment to the wording. |
| Article 4: Limits on the aggregate amount of loans and maximum amount permitted to a single borrower (1)The total amount being loaned to others shall not exceed 40% of the net worth of the Company as shown in the latest financial statement audited and certified, or reviewed by a certified public accountant. (2)Limit on maximum amount permitted to an individual borrower: 1.Where there are business dealings with the Company, the loan amount given to an individual borrower shall not | Article 4: Limits on the aggregate amount of loans and maximum amount permitted to a single borrower (1)The total amount being loaned to others shall not exceed 40% of the net worth of the Company as shown in the latest financial statement audited and certified, or reviewed by a certified public accountant. (2)Limit on maximum amount permitted to each single borrower: 1.Where there are business dealings with the Company, the loan amount given to each single borrower shall not exceed the amount required for | In accordance to the amendment of paragraph 4 of Article 3 of Regulations Governing Loaning of Funds and Making of Endorsements/G uarantees by Public Companies by the Financial Supervisory Commission, R.O.C., this provision is |

| Amended articles | Original articles | Description |
|---|---|--|
| exceed the amount required for procurement of goods or sales of goods during the latest year or during the current year up to the time of the loan, whichever is higher. 2.Where loaning funds for short-term financing facility is required, the loan amount made to an individual borrower shall not exceed 20% of the net worth of the Company as shown in the latest financial statement audited and certified, or reviewed by a certified public accountant. | procurement of goods or sales of goods during the latest year or during the current year up to the time of the loan, whichever is higher. 2. Where loaning funds for short-term financing facility is required, the loan amount made to each single borrower shall not exceed 20% of the net worth of the Company as shown in the latest financial statement audited and certified, or reviewed by a certified public accountant. Loans given to overseas companies in which the Company directly and indirectly holds 100% voting shares shall not be subject to the limitation that funds loaned to others shall not exceed 40% of the net worth of the Company as shown in the latest financial statement audited and certified, or reviewed by a certified public accountant. | amended accordingly and the amendment of Article 3 is placed in paragraph 1 of Article 11 and the amendment to the wording of the provision has been made. |
| Article 5: Duration of Loans and Calculation of Interest The duration of any loan made by this Company shall be limited to one year. Interest shall in principle accrued on a monthly basis at a rate not lower than the average interest rate for the Company's borrowings from financial institutions unless otherwise resolved by the board of directors. | Article 6: Duration of Loans and Calculation of Interest (1) The duration of any loan provided to borrowers shall be limited to one year. (2) Interest shall accrue on a monthly basis at a rate not lower than the average interest rate for the Company's borrowings from financial institutions | The original provision of Article 6 is placed in Article 5 and amendment to the wording has been made. |
| Article 6: Procedures for loaning funds (1) <u>In processing matters for</u> <u>loaning funds, upon review by</u> <u>the department in charge and</u> <u>determined the amount of the</u> <u>loan, after approval by the</u> <u>Chairman, the loan may be</u> | Article 5: Procedures for loaning funds (1) Operating Procedures 1.In processing matters for loaning funds or short-term loans, upon review by the department in charge, loans may be granted after approval by the | The original provision of Article 5 is placed in Article 6; the original provision of paragraph 2 of Article 5 is |

| Amended articles | Original articles | Description |
|--------------------------------------|------------------------------------|-------------------|
| granted subject to the consent | Chairman or Director authorized | placed in Article |
| of one-half or more of all audit | by the chairman or General | 7 and the |
| committee members and the | Manager, and subsequently | paragraphs have |
| resolution of the board of | submission to and approval by | been amended. |
| directors. | the Board of Directors through | |
| (2)When funds are loaned | resolution. Material loans to | In accordance to |
| between the Company and its | others shall be approved by the | the amendment |
| parent company or the | Audit Committee and be | of paragraph 4 to |
| Company and its subsidiary, | submitted to the Board of | paragraph 6 of |
| apart from compliance with the | Directors for approval. When | Article 8 of |
| procedure in the preceding | funds are loaned between the | Regulations |
| paragraph, the Chairman may | Company and its subsidiary or | Governing |
| be authorized to proceed with | among subsidiaries of the | Loaning of |
| multiple releases of funds or | Company, the Chairman may be | Funds and |
| revolving drawdowns with | authorized to proceed with | Making of |
| regard to the same borrower | multiple releases of funds or | Endorsements/G |
| within a certain amount | revolving drawdowns with | uarantees by |
| authorized by resolution of the | regard to the same borrower | Public |
| Board of Directors and within a | within a certain amount | Companies by |
| one year period. The certain | authorized by resolution of the | the Financial |
| amount mentioned above is | Board of Directors and within a | Supervisory |
| subject to the restriction that | one year period. | Commission, |
| the authorized amount | The certain amount mentioned | R.O.C., this |
| extended by the Company or its | above shall be in compliance | provision is |
| subsidiaries to any single entity | with Article 4, paragraph 2. In | amended |
| shall not exceed 10% of the net | addition, the authorized amount | accordingly and |
| worth on the latest financial | extended by the Company or its | amendment to |
| statements of the Company. | subsidiaries to any single entity | the wording has |
| | shall not exceed 10% of the net | been made. |
| (3) The Finance Department | worth on the latest financial | |
| shall prepare a memorandum | statements of the Company. | |
| book for its fund-loaning | 2. The Finance Department shall | |
| activities. After a loan of funds is | prepare a memorandum book for | |
| approved based on the above | its fund-loaning activities. After | |
| paragraph 1, the borrower, the | a loan of funds is approved | |
| amount, date of approval by the | based on the above | |
| Board of | sub-paragraph 1, the borrower, | |
| Directors, lending/borrowing | the amount, date of approval by | |
| date, and matters to be carefully | the Board of | |
| evaluated based on the review | Directors, lending/borrowing | |
| procedures shall be recorded for | date, and matters to be carefully | |
| future reference. | evaluated based on the review | |
| (4) The internal auditors shall | procedures shall be recorded for | |
| audit the Operational Procedures | future reference. | |

| Amended articles | Original articles | Description |
|-------------------------------------|-------------------------------------|-------------|
| for Loaning Funds to Others and | 3. The internal auditors shall | |
| the implementation thereof on a | audit the Operational Procedures | |
| quarterly basis and prepare | for Loaning Funds to Others and | |
| written records accordingly. | the implementation thereof on a | |
| They shall notify the Audit | quarterly basis and prepare | |
| Committee in writing of any | written records accordingly. | |
| material violation found. | They shall notify the Audit | |
| (5) The Finance Department | Committee in writing of any | |
| shall, on a monthly basis, prepare | material violation found. | |
| a detailed statement recording | 4. The Finance Department shall, | |
| the occurrence and cancellation | on a monthly basis, prepare a | |
| of any matter regarding the | detailed statement recording the | |
| loaning of funds, so as to control, | occurrence and cancellation of | |
| follow-up and prepare public | any matter regarding the loaning | |
| announcements. The Finance | of funds, so as to control, | |
| Department shall evaluate and | follow-up and prepare public | |
| reserve sufficient allowance for | announcements. The Finance | |
| bad debts on a quarterly basis, | Department shall evaluate and | |
| and shall disclose information | reserve sufficient allowance for | |
| regarding its loans of funds in its | bad debts on a quarterly basis, | |
| financial reports and provide a | and shall disclose information | |
| certified public accountant with | regarding its loans of funds in its | |
| relevant information. | financial reports and provide a | |
| (6) If, as a result of a change in | certified public accountant with | |
| circumstances, a borrower does | relevant information. | |
| not meet the requirements of the | 5.If, as a result of a change in | |
| Regulations Governing Loaning | circumstances, a borrower does | |
| of Funds and Making of | not meet the requirements of the | |
| Endorsements/Guarantees by | Regulations Governing Loaning | |
| Public Companies or the loan | of Funds and Making of | |
| balance exceeds the limit, the | Endorsements/Guarantees by | |
| Finance Department shall adopt a | Public Companies or the loan | |
| rectification plan and submit the | balance exceeds the limit, the | |
| same to the Audit Committee, | Finance Department shall adopt | |
| and shall complete the | a rectification plan and submit | |
| rectification according to the | the same to the Audit | |
| timeframe set out in the plan. | Committee, and shall complete | |
| r | the rectification according to the | |
| | timeframe set out in the plan. | |
| | (2) Review Procedures | |
| Article 7: Review procedures | 1.For the loans given by the | |
| (1) For the loans given by the | Company, the company or | |
| Company, the company | enterprise applying for the loan | |
| or enterprise applying for | shall file a written application | |

| Amended articles | Original articles | Description |
|---------------------------------|-------------------------------------|-------------|
| the loan shall file a | and attach relevant financial | |
| written application and | information and statements | |
| attach relevant financial | detailing the purpose of the | |
| information and | borrowing. | |
| statements detailing the | 2.Once the Company accepts the | |
| purpose of the borrowing. | application, the department in | |
| (2) Once the Company | charge shall prepare a related | |
| accepts the application, | written report to be submitted to | |
| the department of finance | the Board of Directors for | |
| shall prepare a related | review and approval after it | |
| written report to be | investigates and evaluates the | |
| submitted to the Board of | necessity and reasonableness of | |
| Directors for review and | the funds loaned to others, | |
| approval after it | whether the borrower has any | |
| investigates and | direct or indirect business | |
| evaluates the necessity | relationship with the Company, | |
| and reasonableness of the | the financial status of the | |
| funds loaned to others, | business operated, the ability to | |
| whether the borrower has | repay the debt, credibility, | |
| any direct or indirect | profitability, and the purpose of | |
| business relationship | the funds, and consider the | |
| with the Company, the | impact of the total amount of the | |
| financial status of the | loan given by the Company on | |
| business operated, the | the Company's operational risk, | |
| ability to repay the debt, | financial status and shareholders | |
| credibility, profitability, | equity. | |
| and the purpose of the | 3.When processing the loaning | |
| funds, and consider the | of funds or short-term financing | |
| impact of the total | facility, the Company shall | |
| amount of the loan given | obtain guarantee notes of | |
| by the Company on the | equivalent amount, shall create a | |
| Company's operational | pledge or mortgage over ersonal | |
| risk, financial status and | property or real property when | |
| shareholders' equity. | necessary, shall evaluate on a | |
| | quarterly basis if the value of the | |
| Shall collaterals be necessary, | collateral is equivalent to the | |
| the value of the collateral | balance of the loan, and shall | |
| shall be evaluated. | request for additional collateral | |
| | when necessary. Pertaining to | |
| | the aforementioned debt | |
| | guarantee, should the debtor | |
| | provide personal or corporate | |
| | guarantee with sufficient | |
| | financial capability and | |

| Amended articles | Original articles | Description |
|--|---|------------------------------|
| | credibility to replace provision of collateral, the Board of Directors may refer to the review report prepared by the department in charge; where corporate guarantee is provided, it should be noted if the Articles of Incorporation of the borrowing company has stipulated any provision that | |
| Article 8: Announcement and reporting procedures <u>The Company shall announce</u> <u>and report items related to</u> <u>loaning funds to others in</u> <u>accordance with the Regulations</u> <u>Governing Loaning of Funds and</u> <u>Making of</u> <u>Endorsements/Guarantees by</u> <u>Public Companies by the</u> <u>Financial Supervisory</u> <u>Commission, R.O.C.</u> | guarantees may be made. Article 8: Announcement and reporting procedures (1) Prior to the 10th of each month, the Finance Department shall deliver the previous month's loan balance of the Company and subsidiaries to the Accounting Department, and shall announce and report the same, on a monthly basis, together with the revenue within the stipulated time limit. (2)In addition to the monthly announcement and reporting of the loan balance, if the Company's loans of funds reaches one of the following levels, the Finance Department shall immediately transmit all relevant information to inform the Accounting | Amendment to the wording. |
| | Department to announce and report such event, within two days commencing immediately from the date of occurrence of such an event: 1.The aggregate balance of loans reaches 20% or more of the Company's net worth as | |

| Amended articles | Original articles | Description |
|--|---|---|
| | stated in its latest financial statement. 2.The balance of loans to a single enterprise reaches 10% or more of the Company's net worth as stated in its latest financial statement. 3.The amount of new loans of funds reaches NT\$10 million or more, and reaches 2% or more of the Company's net worth as stated in its latest financial statement. | |
| Article 9: Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights (1) Periodically analyze the loan repayment capacity of the borrower. (2)Assess the state of loans and set aside appropriate allowance for bad debts. (3) Periodically track the status and reason for defaults and request the legal department to resolve the issues. | Article 7: Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights (1)After the disbursement of each loan, the finance department shall regularlymonitor the variation in the financial status, business and relevant credit status of the borrower and its guarantors, and any fluctuation in value of the collateral, and shall make written records. In the event that any major changes occur, the Finance Department shall immediately report to the General Manager and relevant departments in charge for rapid handling. (2)When the borrower repays the loan in advance or upon the maturity of any loan, the guarantee note shall not be returned to the borrower nor shall the mortgage be discharged unless the principal amount and | The original provision of Article 7 is placed in Article 9 and amendment to the wording has been made. |

| Amended articles | Original articles | Description |
|---|---|---|
| | full. (3)The borrower shall apply for extension in advance in the event the loan cannot be repaid when the loan matures and such extension may be permitted after such application is reported to, and approved by, the Board of Directors. If the borrower fails to get such extension, the Company may exercise its rights | Description |
| | on the collateral or guarantor, and seek compensation. | |
| Article 11: Procedures for controlling and managing loans of funds to others by subsidiaries (1)In the event that a subsidiary of the Company intends to loan | Article 9: Procedures for controlling and managing loans of funds to others by subsidiaries (1)In the event that a subsidiary of the Company intends to loan | The original provision of Article 9 is placed in Article 11. |
| funds to others for the need of operation, the "Operational Procedures For | funds to others for the need of operation, the "Operational Procedures For | In accordance to the amendment of paragraph 4 of |
| Loaning Funds To Others" shall be established, and be submitted to the Shareholders' Meeting for approval after adoption by the Board of Directors of said subsidiary. | Loaning Funds To Others" shall be established, and be submitted to the Shareholders' Meeting for approval after adoption by the Board of Directors of said subsidiary. The same shall apply | Article 3 of Regulations Governing Loaning of Funds and Making of Endorsements/G |
| The same shall apply for any amendments made. <u>The restriction Article 4 shall</u> <u>not apply to inter-company</u> <u>loans of funds between</u> | for any amendments made. Should the subsidiary set up an Audit Committee, the "Operational Procedures For Loaning Funds To Others" shall | uarantees by Public Companies by the Financial Supervisory |
| overseas companies in which this company holds, directly or indirectly, 100% of the voting shares or inter-company loans | first be approved by the Audit Committee, and then approved by the Board of Directors, before submitting to the shareholders' | Commission, R.O.C., this provision is amended |
| of funds from overseascompany in which thiscompany holds, directly orindirectly, 100% of the votingshares to this company.However, the aggregate amount | meeting for approval. (2)Where the subsidiary loans funds to others, it shall process such loaning based on "Internal Control System" and "Operational Procedures For | accordingly and amendment to the wording of the provision has been made. |

| Amended articles | Original articles | Description |
|---|--|--|
| of loans and the maximum amount prescribed separately for each single borrower and the durations of loans shall be specified. (2)Where the subsidiary loans funds to others, it shall process such loaning based on "Internal Control System" and "Operational Procedures For Loaning Funds To Others" established by itself, and shall report to the Company in writing the details of the loan balance, borrowers, and duration of the loans, in accordance with the items that shall be announced and reported under the provisions of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, in order to facilitate the successful announcement and reporting within the specified period. Article 12: Any matter not | Loaning Funds To Others" established by itself, and shall report to the Company by the 2th of every month the details of the loan balance, borrowers, and duration of the loans for the previous month in writing. (3)If the Company's subsidiary is not a public company and the loan balance of the subsidiary reaches the threshold of Article 8, paragraph 2 such that declaration and reporting is required, the subsidiary shall inform the Company on the day of such occurrence, and the Company shall announce and report in the designated website ccording to applicable regulations. | The original |
| Article 12: Any matter not provided for under this Procedure shall be subject to "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by Financial Supervisory Commission. | Article 11: Any matter not provided for under this Procedure shall be subject to "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by Financial Supervisory Commission. | The original provision of Article 11 is placed in Article 12. |
| Article 13: Formulation and Amendments | Article 12: This Procedure will be implemented after approved by a Shareholders Meeting.The same | The original provision of Article 12 is placed in Article |
| Formulation or amendments of its Operational Procedures for Loaning Funds to Others shall be subject to the consent of one-half or more of all audit committee members and be | shall apply for any amendment. | 13.In accordance to the endment of paragraph 4 to paragraph 6 of Article 8 of Regulations |

| Amended articles | Original articles | Description |
|------------------------------------|-------------------|------------------|
| submitted to the board of | | Governing |
| directors for a resolution. Where | | Loaning of |
| any director expresses dissent | | Funds and |
| and it is contained in the minutes | | Making of |
| or a written statement, the | | Endorsements/G |
| company shall submit the | | uarantees by |
| dissenting opinion to the | | Public ompanies |
| shareholders' meeting for | | by the Financial |
| discussion. | | Supervisory |
| | | Commission, |
| Any matter under the preceding | | R.O.C., this |
| paragraph that has not been | | provision is |
| approved with the consent of | | amended |
| one-half or more of all audit | | accordingly. |
| committee members may be | | |
| undertaken upon the consent of | | |
| two-thirds or more of all | | |
| directors, and the resolution of | | |
| the audit committee shall be | | |
| recorded in the minutes of the | | |
| directors meeting. | | |
| "All audit committee members" | | |
| as used in this provision and "all | | |
| directors" as used in preceding | | |
| paragraph, shall mean the actual | | |
| number of persons currently | | |
| holding those positions. | | |
| and a positions. | | |
| | | |

Ton Yi Industrial Corp. (Attachment 9)

Comparison Table of Articles of Company's Operational Procedures for Endorsements and Guarantees

| Revised terms | Existing terms | Explanation |
|---|---|-----------------------------|
| Article 2: The term | Article 2: The term | Discretionary tex |
| "endorsements/guarantees" as used | "endorsements/guarantees" as used | proof of fonding ton |
| In these Procedures refers to the | In these Procedures refers to the | |
| following: | following: | |
| (I)(Omit) | (I)(Omit) | |
| (II) (Omit) | (II) (Omit) | |
| (III) Other | (III) Other | |
| endorsements/guarantees, meaning | endorsements/guarantees, meaning | |
| endorsements or guarantees beyond | endorsements or guarantees beyond | |
| the scope of the above (I) (II) | the scope of the above two | |
| subparagraphs. | subparagraphs. | |
| Any creation by this Corporation of | Any creation by this Corporation of | |
| a pledge or mortgage on its chattel | a pledge or mortgage on its chattel | |
| or real property as security for the | or real property as security for the | |
| loans of another company shall also | loans of another company shall also | |
| comply with these Regulations. | comply with these Regulations. | |
| Article 4: Specification on the | Article 4: Credit for | Article 4 (III) is adjusted |
| amount of an | Endorsement/Guarantee | to Article 4; Article 4 is |
| endorsement/guarantee due to needs | (I)(Omit) | adjusted to Article 5 and |
| from business dealing | (II) (Omit) | discretionary tex |
| When the Company is engaged in an endorsement/guarantee for business purposes, the amount of the endorsement/guarantee shall equate with the sum of the purchased or sold items by the endorsee/guarantee company in the most recent year or at the end of current year. Article 5: Credit for Endorsement/Guarantee (I)(Omit) (II) (Omit) (III) (Omit) (III) Where the aggregate balance of endorsement/guarantee to others by this Corporation and its subsidiaries as a whole reaches 50 percent or more of this Corporation's net value, the | (III)Where an endorsement/guarantee is made due to needs arising from business dealings, the amount of endorsement/guarantee shall not exceed the amount of business dealings between both parties. The "amount of business dealings" refers to the amount of sales or purchases between both parties, whichever is higher. (IV)Where the aggregate balance of endorsement/guarantee to others by this Corporation and its subsidiaries as a whole reaches 50 percent or more of this Corporation's net value, the necessity of and reasonableness of endorsements/guarantees shall be | |

| Revised terms | Existing terms | Explanation |
|---|---|---|
| endorsements/guarantees shall be explained in the Shareholders' | explained in the Shareholders' meeting. | |
| Article <u>6</u>: Procedures for handling endorsement/guarantee (1)When handling endorsements/guarantees, the financial department shall examine the needs of the endorsee/guarantee company, assess its risks, set the quota of endorsement/guarantee, and inspect whether it conforms to the provisions of the Management. The assessment shall follow the detailed auditing procedure of Article 7 and submitted to the Board for resolution after the approval of the Audit Committee. A pre-determined limit may be delegated to the Chairman by the Board of Directors to facilitate execution and shall be reported to the most coming Audit Committee and Board of Directors Meeting for ratification. (2)Financial unit of this Corporation shall prepare a memorandum book for its endorsement/guarantee is approved following the preceding paragraph, besides applying for seals in accordance with the procedures set forth, the entity for which the endorsement/guarantee is made, the amount, the date of passage by the board of directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the matters following Article 7 hereof shall be carefully evaluated. | meeting. Article 5: Operation Procedures for Endorsement/Guarantee (1)Where the endorsement/guarantee is handled, the financial unit shall perform item-by item review on the counterparty's qualification, conformity of credit to the provisions in these Procedures and reaching of standards of announcement and filing based on the application submitted by the endorsement/guarantee counterparty, and the application shall be submitted along with review results as provided by Article 6 hereof to chairman, or, the director or general manager empowered by the chairman before submitting to the board of directors for discussion and approval. Significant endorsement/guarantee shall be approved by the audit committee and submitted to the board of directors for resolution.; However, with consideration to timeliness, the endorsement can be granted by the chairman of the board of directors within a specific limit, for subsequent submission to and ratification by the next board of directors' meeting, with handling status and relevant affairs reported to the shareholders' meeting for evaluation. (2)Financial unit of this Corporation shall prepare a memorandum book for its endorsement/guarantee activities. After the endorsement/guarantee is approved following the preceding | Article 5 is adjusted to Article64 In order to conform to the [©] Regulations Governing the Acquisition and Disposal of Assets by Public Companies amended Article 11(4)by the Financial Supervisory Commission, the company hereby proposes to amend and D iscretionary tex. |

| Revised terms | Existing terms | Explanation |
|--|---|-------------|
| (3)(Omit) | paragraph, besides applying for | |
| | seals in accordance with the | |
| (4)A detailed list for handling of the | procedures set forth, the entity for | |
| addition and cancellation of | which the endorsement/guarantee | |
| endorsement/guarantee should be | is made, the amount, the date of | |
| prepared by the financial | passage by the board of directors or | |
| department for controlling and | of authorization by the chairman of | |
| tracking. If the | the board, the date the | |
| endorsement/guarantee is required | endorsement/guarantee is made, | |
| to be publicly announced, as | and the matters following Article 6 | |
| specified by the "Regulations | hereof shall be carefully evaluated, | |
| Governing Loaning of Funds and | and relevant documents of | |
| Making of | negotiable instruments, agreement, | |
| Endorsements/Guarantees by Public | etc. shall also be photocopied and | |
| Companies" promulgated by the | kept properly. | |
| FSC, it should be submitted to the | (3)Internal auditors shall audit the | |
| accounting department for | Procedures for | |
| announcement within the stated | Endorsement/Guarantee and the | |
| period. The contingent losses caused | implementation thereof no less | |
| by the endorsement/guarantee | frequently than quarterly and | |
| should also be evaluated and | prepare written records accordingly. | |
| recognized quarterly and, with the | They shall promptly notify audit | |
| relevant information of certified | committee in writing of any material | |
| public accountant, be disclosed in | violation found. | |
| the financial report. | (4)Financial unit shall create a | |
| the finalitial report. | | |
| (5)If, as a result of a change in | statement containing completed and cancelled guarantees every month | |
| circumstances, an entity for which | . | |
| an endorsement/guarantee is made | for better control, tracking and | |
| does not meet the requirements of | handling of announcement and | |
| these Procedures, or the loan | filing. The assessment shall be made | |
| balance exceeds the limit due to the | quarterly and contingent loss | |
| change of limit calculation basis, | incurred by endorsement/guarantee | |
| financial unit shall set forth | shall be recognized, and the | |
| rectification before the chairman or | information of | |
| the director or general manager | endorsement/guarantee and CPAs | |
| authorized by the chairman | providing certification and attest | |
| | shall be disclosed in the financial | |
| completely cancel the | statement. | |
| endorsed/guaranteed amount or | (5)If, as a result of a change in | |
| excessive portion within certain | circumstances, an entity for which | |
| expiration, and relevant rectification | an endorsement/guarantee is made | |
| shall be submitted to audit | does not meet the requirements of | |
| committee. | these Procedures, or the loan | |
| | balance exceeds the limit due to the | |
| (6)Financial unit shall actively | change of limit calculation basis, | |

| Revised terms | Existing terms | Explanation |
|---|---|----------------------------|
| notice the guaranteed enterprise to | financial unit shall set forth | |
| retrieve the guarantee notes | rectification before the chairman or | |
| • | the director or general manager | |
| deposited in bank or creditor | authorized by the chairman | |
| institutions and cancel the deeds | completely cancel the | |
| relevant to endorsement/guarantee | endorsed/guaranteed amount or | |
| before the expiration of | excessive portion within certain | |
| Endorsement/Guarantee | expiration, and relevant rectification | |
| | shall be submitted to audit | |
| (7) For circumstances in which an | committee. | |
| entity for which this Corporation | (6)Financial unit shall actively | |
| makes any endorsement/guarantee is | notice the guaranteed enterprise to | |
| a subsidiary whose net worth is | retrieve the guarantee notes | |
| lower than half of its paid-in capital, | deposited in bank or creditor institutions and cancel the deeds | |
| besides handling in accordance with | relevant to endorsement/guarantee | |
| the preceding paragraphs (1) to (6) | before the expiration of | |
| and Article7 hereof, the internal | Endorsement/Guarantee | |
| audit personnel of this Company | For circumstances in which an | |
| shall perform audit on | entity for which this Corporation | |
| endorsement/guarantee procedures | makes any endorsement/guarantee is | |
| and its implementation thereof no | a subsidiary whose net worth is | |
| less frequently than quarterly and | lower than half of its paid-in capital, | |
| prepare written records accordingly. | besides handling in accordance with | |
| They shall promptly notify the audit committee in writing of any material | the preceding paragraphs (I) to (VI) | |
| violation found. | and Article 6 hereof, the internal | |
| violation lound. | audit personnel of this Company | |
| | shall perform audit on | |
| | endorsement/guarantee procedures | |
| | and its implementation thereof no | |
| | less frequently than quarterly and | |
| | prepare written records accordingly. | |
| | They shall promptly notify the audit | |
| | committee in writing of any material | |
| | violation found. | |
| Article 7: Detailed review Procedures | Article 6: Review Procedures | Article 6 is adjusted to |
| Where the endergement/mercutes is | Where the endergement/mercutes is | Article 7, discretionary |
| Where the endorsement/guarantee is made to others, the financial unit | Where the endorsement/guarantee is made to others, the financial unit | tex anddelete Article 6(V) |
| shall perform review and | shall perform review and | |
| assessment following the items | assessment following the items | |
| below and take records: | below and take records: | |
| sets if and the records. | sets if and take records. | |
| (I)(omission) | (I)(omission) | |
| (II) (Omit) | (II) (omission) | |

| Revised terms | Existing terms | Explanation |
|-------------------------------------|--|------------------------------------|
| (III) (Omit) | (III) (omission) | |
| (IV) (Omit) | (IV) (Omit) | |
| | (V)For companies under | |
| | circumstances as mentioned in | |
| | Article 3, paragraph (II) hereof, the | |
| | review procedures shall be handled | |
| | following the preceding paragraphs | |
| | (I) to (IV). Adjustments based on | |
| | conditions are allowed under special | |
| | circumstances after approval by the | |
| | board of directors. | |
| | Article 7: Procedure for Control of | Article7 is adjusted to |
| Article 8: Procedures for managing | Endorsement/Guarantee made to | 0 |
| endorsement or guarantee by | | Article 8, discretionary |
| subsidiaries | Subsidiaries | tex and delete Article $7(3)$. |
| 1. Omitted. | (I)(Omit) | |
| | (2)Where a subsidiary of this | |
| 2. When a subsidiary provides a | Corporation grants | |
| guarantee/endorsement, it shall | endorsement/guarantee to others, it | |
| do so in accordance with the | shall be handled following "Internal | |
| provisions of its "internal control | Control System" and "Procedures for | |
| system" and "Management of | Endorsement/Guarantee" | |
| endorsement and guarantees". It | promulgated respectively, and a filing | |
| shall specify the balance, object, | containing previous month's | |
| and term of the | endorsement/guarantee balance, | |
| guarantee/endorsement in | counterparty and expiration date in | |
| alignment with "Regulations | writing shall be made to this | |
| Governing Loaning of Funds and | Corporation by 2dn of each month. | |
| Making of | (3)This Corporation shall announce | |
| Endorsements/Guarantees by | and report on behalf of any subsidiary | |
| Public Companies" promulgated | thereof that is not a public company | |
| by the FSC, so as to complete the | of the Republic of China any matters | |
| declaration within the time limit. | that such subsidiary is required to | |
| | announce and report the | |
| | endorsement/guarantee with balance | |
| | reaching standards as mentioned in | |
| | paragraph 2 of Article 10 hereof. A | |
| | notice shall be made to this | |
| | Corporation on the date of | |
| | occurrence, and this Corporation shall | |
| | handle announcement and filing to | |
| | the designated website. | |
| Article <u>9</u> : Hierarchy of | Article 8: Hierarchy of | Article 8 is adjusted to |
| decision-making authority and | Decision-Making Authority and | Article 9, and |
| delegation thereof | Delegation Thereof | discretionary tex |
| | | |

| Revised terms | Existing terms | Explanation |
|---|--|--|
| Any endorsement and/or guarantee made by the Company shall be in accordance with the Management specified by Article 6 and submitted to the Audit Committee and the Board of Directors for approval. | (1)Before making an endorsement/guarantee for others, this Corporation shall have the endorsement/guarantee submitted to and resolved upon by the Board of Directors following Article 5 hereof. | |
| 2. If the handling of the endorsement/guarantee due to business needs aligns with the Managements specified by the Management yet its value exceeds the specified quota, it shall be approved by the Board of Directors and be jointly insured by more than half of the directors for the possible losses. It shall further be submitted to the shareholders' meeting for ratification of the Management. If the ratification is objected, a plan to eliminate the excess within a time period shall be formulated. | (2)Where the Corporation needs to exceed the limits set out in these Procedures to satisfy its business requirements, and where the conditions set out in these Procedures are complied with, it shall obtain approval from the Board of Directors and submit to the shareholders' meeting for ratification. If the shareholders' meeting does not give consent, the company shall adopt a plan to discharge the amount in excess within a given time limit. | |
| Article 10: Custody and Procedures of Corporate Chops (1)The Corporation shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees. The chop shall be kept in the custody of the chairman authorized by the Board of Directors or a director authorized by the chairman or a person designated by the general manager and may be used to seal or issue negotiable instruments, and a report to the Board of Directors for approval shall be made before dismissal or change of the designated chop custodian. (2)After the endorsement/guarantee has been resolved by the Board or | Article 9: Custody and Procedures of Corporate Chops (1)The Corporation shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees. The chop shall be kept in the custody of the chairman authorized by the Board of Directors or a director authorized by the chairman or a person designated by the general manager and may be used to seal or issue negotiable instruments, and a report to the Board of Directors for approval shall be made before dismissal or change of the designated chop custodian. (2)After the endorsement/guarantee has been resolved by the Board or | Article 9 is adjusted to Article10, and discretionary tex. |

| Revised terms | Existing terms | Explanation |
|---|--|---------------------------|
| approved by the Chairman, the | approved by the Chairman, the | |
| financial unit shall fill out "Seal Use | financial unit shall fill out "Seal Use | |
| Application Form" and send along | Application Form" and send along | |
| with approval record and documents | with approval record and documents | |
| to seal including | to seal including | |
| endorsement/guarantee agreement | endorsement/guarantee agreement | |
| or guaranteed negotiable | or guaranteed negotiable | |
| instruments to financial supervisor | instruments to financial supervisor | |
| before submitting to the person of | before submitting to the person of | |
| corporate chop custody for applying | corporate chop custody for applying | |
| seals. | seals. | |
| (III) (Omit) | (III) (Omit) | |
| (IV) (Omit) | (IV) (Omit) | |
| Article 11: Announcement and | Article 10: Procedures for Public | Article 10 is adjusted to |
| Reporting Procedures | Announcement and Filing | Article 11, and |
| | (1)The financial unit shall submit the | discretionary tex. |
| The Company shall, in respect of | previous month's balance of | |
| matters relating to | endorsements/guarantees of this | |
| endorsement/guarantee, conduct | Corporation and its subsidiaries to the | |
| public announcement and report in | accounting unit, and, the balance | |
| accordance with the declaration | along with the operation revenue shall | |
| standard set forth in the | be announced and filed by the | |
| "Regulations Governing Loaning of | accounting unit by the 10 th day of | |
| Funds and Making of | each month. | |
| Endorsements/Guarantees by Public | (2)Besides announcing and reporting | |
| Companies" promulgated by the | the previous month's balance of | |
| FSC. | endorsements/guarantees of itself and | |
| | its subsidiaries every month, if | |
| | balance of endorsements/guarantees | |
| | reaches one of the following levels, | |
| | the financial unit shall promptly | |
| | provide relevant information for | |
| | accounting department to announce | |
| | and report such event within two days | |
| | commencing immediately from the | |
| | date of occurrence: | |
| | 1.The aggregate balance of | |
| | endorsements/guarantees by this | |
| | Corporation and its subsidiaries | |
| | reaches 50 percent or more of this | |
| | Corporation's net worth as stated in | |
| | its latest financial statement. | |
| | 2.The balance of | |
| | endorsements/guarantees by this | |
| | Corporation and its subsidiaries for a | |

| Revised terms | Existing terms | Explanation |
|--|--|--|
| | single enterprise reaches 20 percent | |
| | or more of this Corporation's net | |
| | worth as stated in its latest financial | |
| | statement. | |
| | 3.The balance of | |
| | endorsements/guarantees by this | |
| | Corporation and its subsidiaries for a | |
| | single enterprise reaches NTD 10 | |
| | million or more and the aggregate | |
| | amount of all | |
| | endorsements/guarantees for, | |
| | investment of a long-term nature in, | |
| | and balance of loans to, such | |
| | enterprise reaches 30 percent or more | |
| | of this Corporation's net worth as stated in its latest financial statement. | |
| | 4. The amount of new | |
| | | |
| | endorsements/guarantees made by this Corporation or its subsidiaries | |
| | reaches NTD 30 million or more, and | |
| | reaches 5 percent or more of the | |
| | public company's net worth as stated | |
| | in its latest financial statement. | |
| Article 12: Penal Principles | Article 11: Penal Principles | Article 11 is adjusted to |
| (Omit) | (Omit) | Article12. |
| | × | |
| Article 13: Any unspecified matters in | Article 12: Any unspecified matters in | Article 12 is adjusted to |
| these Procedures shall be dealt in | these Procedures shall be dealt in | Article13. |
| accordance with the "Regulations | accordance with the "Regulations | |
| Governing Loaning of Funds and | Governing Loaning of Funds and | |
| Making of Endorsements/Guarantees | Making of Endorsements/Guarantees | |
| by Public Companies"by FSC. | by Public Companies" by FSC. Article 13: These Procedures shall | Addition Article14, |
| Article <u>14</u> : <u>Enactment and</u> | be agreed by the audit committee | Article 13 is adjusted to |
| Amendment The enactment or | and, after passage by the Board of | Article14. |
| amendment of the | Directors, submit for approval by | |
| Management shall be approved by | the shareholders' meeting. The same shall apply to any | Article11(4) is added and the terms are amended in |
| 50% of the members of the Audit | same shall apply to any amendments to the Procedures. | accordance with |
| Committee and be submitted to the | | "Regulations Governing |
| shareholders' meeting for | | Loaning of Funds and Making of |
| discussion after approved by the | | Endorsements/Guarantees |
| Board of Directors.Without the | | by Public Companies" |
| | | promulgated by the FSC. |

| Revised terms | Existing terms | Explanation |
|--------------------------------------|----------------|-------------|
| consent of more than half | | |
| of the members of the Audit | | |
| Committee, the preceding paragraph | | |
| may be approved by more than | | |
| two-thirds of the directors, and the | | |
| resolutions of the audit committee | | |
| shall be set forth in the minutes of | | |
| the board of directors. Any | | |
| objection by the director with a | | |
| record or written statement shall be | | |
| report to the shareholders' meeting | | |
| for discussion. | | |
| All members of the Audit | | |
| Ommittee referred to in this article | | |
| and all directors referred to in the | | |
| preceding paragraph shall be | | |
| counted as actual incumbents. | | |

Ton Yi Industrial Corp. (Attachment 10) Comparison Table of Articles of Rules for Director Election

| Article | Revised terms | Existing terms | Explanation |
|-------------------------|---|--|--|
| Article Article 4 | Revised terms The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice | Existing terms The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice | Explanation Text error correction |
| Article 5 | Principles for TWSE/GTSM Listed Companies. Elections of both directors And supervisors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Law. | Principles for TWSE/GTSM Listed Companies. Elections of both directors And supervisors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Law. The Company shall review thequalifications, education, working experience, background, and the | To protect shareholders' equite ,and amended by the provisions of Article 192-1 of the Company Act. |

| Article | Revised terms | Existing terms | Explanation |
|---------------|--|---|-------------------|
| | When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's Articles of Association, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies. (Omit) | existence of any other matters set forth in Article 30 of the Comp any Law with respect to nominee directors and supervisors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors and supervisors will be elected. When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's Articles of Association, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies. (Omit) | |
| Article 14 | The Procedure, and any amendments hereto, shall be implemented after approval by a shareholders meeting. These Articles were duly enacted on June Mar 30, 2015, duly amended on: <u>XXX, XX, XX.</u> | The Procedure, and any amendments hereto, shall be implemented after approval by a shareholders meeting. | Date of amendment |

Ton Yi Industrial CORP (Attachment 11) Candidates of Directors

| DIRECTORChih-Ilsien LoEducation : University of California, Los Angeles Qi YansuoDIRECTOR(represent: Uni-PresidenExperience : The Chairman of Uni-President Enterprises CO, Ltd. Current position : The Chairman of Uni-President Enterprises CO, Ltd. Hatmann of Ton Yi Industrial CO, Ltd.DIRECTOR(hao- Kai Huang (represent: Uni-President Enterprises CORP.)Education : Practice Specialist Accounting Experience : Manager of Dairy of Uni-President Enterprises CO, Ltd. Ourrent position : The Vice President of Dairy & Beverage Group of Uni-President Enterprises CORP.)DIRECTORJui-Sheng Wang (represent: Uni-PresidenEducation : Soohow University Department of Business Administration Corp.DIRECTORFeng-Fu Chen (represent: Uni-Presiden Enterprises CORP.)Current position : Assocuate of the General Manager' s Office of Uni-Presiden Enterprises CO, Director of Ton Yi Industrial Corp.DIRECTORFeng-Fu Chen (represent: Uni-Presiden Enterprises CORP.)Education : Master of Advanced Management at National Cheng Kung University Experience : Executive vice president of Ton Yi Industrial Corp. , Head offinance and accounting., Company spokesman. Current position : President of Ton Yi Industrial Corp.DIRECTORXiu-Ling Kao (represent: Uni-President Enterprises CO, Uni-President Enterprises CO, Uni-President Enterprises CO, Uni-President Enterprises CO, Utd. & President Chain Store Corp. (represent: Uni-President Enterprises CO, Utd. & President Chain Store Corp. (represent: Uni-President Enterprises CO, Utd. & President Chain Store Corp. (represent: Uni-President Enterprises CO, Uti & President Chain Store Corp. (represent: Uni-President Enterprises CO, Uti & President C | Items | Candidates | Education, Major Experience and Current position |
|--|----------|--------------------------------------|--|
| DIRECTOR Uni-Presiden Current position : The Chairman of Uni-President Enterprises CO, Enterprises CORP.) Ltd., The Chairman of Ton Yi Industrial CO, Ltd. DIRECTOR Chao- Kai Iluang (represent: Uni-Presiden Enterprises CORP.) Education : Practice Specialist Accounting Experience : Manager of Dairy of Uni-President Enterprises CO, Ltd. Current position : The Vice President of Dairy & Beverage Group of Uni-Presiden Enterprises Co., Ltd., Director of Ton Yi Industrial Corp. DIRECTOR Jui-Sheng Wang Education : Soohow University Department of Business JUI-Presiden Enterprises CORP.) Education : Associate of Technical Group of Uni-President Enterprises CO, Ltd. Uni-Presiden Enterprises CORP.) Experience : Associate of Technical Group of Uni-President Enterprises CO, Ltd. Uni-Presiden Enterprises CORP.) Education : Master of Advanced Management at National Cheng Kung University Uni-Presiden Enterprises CORP.) Education : Master of Advanced Management at National Cheng Kung University Uni-Presiden Enterprises CORP.) Education : Master of Advanced Management at National Cheng Kung University Uni-Presiden Enterprises CORP.) Education : Marymount College U.S. A Experience : Chairman of Kao Chyuan Inv. Co, Ltd, the Director of Uni-President Enterprises CO, Ltd. & President Department Kao Chyuan Inv. URECTOR Xiu-Ling Kao Uni-President Enterprises CO, Ltd. & President Department Kao Chyuan Inv. Co., | | Chih-Hsien Lo | Education: University of California, Los Angeles Qi Yansuo |
| DIRECTOREnterprises CORP.)Ltd., The Chairman of Ton Yi Industrial CO., Ltd.DIRECTORChao- Kai Iluang (represent: Uni-Presiden Enterprises CORP.)Education : Practice Specialist Accounting Experience : Manager of Dairy of Uni-President Enterprises CO., Ltd. Current position : The Vice President of Dairy & Beverage Group of Uni-President Enterprises CO., Ltd. , Director of Ton Yi Industrial Corp.DIRECTORJui-Sheng Wang (represent: Uni-Presiden Enterprises CORP.)Education : Soohow University Department of Business AdministrationDIRECTORFeng-Fu Chen (represent: Uni-President Enterprises CORP.)Education : Associate of Technical Group of Uni-President Enterprises CO., Ltd.DIRECTORFeng-Fu Chen (represent: Uni-President Enterprises CORP.)Education : Master of Advanced Management at National Cheng Kung University Experience : Executive vice president of Ton Yi Industrial Corp., Head offinance and accounting. ,Company spokesman. Current position : President of Ton Yi Industrial Corp.DIRECTORXiu-Ling Kao (represent: Uni-President Interprises CORP.)Education : Marguount College U.S. A Experience : Chairman of Kao Chyuan Inv. Co., Ltd., President Being Corp., President Enterprises CO., Ltd. & President Chain Store Corp.DIRECTORXiu-Ling Kao (representatives: Kao Chyuan Inv. Co., Ltd.)Current position : Chairman of Kao Chyuan Inv. Co., Ltd., President Being Corp., President Enterprises CO., Ltd. & President Department Co., Ltd., Director of Uni-President Enterprises CO., Ltd., Director of President Interprises CO., Ltd., Director of Ton Yi Industrial Corp.DIRECTORShing-Chi LiangEducation : Nation Changhua Senion High Schoo | | (represent: | Experience: The Chairman of Uni-President Enterprises CO., Ltd. |
| DIRECTORChao-Kai Huang (represent: Ini-Presiden Enterprises CORP.)Education : Practice Specialist Accounting Experience : Manager of Dairy of Uni-President Enterprises CO, Ltd. Current position : The Vice President of Dairy & Beverage Group of Uni-President Enterprises Co., Ltd. , Director of Ton Yi Industrial Corp.DIRECTORJui-Sheng Wang (represent: Uni-Presiden Enterprises CORP.)Education : Soohow University Department of Business Administration Experience : Associate of Technical Group of Uni-President Enterprises CO, Ltd.DIRECTORFeng-Fu Chen (represent: Uni-Presiden Enterprises CORP.)Current position : Assocuate of the General Manager' s Office of Uni-President Enterprises CO, Director of Ton Yi Industrial Corp.DIRECTORFeng-Fu Chen (represent: Uni-Presiden Enterprises CORP.)Education : Master of Advanced Management at National Cheng Kung University Experience : Executive vice president of Ton Yi Industrial Corp. , Head offinance and accounting. ,Company spokesman. Current position : Chairman of Kao Chyuan Inv. Co., Ltd., the Director of Uni-President Enterprises CO., Ltd. & President Chain Store Corp. Current position : Chairman of Kao Chyuan Inv. Co., Ltd., President Being Corp., President Enterprises CO., Ltd. & President Department Store Corp. Or president Fair Development Corp., Uni-President Being Corp., President Pharmaceutical Corp., President Drugstore Business Corp. Director of Uni-President Enterprises CO., Ltd., Director of President Chain Store Corp., Director of Ton Yi Industrial Corp.DIRECTORShing-Chi LiangEducation : Nation Changhua Senion High School Experience : President of Ton Yi Industrial Corp. ,Vice Chairman of Ton Yi Industrial Corp. ,Ltd. | DIRECTOR | Uni-Presiden | Current position : The Chairman of Uni-President Enterprises CO., |
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| DIRECTORJui-Sheng Wang (represent: Uni-Presiden Enterprises CORP.)Administration Experience : Associate of Technical Group of Uni-President Enterprises CO, Ltd.DIRECTOREnterprises CORP.)Current position : Assocuate of the General Manager' s Office of Uni-President Enterprises CO, Director of Ton Yi Industrial Corp.DIRECTORFeng-Fu Chen (represent: Uni-Presiden Enterprises CORP.)Education : Master of Advanced Management at National Cheng Kung University Experience : Executive vice president of Ton Yi Industrial Corp., Head offinance and accounting., Company spokesman. Current position : President of Ton Yi Industrial Corp.DIRECTORXiu-Ling KaoEducation : Marymount College U. S. A Experience : Chairman of Kao Chyuan Inv. Co., Ltd., the Director of Uni-President Enterprises CO., Ltd. & President Chain Store Corp.DIRECTORXiu-Ling KaoCurrent position : Chairman of Kao Chyuan Inv. Co., Ltd., President Being Corp. President Fair Development Corp. Juni-President Department Store Corp. President Pharmaceutical Corp. President Department Store Corp. Director of Uni-President Enterprises CO., Ltd., Director of President Chain Store Corp. Director of Ton Yi Industrial Corp.DIRECTORShing-Chi LiangEducation : Nation Changhua Senion High School Experience : President of Ton Yi Industrial Corp., Vice Chairman of Ton Yi Industrial Corp. Ltd. | DIRECTOR | (represent: Uni-Presiden | Experience : Manager of Dairy of Uni-President Enterprises CO., Ltd. Current position : The Vice President of Dairy & Beverage Group of Uni-President Enterprises Co., Ltd. , Director of Ton Yi Industrial |
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| Image: DiffectionUni-President Enterprises CO., Director of Ton Yi Industrial Corp.DIRECTORFeng-Fu Chen (represent: Uni-Presiden Enterprises CORP.)Education : Master of Advanced Management at National Cheng Kung University Experience : Executive vice president of Ton Yi Industrial Corp., Head offinance and accounting., Company spokesman. Current position : President of Ton Yi Industrial Corp.DIRECTORXiu-Ling KaoEducation : Marymount College U. S. A Experience : Chairman of Kao Chyuan Inv. Co., Ltd., the Director of Uni-President Enterprises CO., Ltd. & President Chain Store Corp.DIRECTORXiu-Ling KaoCurrent position : Chairman of Kao Chyuan Inv. Co., Ltd., President Being Corp., President Fair Development Corp., Juni-President Department Store Corp. Director of Uni-President Enterprises CO., Ltd., Director of President Chain Store Corp., Director of Ton Yi Industrial Corp.DIRECTORShing-Chi LiangEducation : Nation Changhua Senion High School Experience : President of Ton Yi Industrial Corp., Vice Chairman of Ton Yi Industrial Co., Ltd. | DIRECTOR | Uni-Presiden | CO., Ltd. |
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| DIRECTORXiu-Ling Kao (representatives: Kao Chyuan Inv. Co., Ltd)Uni-President Enterprises CO., Ltd. & President Chain Store Corp. Current position : Chairman of Kao Chyuan Inv. Co., Ltd., President Being Corp., President Fair Development Corp., Uni-President Department Store Corp. President Pharmaceutical Corp., President Drugstore Business Corp. Director of Uni-President Enterprises CO., Ltd., Director of President Chain Store Corp., Director of Ton Yi Industrial Corp.DIRECTORShing-Chi LiangEducation : Nation Changhua Senion High School Experience : President of Ton Yi Industrial Corp., Vice Chairman of | | | Education : Marymount College U.S.A |
| DIRECTOR Shing-Chi Liang Education : Nation Changhua Senion High School Experience : President of Ton Yi Industrial Corp. ,Vice Chairman of Ton Yi Industrial Co., Ltd. | DIRECTOR | (representatives: Kao Chyuan Inv. | Uni-President Enterprises CO., Ltd. & President Chain Store Corp. Current position : Chairman of Kao Chyuan Inv. Co., Ltd., President Being Corp., President Fair Development Corp., Uni-President Department Store Corp. President Pharmaceutical Corp., President Drugstore Business Corp. Director of Uni-President Enterprises CO., Ltd., Director of |
| DIRECTOR Shing-Chi Liang Experience : President of Ton Yi Industrial Corp. ,Vice Chairman of Ton Yi Industrial Co., Ltd. | | | · · · · · · · · · · · · · · · · · · · |
| DIRECTOR Shing-Chi Liang Ton Yi Industrial Co., Ltd. | | | |
| | DIRECTOR | Shing-Chi Liang | |
| | | | |

| Items | Candidates | Education, Major Experience and Current position |
|----------|---------------|--|
| | | Education : Graduated from National Taipei College of Technology |
| | | Technology ,majoring in Textile |
| DIRECTOR | Kuo-Keng Chen | Experience: Supervisor of Uni-President Enterprises Co., Ltd., and |
| | | Tainan Spinning Corp. |
| | | Current position: Director of Ton Yi Industrial Corp. |

Ton Yi Industrial CORP Candidates of Independent Directors

| Items | Candidates | Education, Major Experience and Current position |
|-------------------------|-----------------|---|
| Independent DIRECTOR | Ming-Long Wang | Education : The City University of New York Doctor of Philosophy Experience : The City University of New York Doctor of Philosophy"full-time lecturer investmemt National Cheng Kung University of Accounting and Chief Financial professor of finance National Cheng Kung University Director of Accounting Department Associate Dean of Management,National Cheng Kung University,and EMBA/AMBA CEO Current position : National Cheng Kung University of adjunct professor. Director of Catcher Technology CORP. Director of Tang Rong Iron Works Co., Ltd. Independent Director of Guimeng Internatinal Co., Ltd. Independent Director of Hanping Electronics Co., Ltd. Supervisor of China NET Dragon Co., Ltd. |
| Independent DIRECTOR | Chin-Chen Chien | Education: Rutgers, The State University Doctor of Philosophy Experience: National Cheng Kung University Director of Accounting Department Current position: National Cheng Kung University Accounting and Chief Financial adjunct professor of finance Independent D irect of Ton Yi Industrial CORP. Independent Direct of Ronggang Materials Technology Co., Ltd. Independent Direct of Jingsteel Precision Technology Co., Ltd. |

| Items | Candidates | Education, Major Experience and Current position |
|-------------|-------------|---|
| | | 5.Independent Direct of Taiwan Styrene Industry Co. |
| | | 6. Supervisor of China NET Dragon Co., Ltd. |
| | | 7. Supervisor of Zhiguan Technology Co., Ltd. |
| | | |
| | Bing-Eng Wu | Education: National Chengchi University, Institute of Management |
| | | and Suppliers Ph.D. |
| | | Experience : |
| | | 1. Fu Jen University Department professor of Wild lecture. |
| | | 2.Manager ,Industrial Economic Research Center ,Institute of |
| | | Industrial Technology. |
| | | 3. Fu Jen University Department of Vice-Chancellor |
| | | 4. National Chiayi University , Dean |
| | | 5. Republic of China Enterprise Manager Association for the |
| Independent | | Advancement of Human Resources Committee , vice chairman |
| D I RECTOR | | 6. Standing Committee on Human Resources Development of the Republic of China |
| | | 7.Human Resources Committee chairman Republic of China |
| | | Management Science Society |
| | | 8.Nation Examination College Entrance Examination/Special test |
| | | Commission. |
| | | 9. Lutheran Cultural Foundation director |
| | | Current position : |
| | | 1. Fu Jen Catholic University Department professor of finance |
| | | 2. Independent Direct of Ton Yi Industrial CORP. |

Details of the Duties Subject to Releasing the Candidates (Attachment 12) of Directors and Independent Directors from Non-competition

| Name | Current position with other company |
|---------------|---|
| Chih-Hsien Lo | Chairman : |
| (represent: | Uni-President Enterprises corp. President Chain Store Corp. President Natural Industrial |
| Uni-Presiden | Corp. 🔨 Ton Yi Industrial Co., Ltd. 🔪 TTET Union Corp. 🕆 Prince Housing & Development Corp. 🛀 |
| Enterprises | Prince Real Estate Co. < Prince Property Management Consulting Co. < Cheng-Shi Investment |
| CORP.) | Holding Co. Time Square International Co., Ltd. Time Square International Co., Ltd. TIMES |
| | SQUARE INTERNATIONAL STAYS CORPORATION. |
| | Corp. President International Development Corp. President Property Corporation Scino |
| | Pharm Taiwan Ltd. \ Uni-President Cold-Chain Corp. \ Presco Netmarketing Inc. \ Uni-President |
| | Dream Parks Corp. Vini-OAO Travel Service Corp. Kai Nan Investment Co. President |
| | Century Corp. < Tong Ren Corp. < Changjiagang President Nisshin Food Co. < Uni-President |
| | (Philippines) Corp. 、Uni-President (Thailand) Ltd. 、Uni-President (Vietnam) Co., Ltd. 、 |
| | Uni-President China Holdings Ltd. (Cayman) 	 President Enterprises (China) Investment Co., |
| | Ltd. 、Woongjin Foods Co. Ltd. 、Daeyoung Foods Co. Ltd. |
| | Vice Chairman : |
| | President Nisshin Corp. |
| | Director : |
| | President Baseball Team Corp. Nanlien International Corp. Tone Sang Construction Corp. |
| | Retail Support International Corp. Presicarre Corp. President Fair Development Corp. |
| | President Starbucks Coffee Corp. < Uni-President Organics Corp. < PK Venture Capital Corp. < |
| | Uni-President Glass Industrial Co. < Kuang Chuan Dairy Co. < Kuang Chuan Foods Co. < |
| | Uni-President Development Corp. Tait Marketing & Distribution Co. Weilih Food Corp. Keng |
| | Ting Enterprises Co. Year Prince Property Management Consulting Co. Kao Chyuan Inv. Corp. |
| | PCS (BVI) Holdings Ltd. PCS (Labuan) Holdings Ltd. Cayman President Holdings Ltd. Kai Yu |
| | (BVI) Investment Co., Ltd. 、 Uni-President Southeast Asia Holdings Ltd. 、 President Packaging |
| | Holdings Ltd. 、President Energy Development (Cayman Islands) Ltd. 、Uni-President Asia |
| | Holdings Ltd. 🕤 UniPresident International (HK) Co., Ltd. 🕆 Hefei President Enterprises Co., |
| | Ltd. < Zhenzhou President Enterprises Co., Ltd. < Nanchang President Enterprises Co., Ltd. < |
| | Guangzhou President Enterprises Co., Ltd. Fuzhou President Enterprises Co., Ltd. Shenyang |
| | President Enterprises Co., Ltd. < Changsha President Enterprises Co., Ltd. < Nanning President |
| | Enterprises Co., Ltd. < Zhanjiang President Enterprises Co., Ltd. < Chongqing President |
| | Enterprises Co., Ltd. 🕤 Taizhou President Enterprises Co., Ltd. 🕆 Changchun President |
| | Enterprises Co., Ltd. Saiyin President Enterprises Co., Ltd. Hainan President Enterprises Co., |
| | Ltd. Guiyang President Enterprises Co., Ltd. Jinan President Enterprises Co., Ltd. Hangzhou |
| | President Enterprises Co., Ltd. < Xuzhou President Enterprises Co., Ltd. < Henan President |
| | Enterprises Co., Ltd. 、 Shaanxi President Enterprises Co., Ltd. 、 Jiangsu President Enterprises |
| | Co., Ltd. Ningxia President Enterprises Co., Ltd. President Enterprises (Shanghai) Co., Ltd. |

| Xiu-Ling Kao (represent: Kao Chyuan Inv. Co.,Ltd) | Shaanxi President Enterprises Co., Ltd. $	imes$ Uni-President Enterprises (Tianjin) Co., Ltd. $	imes$ Hunan President Enterprises Co., Ltd. $	imes$ Harbin President Enterprises Co., Ltd. $	imes$ Akesu President Enterprises Co., Ltd. $	imes$ President Enterprises (Inner Mongolia) Co., Ltd. $	imes$ Shijiazhuang President Enterprises Co., Ltd. $	imes$ Xinjiang President Enterprises Food Co., Ltd. $	imes$ Wuhan President Enterprises Food Co., Ltd. $	imes$ Kunshan President Enterprises Food Co., Ltd. $	imes$ Chengdu President Enterprises Food Co., Ltd. $	imes$ Kunshan President Enterprises Food Co., Ltd. $	imes$ Beijing President Enterprises Drinks Co., Ltd. $	imes$ Uni-President Enterprises (Shanghai) Drink & Food Co., Ltd. $	imes$ Uni-Presodent Enterprises (Kunshan) Food Technology Co., Ltd. $	imes$ Uni-President Trading (Hubei) Co., Ltd. $	imes$ Versident (Kunshan) Trading Co., Ltd. $	imes$ Uni-President (Shanghai) Trading Co., Ltd. $	imes$ Yantai Tongli Beverage Industries Co., Ltd. $	imes$ Bara President Mineral Water Co. $	imes$ Wuyan President Enterprises Mineral Water Co., Ltd. $	imes$ Champ Green Capital Limited $	imes$ Champ Green (Shanghai) Consulting Co. Ltd. $	imes$ Uni-President (Shanghai) Pearly Century Co., Ltd. $	imes$ Uni-President Enterprise (Hutubi) Tomato Products Technology Co. President Presco Netmarketing Inc. Chairman : Kao Chyuan Inv. Corp. $	imes$ President Being Corp. $	imes$ President Fair Development Corp. $	imes$ Uni-President Department Store Corp. $	imes$ President Pharmaceutical Corp. $	imes$ President Drugstore Business Corp. Director : Uni-President Enterprises Corp. $	imes$ President Chain Store Corp. $	imes$ Scino Pharm Taiwan Ltd. President International Development Corp. $	imes$ Uni-President Development Corp. $	imes$ Prince Housing & Development Corp. $	imes$ Times Square International Co. Ltd. $	imes$ TIMES SQUARE INTERNATIONAL HOLDING COMPANY. $	imes$ President Century Corp. $	imes$ Beauty Wonder (Zhejjang) Trading Co., Ltd. President : | |
|--|--|--|
| | Kao Chyuan Inv. Co. Ltd. Chairman : | |
| Chao-Kai Huang | Uni-President Vender corp. \ Tung Ang Enterprises Corp | |
| 0 | Director : | |
| (represent: Uni-Presiden Enterprises CORP.) | President Chain Store Corp. • Mech-President Corp • Uni-President Cold-Chain Corp. • President Pharmaceutical Corp. • Uni-president Marketing Co., Ltd. • Uni-President (Vietnam) Co., Ltd. • Woongjin Foods Co. Ltd. • Daeyoung Foods Co. Ltd. | |
| Jui-Sheng | Chairman : | |
| Wang | President Global Corp. 、 Tung-You International Corp., 、 Tung-Xiang Corp | |
| (represent: Uni-Presiden | Vice Chairman : President Kikkoman Inc. < Kunshan President Kikkoman Biotechnology Co., Ltd. < President | |
| | | |

| Enterprises | Kikkoman Zhenji Foods Co., Ltd. |
|---|--|
| CORP.) | |
| Feng-Fu Chen (represent: Uni-Presiden Enterprises CORP.) | Chairman : Cayman Ton Yi Industrial Holdings Ltd. < Cayman Ton Yi (China) Holdings Limited < Ton Yi (China) Investment Co., Ltd. < Taizhou Ton Yi Industrial Co., Ltd. < Zhangzhou Packing Co., Ltd. Chengdu Ton Yi Industrial Co., Ltd. < Huizhou Ton Yi Industrial Co., Ltd. < Beijing Ton Yi Industrial Co., Ltd. < Kunshan Ton Yi Industrial Co., Ltd. < Sichuan Ton Yi Industrial Co., Ltd. < Zhanjiang Ton Yi Industrial Co., Ltd. < Sichuan Ton Yi Industrial Co., Ltd. < Zhanjiang Ton Yi Industrial Co., Ltd. < TIANJIN TON YI INDUSTRIAL CO., LTD. Director : Wuxi Ton Yi Industrial Packing Co., Ltd. < Chengdu Ton Yi Industrial Packing Co., Ltd. < Changsha Ton Yi Industrial Co., Ltd. President : Ton Yi Industrial Co., Ltd. Supervisor: Jiangsu Ton Yi Tinplate Co., Ltd. < Fujian Ton Yi Tinplate Co., Ltd. |
| Shing-Chi Liang | Chairman: Cayman Ton Yi Industrial Holdings Ltd. 、Cayman Fujian Ton Yi Holdings Ltd. 、Cayman Jiangsu Ton Yi Holdings Ltd. 、Tovecan Corporation Ltd. 、Wuxi Ton Yi Industrial Packaging Co., Ltd. 、 Chengdu Ton Yi Industrial Packing Co., Ltd. 、Changsha Ton Yi Industrial Packing Co., Ltd. 、 Jiangsu Ton Yi Tinplate Co., Ltd. 、Fujian Ton Yi Tinplate Co., Ltd. 、 WUXI TONYI DAIWA INDUSTRIAL CO., LTD. Director: Cayman Ton Yi Industrial Holdings Ltd. 、 Cayman Fujian Ton Yi Holdings Ltd. 、 Cayman Jiangsu Ton Yi Holdings Ltd. |
| Ming-Long Wang | Director : Catcher Technology CORP. Tang Rong Iron Works Co. , Ltd. Independent directors : Guimeng Internatinal Co. , Ltd. Hanping Electronics Co. , Ltd. Supervisor: China NET Dragon Co. , Ltd. |
| Chin-Cheng Chien | Independent directors : Ronggang Materials Technology Co., Ltd. Singsteel Precision Technology Co., Ltd. Taiwan Styrene Industry Co. Supervisor: China NET Dragon Co., Ltd. Zhiguan Technology Co., Ltd. |

Ton Yi Industrial Corp. Appendix (1) Rules of Procedures for Shareholders' Meeting

Amemd on June 20, 2013

- Shareholders' meetings of the Company shall proceed according to the Rules of Procedures for Shareholders' Meeting (the "Rules").
- 2. The term "shareholder" as set forth in the Rules shall mean a shareholder himself and any proxy authorized by a shareholder.
- 3. The Company shall state the time for accepting registration for the meeting and the location where the registration will take place as well as other special notes in the meeting notice. Registration by shareholders shall start at least 30 minutes prior to the commencement of the meeting. The registration location shall be clearly identified and there shall be an adequate number of qualified staff to assist with the registration procedure. A shareholder wishing to attend a shareholders' meeting shall present an attendance card, sign-in card or other supporting attendance documents. A proxy solicitor shall provide such identification documents for verification as well. A shareholder shall submit the sign-in card as a substitute for sign-in to represent its attendance of the meeting. The total number of shares present at the meeting shall be calculated based on the sign-in cards plus the number of shares exercising their voting power in writing or through electronic transmission.
- The attendance and vote of a shareholders' meeting shall be computed on the basis of the number of shares.
- 5. A shareholders' meeting shall be held on the premises of the Company or a place that is convenient for shareholders to attend. A shareholders' meeting shall start no earlier than 9 a.m. or no later than 3 p.m.
- Unless otherwise stipulated by laws, a shareholders' meeting shall be called by the Board of Directors (the "Board") and be chaired by the Chairman of the

Board. Where the Chairman is on leave or unable to exercise his authority for any reason, the Vice Chairman shall act on his behalf. Where the Vice Chairman is on leave or unable to exercise his authority for any reason, the Chairman shall designate one of the Directors to act on his behalf. Where no such designee is designated, the Chairperson shall be elected from the directors. In the event where the shareholders' meeting is convened by a convener entitled to hold the meeting other than the Board, the convener shall be the Chairperson. In the event where there are more than two conveners, the Chairperson shall be elected from the conveners.

If one of the Directors is appointed to act as the Chairperson of the meeting in accordance with the preceding paragraph, he or she shall have served as a Director for more than 6 months and have a sound knowledge of the Company's financial and business status. The same shall apply to the situation where the Chairperson is the representative of a legal-entity director.

- 7. The Company may appoint lawyers, accountants or other relevant personnel to attend the shareholders' meeting. All staff members assisting the procedure of the shareholders' meeting shall wear an identification badge.
- 8. The Company shall record, in audio or video, the meeting in its entirety on a continuous and uninterrupted basis from the time that any shareholders register for attendance, including the registration process, proceedings of the meeting and the voting and vote counting process.

The aforementioned recordings shall be retained for at least one year. However, in the event any shareholder files a lawsuit in according with Article 189 of the Company Act, such recordings shall be kept until the conclusion of litigation.

9. The Chairman shall call the meeting to order at the specified time. Where the number of shares represented by the attending shareholders has not reached the required quorum of one-half of total issued shares, the Chairman may announce a postponement of the meeting. The total postponements shall be

limited to two instances and the total time any such delays shall not exceed one hour. If after two postponements, the number of shares represented by the shareholders present does not reach the specified quorum but represents more than one-third of the total issued shares, a tentative-resolution may be adopted according to Section 1 of Article 175 of the Company Act. Should the number of shares represented by shareholders in attendance constitute more than one-half of the total issued shares before the shareholders' meeting adjourns, the Chairman may offer the tentative-resolution to the meeting for resolution again in accordance to Article 174 of the Company Act.

- 10. Should the shareholders meeting be convened by the Board, the agenda of the meeting shall be set by the Board and the meeting shall proceed according to the agenda, and such agenda shall not be amended without the resolution being passed by the shareholders' meeting. In the event where the shareholders' meeting is convened by a person with convening rights other than the Board, the provision set forth in the preceding paragraph shall apply. Unless duly resolved at the meeting, where the meeting agenda (including extemporaneous motions) set forth in the two preceding paragraphs has not been completed, the Chairman shall not announce to adjourn the meeting. After the adjournment of the meeting, shareholders shall not elect a chairman and resume the meeting at the same or an alternative venue. If the Chairman adjourns the meeting in violation of the Rules, the present shareholders may elect another Chairperson by a majority vote to continue the meeting accordingly.
- 11. Prior to addressing the meeting, a shareholder shall fill out a speech note, to summarize the key subjects of his speech, the shareholder's account number (or the code of the attendance card) and the name of the shareholder. The sequence of speakers shall be determined by the Chairman. Should any shareholder in attendance submit a speech but not actually speak at

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the meeting, it shall be deemed that the speech has not been made by the shareholder. In case of a discrepancy between what was summarized on the floor note and what was actually spoken, the contents actually spoken shall prevail.

When a shareholder is properly addressing the meeting, no other shareholder shall speak to interrupt unless otherwise permitted by the Chairman and the speaking shareholder. The Chairman shall stop such interruption of any violating shareholder.

- 12. Each shareholder is entitled to speak no more than twice on the same discussion proposal, unless agreed to otherwise by the Chairman. Each speech is limited to five minutes, and the Chairman may stop any speech of any shareholder that is in violation of the aforementioned time limit or the content of which is beyond the scope of the discussion proposal.
- 13. Where a legal entity is entrusted to attend a shareholders' meeting on someone else's behalf, such legal entity may appoint only one representative to attend the meeting. Where a legal entity shareholder has appointed two or more representatives to attend the meeting, only one representative can speak for the same discussion proposal.
- 14. The Chairman may respond in person or through an appropriate appointee after the speech of a shareholder.
- 15. In the event where the Chairman considers the discussion of a proposal has reach the extent necessary for a resolution to be reached, the Chairman may announce discontinuation of the discussion and proceed to the voting process.
- 16. Voting counting for a resolution or election shall be conducted in public at the place of the shareholders meeting. The Chairman shall appoint persons responsible for supervising and counting of ballots. However, the persons responsible for supervising the ballots must be appointed from the

shareholders. The voting results, including the numbers of votes, shall be announced on-site immediately at the meeting and recorded in writing. Where Directors are elected at the meeting, the election shall be conducted in accordance with the applicable election rules of the Company and the election results, including the list of elected Directors and numbers of votes for the election of Directors, shall be announced on-site immediately at the meeting.

- 17. The Chairman may announce a recess as deemed appropriate during the proceeding of a shareholders' meeting.
- 18. A proposal shall be deemed duly resolved should there be no objection raised by any shareholder present in response to such an inquiry by the Chairman. Unless otherwise provided for under the Company Act or Articles of Association, a proposal for vote shall be resolved by a majority of the presenting shareholders.

Upon voting process, where there is no objection raised by any shareholders, the proposal shall be deemed resolved and has equal validity as a resolution resolved through voting process.

- 19. In the event of an amendment proposal or substitute proposal to an original proposal, the Chairman shall decide on the order of the vote of the amendment or substitute proposal together with the original proposal. However, if one of the proposals has been approved, the others shall be deemed overruled and no further voting shall be required.
- 20. The Chairman may direct disciplinary personnel (or security guards) to assist in safeguarding the order of the meeting venue. The Chairman may direct the disciplinary personnel (or security guards) to remove shareholders from the venue if the shareholders have violated the Rules and refused to obey the instructions of the Chairman, impeded the proceedings of the meeting and furthermore does not comply after having being asked to stop. The disciplinary personnel (or security guards) shall, while helping safeguard the

order of the meeting venue, wear an arm-band with the words "Disciplinary Personnel."

- 21. All matters not specified in the Rules shall be subject to the Company Act, Articles of Association and other relevant laws and regulations.
- 22. The Rules and any amendments hereof, shall be implemented after adoption by shareholders meeting.

Appendix (2)

Ton Yi Industrial Corp. Articles of Association

Amended on Jun 23, 2017

Chapter 1 General Provisions

- Article 1: The Company is duly incorporated under the provisions governing a company limited by shares as set forth in the Companies Act in the full name of Ton Yi Industrial Corp.
- Article 2: The businesses operated by the Company are as follows:
 - 1. Domestic and export sales of processed and manufactured various types of metal sheets, printed sheets and other processed materials.
 - 2. Domestic and export sales of processed and manufactured tinted steel plates and raw steel plates.
 - 3. Domestic and export sales of manufactured cans and tinplate machinery.
 - 4. Provide processing and manufacturing technology for tin cans, tinted steel plate and other raw steel plate.
 - 5. F199990 other wholesale business (oxidized metal, aliphatic acid, tin products and oxidized tin).
 - 6. ZZ99999 other businesses not prohibited or restricted by law except any business requiring special approval.
- Article2-1: The Company may invest in other enterprise and be free from the restriction of total investment amount referred to in the Companies Act.

Any matters regarding long-term equity investment shall be resolved in accordance with the resolutions of the Board of Directors.

The aforementioned business operations shall abide by relevant laws.

- Article 3: The Company may make external endorsement/guarantee due to the business.
- Article 4: The Company's head office is based in Tainan, and may establish branches and representative offices domestically or overseas if necessary.

Chapter 2 Shares

- Article 5: The total capital stock of the Company shall be in the amount of NTD 17,847,009,180 divided into 1,784,700,918 shares at a par value of NTD 10 each, and may be paid-up in installments. Where any increase in capitalization occurs, the Company may issue shares over par value. The Company may issue preferred shares within the amount of aforementioned shares, and the unissued shares are authorized to be issued by the Board of Directors when deemed necessary for the business.
- Article 6: The share certificates hereof, the registered ones, shall be duly signed by or affixed with no less than three Directors of the Company, duly authenticated by the competent authorities of the government or certification organization authorized thereby before issuance, Publicly issued shares are exempted from printing, and should be registered by Securities custody film.
- Article 7: For transfer of shares, both the transferor and transferee shall fill out the application form, sign or affix seal thereon and apply to the Company for share transfer. Until the transfer procedures are completed in full and until the shares under transfer are entered into the Register (Roster) of Shareholders, the transferred shares shall not act against the Company. The matters regarding the Company's equity affairs shall be duly handled in accordance with the "Regulations Governing Equity Affairs of Public Companies" promulgated by the Stock Securities & Exchange Commission, Ministry of Finance.
- Article 8: The shareholders hereof shall have their seal specimen cards, ID Cards or profit-seeking enterprise certificates submitted to and archived at the Company upon opening accounts. The specimen seals shall be taken as the grounds for the shareholders to receive dividend, bonus and exercise shareholders' interests. A shareholder who has lost or changed his registered specimen seal shall fill out the application form and submit it along with the supporting documents verifying his/her capacity along with the Xerox copy (photocopy) thereof, the new registered seal impression card and share certificates to the Company in person for registration. The new registered seal impression card comes into effect on the date which the application is approved. In case of application for change in the shareholder name because of

succession, the inheritor shall submit supporting documents verifying the lawful succession.

- Article 9: No transfer of shares shall be handled within sixty days prior to a shareholders' regular meeting, or within thirty days prior to a shareholders' extraordinary meeting, or within five days prior to allocation of dividend' bonus or any other benefits.
- Article 10: The following formalities shall take place for processing any application pertaining to the loss of share certificates and replacement of such:
 - 1.A shareholder who has lost his/her share certificates shall report to the security authority and apply to the Company with an application form for registration of the lost share certificates.
 - 2.Such shareholder shall apply to the court for public summons in accordance with the Code of Civil Procedure and shall submit to the Company the application form, duplicate copy, and the receipt issued by the court verifying the receipt of the application within five days, otherwise the application shall be annulled.
 - 3.Upon expiry of the public disclosure dunning, the shareholder may apply for reissuance of share certificates by providing the invalidating judgment to the Company.
- Article 11: The Company may collect adequate handling charge cover printing cost and revenue stamp tax for transfer of the share certificates.

Chapter 3 Shareholders' Meeting

Article 12: The shareholders' meeting hereof consists of two categories—the shareholders' regular meeting and shareholders' extraordinary meeting. The shareholders' regular meeting shall be convened by the Board of Directors once per annum within six months from the closing of each fiscal year, with notices for the shareholders' meeting to be sent to all shareholders at least thirty days in advance. A shareholders' extraordinary meeting may be called whenever it is deemed necessary with notices for the shareholders' meeting to be sent to all shareholders fifteen days in advance. An issuer to shareholders who own less than 1,000 shares of nominal stocks may be given in the form of a public announcement; for a regular shareholders meeting.

- Article 13: In the event where a shareholder is unable to attend a shareholders' meeting for any cause, the shareholder may appoint a proxy to attend the meeting on behalf of the shareholder by executing a power of attorney printed by Company,or participate by ways of electronic transmission. Other than measures specified in Article 177 of the Company Act,a shareholder may also appoint a proxy in accordance with the provisions set forth in the "Rules Governing Appointment of Proxy by the Power of Attorney to Attend a Shareholders Meeting of Public Companies" published by the competent authority.
- Article 14: If the shareholders' meeting is convened by the Board of Directors, it shall be chaired by the Chairman of Board. If the Chairman is absent or fails to perform the duty with justified reasons, the chairperson may be assumed by Vice-Chairman of the Board. If the Vice-Chairman is absent or fails to perform the duty with justified reasons, the chairperson shall be assumed by a Director designated by the Chairman. If no such designee is appointed, the chairperson shall be elected out of the Directors. If the shareholders' meeting is called by any convener other than the Board of Directors, the chairperson shall be assumed by the convener. If there are more than two conveners, the chairperson shall be elected out of the conveners. In the event where the chairman adjourns the meeting and is in violation of the rules, another person shall be nominated to be the chairperson and be elected by a majority of shareholder votes to continue with the meeting accordingly.
- Article 15: Unless otherwise provided for in the Companies Act, decisions in the shareholders' meeting shall be resolved by a majority vote in the meeting attended by shareholders representing a majority of the total issued shares. When the number of shareholders present does not constitute the quorum prescribed in the preceding article, but those present represent one-third or more of the total number of issued shares, a tentative resolution may be passed by a majority of those present. A notice of such tentative resolution shall be given to each of the shareholders, and reconvene a Shareholders' meeting within one month. In the aforesaid meeting of shareholders, if the tentative resolution is again adopted by a majority of those present who represent one-third or more of the total number of issued shares, such tentative resolution shall be deemed to be a resolution under the preceding article.
- Article 16: Unless otherwise provided in laws, a shareholder shall be entitled to

one voting right for each share held by him and he may exercise the voting power in wrinting or by ways of electronic transmission.

- Article 17: Meeting minutes shall be kept for every meeting, specifying the date, month, year and location of the meeting, the name of the Chairman, the method of adopting resolutions, a summary of the essential points of the proceedings and the results of the meeting, and bearing the signature or seal of the Chairman of the meeting. The minutes shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting and the distribution of the minutes may be effected by means of a public notice in accordance with the Company Act. The aforesaid minutes shall be kept persistently throughout the life of the Company and processed in accordance with Article 183 of the Company Act.
- Article 18: The Directors' meeting is authorized to agree on the remuneration of Directors according to the contribution of the Director toward business operations and also the standard generally prevailing in the same trade.

Chapter 4 Board of Directors

Article 19: The Company shall establish the Board of Directors constituted by seven (7) to ten (10) Directors, for whom the election thereof adopts the candidates nomination system and on the shareholders' meeting votes shall be cast on the candidates list based on the cumulative ballot system specified in Article 198 of the Company Act; provided that the total number of registered shares held by all of the Directors shall not be less than a certain percentage of the total number of the Company's outstanding shares. The rules governing the aforesaid shareholding percentage and the verification and execution thereof shall be established in compliance with orders of the competent authority. The rules governing the election of the Board of Directors shall be passed by a shareholder's meeting.

In order to abide by Article 14-2 of the Securities and Exchange Act, the number of independent Directors shall not be less than 2 persons, and shall not be lower than one-fifth of the overall directorships on the board. The matters of qualifications, shareholdings, non-compete limitations, impartiality and nomination and selection of independent Directors shall be in accordance with related law and regulation.

The election of all Directors of the Company shall adopt a nomination approach, and the nomination process shall be in accordance to Article 192-1 of the Companies Act.

- Article19-1: The Company shall establish an Audit Committee in accordance with Articles 14-4 and 181-2 of the Securities and Exchange Act. The exercise of powers of supervisors under the Company Act and Securities and Exchange Act shall now be carried out by members of the Audit Committee. The Audit Committee shall include all of the independent Directors of the Company. It shall not be fewer than three persons in number, one of whom shall be committee convenor, and at least one of whom shall have accounting or financial expertise. The Company's Board of Directors may establish other functional committees of which the committee charter may be stipulated by the Board of Directors.
- Article 20: The Directors constitute the Board of Directors and shall elect one Chairman from among the Directors by a majority vote at a meeting attended by over two-thirds of the Directors and one Vice-Chairman may be elected from among the Directors to assist the chairman. The Chairman shall represent the Company externally and shall take charge of the Company's business operation internally pursuant to laws, these Articles and resolutions of shareholders' meetings and Directors' meetings.
- Article 21: The Board of Director shall be chaired by the Chairman of the Board. If the Chairman is absent or fails to perform the duty with justified reasons, the chairperson may be assumed by the Vice-Chairman of the Board. If the Vice-Chairman is absent or fails to perform such duty for any reason, the chairperson shall be assumed by a Director designated by the Chairman. If no such designee is appointed, the chairperson shall be elected from remaining Directors.
- Article 22: The Directors have a three-year tenure of office and are eligible for reelection. In the event where the period of tenure is reached and the election has not taken place, the duties and tenure of the Directors shall be extended to such time that the election has taken place, however the competent authority may, ex officio, order that the Company complete the reelection within the specified time limit. If reelection is not held within the specified time limit, the Directors shall be discharged automatically ex officio upon expiry of the specified time limit. Where

one third or more of the seats of the Directors are vacant, a special (extraordinary) meeting of shareholders shall be duly held by the Board of Directors within sixty days to elect supplemental Directors.

- Article 23: Directors hold the following responsibilities and powers: (I) review and accredit a variety of operating rules, (II) resolve business policies, (III) review budgets and final account closing, (IV) propose the ratio for profit allocation or loss coverage, (V) propose for increase/decrease of capital, (VI) determination of major personnel lineups, (VII) enforce the decisions resolved in the shareholders' meeting and (VIII) exercise other responsibilities and powers as bestowed by law and the shareholders' meeting.
- Article23-1: The Company may purchase liability insurance for Directors and important officers to insure their business performance during the tenure of office. The Board of Directors is authorized with full power to implement this policy.
- Article 24: Board of Directors Meeting shall be convened at least once per quarter. A temporary meeting may be called in the case of any emergency or upon request of a majority of the Directors. The Directors' meeting and temporary meeting, if any, shall be called by the Chairman of the Board pursuant to laws, provided that the first Directors meeting at each term shall be called by the Director winning the most votes pursuant to laws.

The convening of the Board of Directors meetings shall be announced in writing, fax or email.

Article 25: All business of the Company will be carried out by the Chairman after it is resolved by the Board of Directors. Except otherwise specified in the Company Act, the resolutions of the Board of Directors shall be passed by the majority of Directors present at the board meeting. In the event where a Director is unable to attend a meeting, he/she may appoint another Director on his behalf by issuing a written proxy, stating therein the scope of authorization with reference to the subjects to be discussed at the meeting. However, each Director may accept the appointment to act as the proxy of only one other Director. The resolutions of a Board meeting shall be recorded in the minutes with the signature or seal of the Chairman of the meeting and kept in the Company.

Chapter 5 Managerial officers and Consultants

- Article 26: The Company may appoint one or more managerial personnel who shall manage all affairs of the Company in accordance with the Board resolutions. The managerial personnel and the employment, discharge and remuneration thereof shall be decided by a resolution to be adopted by a majority vote of the Directors at a meeting of the Board of Directors attended by at least a majority of the entire Directors of the Company.
- Article 27: The Company may retain a certain number of consultants as resolved by the Board of Directors.

Chapter 6 Accounting

- Article 28: The Company's fiscal year starts from January 1 and runs until December 31 of every calendar year. The final account closing shall be conducted at end of every fiscal year.
- Article 29: The Company takes the calendar year as its fiscal year. Upon closing of each fiscal year, the Board of Directors shall produce the following documents and proposals to the shareholders' meeting in accordance with the legal procedures for adoption: (I) Business report; (II) Financial statements and (III) Proposals of profit allocation or loss coverage.
- Article 30: Annual profits concluded by the Company shall be subject to employee remuneration of no lesser than 2% and director remuneration of no higher than 2%. However, profits must first be taken to offset against cumulative losses if any.

The annual profit mentioned in Paragraph 1 shall refer to pre-tax profit before employees' and directors' remuneration. Employees' remuneration can be paid to employees of affiliated companies that satisfy certain criteria.

Article 31: The Company operates in a rapidly changing environment and is currently in the growing stage of its life cycle. Distribution of earnings should depend on the Company's future budgeted capital spending and capital requirements, and weighed against the source of capital in order decide the amount of earnings to be retained or distributed in cash to shareholders.

Annual surpluses concluded by the Company are first subject to taxation and reimbursement of previous losses; any balances remaining will then be subject to a 10% provision for statutory reserves followed by a provision or reversal of special reserves. The residual balance plus undistributed earnings carried from the previous year will be available for distribution. 50% to 100% of distributable earnings shall be distributed as shareholders' dividends, with cash dividends amounting to no lesser than 30% of total dividends proposed for the year. Earnings appropriation plans shall be proposed by the board of directors and are subject to shareholdersing to no lesser than 30% of to.

Chapter 7 Supplementary Provisions

- Article 32: The organizational rules and operational rules shall be separately worked out by the Board of Directors.
- Article 33: Any matters inadequately provided for herein shall be subject to Company Act and other laws and regulations concerned.
- Article 34: These Articles were duly enacted on Mar 20, 1969 and duly amended on:
 - 1. Oct 7, 1970
 - 2. Mar 1, 1974
 - 3. May 15, 1974
 - 4. Jun 12, 1974
 - 5. Mar 1, 1975
 - 6. Dec 28, 1975
 - 7. Oct 2, 1976
 - 8. Jan 11, 1977
 - 9. May 10, 1977
 - 10. Mar 1, 1978
 - 11. May 15, 1981
 - 12. Aug 15, 1981

- 13. Mar 5, 1985
- 14. Sep 18, 1985
- 15. Apr 20, 1986
- 16. Jul 14, 1986
- 17. Jun 3, 1987
- 18. Aug 12, 1988
- 19. Jun 28, 1989
- 20. Sep 12, 1990
- 21. Jun 20, 1991
- 22. Jun 8, 1992
- 23. Jun 30, 1993
- 24. May 26, 1994
- 25. Jun 23, 1995
- 26. Jun 22, 1996
- 27. Jun 14, 1997
- 28. Jun 22, 1998
- 29. Jun 14, 1999
- 30. Jun 16, 2000
- 31. Jun 22, 2001
- 32. Jun 24, 2002
- 33. Jun 19, 2003
- 34. Jun 4, 2004
- 35. Jun 17, 2005
- 36. Jun 12, 2007
- 37. Jun 19, 2008
- 38. Jun 12, 2009
- 39. Jun 21, 2011
- 40. Jun 20, 2012
- 41. Jun 20, 2013

- 42. Jun 23, 2016
- 43. Jun 23, 2017

This Articles of Association will be implemented after approved by a shareholders meeting. The same shall apply for any amendment.

Ton Yi Industrial Corp.

Chairman Chih- Hsien Lo

Ton Yi Industrial Corp. Appendix (3) Operational Procedures for Acquisition or Disposal of Assets Amended on June 20, 2017

Chapter 1 General Provisions

Article 1: The acquisition or disposal of assets by Ton Yi Industrial Corp. (the "Company") shall be done in accordance with this operational procedures (the "Procedures") in addition to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" promulgated by the Financial Supervisory Commission of the Executive Yuan (hereinafter the "FSC") and any other laws and regulations.

Article 2: Assets referred to in the Procedures include the following:

- Investments in stocks, government bonds, corporate bonds, financial bonds, certificates representing interests in domestic funds, foreign mutual funds, depositary receipts, call (put) warrants, beneficiary interest securities, andasset-backed securities and other long-term or short term investments.
- 2. Real property (including land, houses and buildings, investment property, and rights to use land) and equipment.
- 3. Memberships.
- 4. Patents, copyrights, trademarks, franchise rights and other intangible assets.
- Creditors claims of financial institutions (including receivables, billspurchased and discounted, loans and overdue receivables)
- 6. Derivatives
- 7. Assets acquired or disposed of in connection with merger, spin-offs, acquisitions or transfer of shares in accordance with

the law.

8. Other important assets.

Article 3: Terms under the Procedures are defined as follows:

- 1. Derivatives: Forward contracts, options contracts, futures contracts, leveragecontracts, swap contracts and compound contracts combining the aboveproducts whose value is derived from assets, interest rates, foreign exchangerates, indexes or other interests. The term "forward contracts" does notinclude insurance contracts, performance contracts, after-sales servicecontracts, long-term leasing contracts or long-term purchase (sales)agreements.
- 2. Assets acquired or disposed through mergers, spin-offs, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, spin-offs, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act or other laws, or to transfer of shares from another company through issuance of new shares of its own as the consideration thereof under paragraph 8 of Article 156 of the Company Act.
- 3. Related party orsubsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- 4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engaging in the value appraisal of real property or equipment.
- 5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, date of board of directors resolution or other date that can confirm the identity of the counterpart and the monetary amount of the transaction, whichever date is earlier; provided, for

investment for which approval of the competent authority is required, the date of occurrence shall be the above applicable date or the date of receipt of approval from the competent authority, whichever is earlier.

6. Mainland China area investment: Refers to investments in the mainland China conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland China Area promulgated by the Investment Commission of the Ministry of Economic Affairs.

Article 4: Appraisal Procedures :

- 1. Where the Company acquires or disposes of any securities investment or engages in any transaction of derivatives, the finance department shall perform an analysis of relevant return and evaluate possible risks. For any acquisition or disposal of real property or equipment, each division shall draft capital expenditure plan in advance and perform feasibility evaluation about the purpose and expected return of the acquisition or disposal. Where the Company envisages transacting with a related party, an evaluation of the reasonableness of the transactional terms and conditions shall be performed in accordance with Chapter two of the Procedures.
- 2. Where the Company envisages acquiring or disposing of securities, prior to the date of occurrence of the event, the Company shall obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant (the "CPA"), for reference in appraising the transaction price, and if the amount of the transaction reaches twenty percent (20%) of the Company's paid-in capital or NTD three hundred million (NTD 300, 000, 000) or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of No. 20 of

Statement of Auditing Standards published by the ROC Accounting Research and Development Foundation (ARDF). This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the FSC.

- 3. In acquiring or disposing of real property or other equipment where the transaction amount reaches twenty percent (20%) of the Company's paid-in capital or NTD three hundred million (NTD 300,000,000) or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:
 - (1) Where due to special circumstances it is necessary to give a limited price, specified price or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall apply to any future changes to the terms and conditions of the transactions.
 - (2) Where the transaction price is NTD one billion (NTD 1,000,000,000) or more, appraisal results from two or more professional appraisers shall be required.
 - (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction price, or all the appraisal results for the assets to be disposed of are lower than the transaction price, a CPA shall be engaged to perform the appraisal in accordance with the provisions of No. 20 of the Statement of Auditing Standards published by the Accounting Research and Development Foundation and render a specific opinion regarding the reason for the discrepancy and the

fairness of the transaction price:

- (i) The discrepancy between one appraisal result and the transaction price reaches twenty percent (20%) or more of the transaction price.
- (ii) The discrepancy between the appraisal results of two or more professional appraisers reaches ten percent (10%) or more of the transaction price.
- (4) No more than three months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period applies and no more than six months have elapsed, an opinion may still be issued by the original professional appraiser.
- 4. Where the Company acquires or disposes of memberships or intangible assets and the transaction price reaches twenty percent (20%) or more of the paid-in capital of the Company or reaches NTD three hundred million (NTD 300,000,000) or more, unless transacting with a government agency, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of No. 20 of Statement of Auditing Standards by the Accounting Research and Development Foundation.
- 5. The calculation of the transaction prices referred to in the preceding three subparagraphs shall be done in accordance with Article 6, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained in accordance with the Procedures need not be counted toward the transaction price.
- 6. Where the company acquires or disposes of assets through court

auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

- 7. The price determination manner and the basis of reference for the Company's acquisition or disposal of assets shall, in addition to the professional price appraisal and opinions of relevant experts such as the accountant pursuant to the above provisions, be in compliance with the following:
- (1) For the acquisition or disposal of securities that are already traded on any centralized trading market or over-the-counter trading center, the price shall be determined based on the price of the stock or bond at the time of trading.
- (2) For the acquisition or disposal of securities that are not traded on any centralized trading market or over-the-counter trading center, the price shall be determined in consideration of the net value per share, technical and profit-making capabilities, future development potential, market interest rate, face value interest rate of the bond and debtor's creditworthiness, etc. and also in reference to the latest closing price at that time.
- (3) For the acquisition or disposal of membership, the price shall be determined in consideration of the return that may be generated and in reference to the latest closing price at the time. For the acquisition or disposal of intangible assets such as patent right, copyright, trademark right and license right, the price shall be determined in reference to international or market practice, remaining life and the impact on the Company's technology and business.
- (4) For the acquisition or disposal of real property or equipment, the price shall be determined in reference to the current value under public announcement, appraised current value, actual closing price or book value of real property in the vicinity and suppliers' price proposals. Where the Company transacts with

a related party, calculation shall first be made in accordance with Chapter two hereof in order to evaluate whether the transaction price is reasonable.

- (5) Company business requirements shall be taken into consideration for the engagement of transactions of derivatives. Then reference shall be made to the trading situation of the relevant product and the trading situation of Taiwanese stocks and the stock markets in South Eastern Asian countries and European and American markets, as well as evaluation reports by reputable financial institutions or securities firms that has dealt with the Company about the future trend of the stock market, foreign exchange rate and interest rate. The above-mentioned information shall be consolidated before a decision can be made about the appropriate undertaking timing, undertaken products and undertaken amounts.
- (6) In performing a merger, spin-off, acquisition or transfer of shares, the nature of business, net value per share, asset value, technical and profit-making capabilities, production capacity and future growth potential shall be taken into consideration.
- 8. When the Company performs a merger, spin-off, acquisition, or transfer of shares, prior to convening the board of directors to pass a resolution, a CPA, an attorney, or a securities underwriter shall be engaged to provide opinions on the reasonableness of the share swap proportion, acquisition price, or cash or other property distributed to shareholders and such opinion s shall be submitted to the board of directors for discussion and approval.

Article 5: Processing Procedure :

- 1. The Company shall proceed with the acquisition or disposal of assets specified in Article 2 of the Procedures in accordance with the following rules:
 - (1) Securities:

- (i) For any purchase and sale of securities that are not traded on the centralized trading market or over-the-counter trading center with the sale or purchase price of NTD ten million (NTD 10,000,000) or lower, the chairman, the director authorized by the chairman or the general manager shall be authorized to make decisions. For any price exceeding NTD ten million (NTD 10,000,000) (inclusive), the chairman, the director authorized by the chairman or the general manager shall submit the proposal to the board of directors for discussion or ratification. The relevant procedure shall be carried out by the finance department.
- (ii) For any purchase and sale of securities that are traded through a stock exchange or over-the-counter market, the chairman shall authorize the finance department to carry out the transaction through a stock exchange or over-the-counter market based on the market value of the securities at that time.
- (2) Real property or equipment: The acquisition or disposal of real property or equipment for an amount more than NT\$300 million must be presented to the Board of Directors for discussion and acknowledgement. The land shall be investigated and evaluated by the Planning Division according to the market situation and then presented to the Chairman or the Director or President authorized by the Chairman for approval, while the other assets acquired shall be presented by the responsible department to the Chairman or the Director or President authorized by the Chairman for review and approval in accordance with the Rules Governing the Capital Expenditure Budget. The use of the assets should have a requisition form enclosed for the approval of the supervisors at all levels in accordance with the level of authorities before having it handled in accordance with the procurement process. For the disposal of the assets, the using department is to fill out the Transaction Notice or Project Form for the disposal of the assets to be approved in accordance with the level of authorities in advance.

- (3) Derivatives : Transactions of derivatives shall be done in accordance with Chapter three of the Procedures.
- (4) Transaction with a related party: Such transaction shall be proceeded pursuant to Chapter two of the Procedures.
- (5) Merger, spin-off, acquisition or transfer of shares: Relevant procedures shall be carried out and relevant information shall be prepared in accordance with Chapter 4 hereof. Any merger, spin-off or acquisition shall be subject to prior approval by resolution of shareholders meeting. However, if other laws provide that no shareholder resolution is necessary, it may be waived. Any transfer of shares shall be subject to prior approval by the board of directors.
- (6) Others: The transaction shall be carried out in accordance with internal control system and decision making authorization. For any of the circumstances under Article 185 of the Company Act, prior approval by resolution of shareholders meeting shall be obtained.
- 2. The execution department of the Company for acquiring or disposing of securities and transactions regarding derivatives is the Department of Finance and Accounting and staffs assigned by the chairman, the director authorized by the chairman or the general manager. The execution department for real property and other assets is the departments using such real property or assets and other relevant departments with authorization. The execution department for merger, spin-off, acquisition, or transfer of shares shall be the departments assigned by the chairman, the director authorized by the chairman or the general manager. After the acquisition or disposal of an asset is evaluated and approved in accordance with relevant rules, the execution department shall proceed with the transaction procedures, including making contracts, collecting and paying, deliver and inspection and acceptance, and handle the same based on the nature of the asset in accordance with procedures

regarding internal control related matters. Furthermore, transactions involving a related party, engaging in transactions of derivatives and merger, spin-off, acquisition or transfer of shares shall also be proceeded with in accordance with Chapter 2 to Chapter 4 of the Procedures.

Article 6: Procedures of Public Announcement and Reporting:

- 1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format and with contents by regulations within two (2) days commencing immediately from the date of occurrence of the event:
- (1) For the acquisition or disposal of real property with the related party, or, for the acquisition or disposal of assets other than the real property with the related party for an amount over 20% of the paid-in capital of the Company, 10% of the total assets, or NT\$300 million. Except for the purchase and sale of the bonds, repurchase/reverse repurchase bonds, and requisition or repurchase of the money market fund issued by the domestic securities investment and trust industry.
- (2) Engage in merger, spin-off, acquisition or transfer of shares.
- (3) Engage in transactions of derivatives where the loss thereof reaches the limits on aggregate lose of all or individual contracts as specified in the Procedures.
- (4) The acquisition or disposal of assets that refer to equipment used for business operation, traded with a non-related party for an amount more than NT\$1 billion
 - (5) For the acquisition of real property by the proprietary land construction, leased land construction, joint construction unit sharing program, joint construction ratio sharing program, and joint construction sales sharing program, the Company is expected to invest for an amount over NT\$500

million.

- (6) For asset trades, or investment in Mainland China, other than the practices stated in the <u>five</u> preceding paragraphs, for an amount over 20% of the paid-in capital or NT\$300 million; however, the following matters are not subject to such requirements:
 - 1. Trading of government bonds.
 - 2. The trade of repurchase/reverse repurchase of bonds, and requisition or repurchase of domestic money market funds issued by the domestic securities investment and trust industry.
- 2. The amount of transactions above shall be calculated as follows:
- (1) The amount of any individual transaction.
- (2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
- (3) The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.
- (4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

The aforesaid "within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

3. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not publicly listed companies in the R.O.C. and enter the information in the format shown in the attachment into the information reporting

website designated by the FSC by the tenth (10th) day of each month.

- 4. The mandatory disclosures with any error or omission found at the time of announcement should be reported and announced again within 2 days from the event date.
- 5. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with paragraph 1 of this Article, a public report of relevant information shall be made on the information reporting website designated by the FSC within two (2) days commencing immediately from the date of occurrence of the event:
 - (1) Change, termination, or rescission of a contract signed in regard to the original transaction.
 - (2) The merger, spin-off, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - (3) Change to the originally publicly announced and reported information.

Article 7: Investment Scope and Limit:

- 1. The total amount of assets acquired by the Company for non-operational use shall not exceed fifty percent (50%) of shareholder's equity. The total amount of securities acquired shall not exceed one hundred and fifty percent (150%) of shareholder's equity. Acquisition of any individual security shall not exceed thirty percent (30%) of shareholder's equity. This provision shall not be applicable if there is approval by resolution of shareholders meeting.
- 2. The total amount of real property purchased for non-operational use by any subsidiary shall not exceed fifty percent (50%) of its capital amount or shareholder's equity (whichever is higher),

the total amount of securities purchased shall not exceed one hundred and fifty percent (150%) of its capital amount or shareholder's equity (whichever is higher), the amount of investment in any individual security shall not exceed fifty percent (50%) of its capital or shareholder's equity (whichever is higher), but the provision shall not be applicable if there is approval by the board of directors of such company and ratification by the board of directors of the Company.

Article 8: Control Procedures for the Acquisition and Disposal of Assets by Subsidiaries:

- 1. Subsidiaries of the Company shall establish the "Processing Procedure for Acquisition and Disposal of Assets" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" promulgated by the Financial Supervisory Commission and the Procedures. Following approval by the board of directors, such procedures shall be submitted to each supervisor and submitted to the shareholders meeting for approval. The same shall be applicable to any amendment thereof. Article 27 should be applied if the Company has instituted an Audit Committee.
- 2. Subsidiaries of the Company shall submit monthly report to the Company, prior to the second (2nd) date of each month, on the status of all transactions involving derivative products up to the previous month.
- 3. If any subsidiary of the Company in not a publicly listed company and if the assets acquired or disposed of reaches the threshold for public announcement filing, the Company shall be notified on the date of occurrence of the fact and the Company shall make filing for public announcement on the designated website in accordance with the rules. The paid-in capital or total assets of the public company shall be the standard for determining whether or not a subsidiary requiring a public announcement and regulatory filing in the event the type of transaction specified therein

reaches twenty percent (20%) of paid-in capital or ten percent (10%) of the total assets.

Article 9: Penalty:

If the manager or personnel of the Company responsible for acquisition or disposal of assets violates the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" promulgated by the FSA or the Procedures, a oral warning shall be rendered for first violation, following by written warning for continual violation. Persons who violate the aforesaid repeatedly or materially shall be transferred from the original position.

Chapter 2 Related Party Transactions

Article 10: When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted in accordance with both previous Chapter and this Chapter and the reasonableness of the transaction terms is appraised, if the transaction amount reaches ten percent (10%) or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Chapter. The calculation of the transaction amount shall be made in accordance with Article 4, paragraph 1, subparagraph 5 herein. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

Article 11: Resolution Procedures :

When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches twenty percent (20%) or more of paid-in capital, ten percent (10%) or more of the company's total assets, or NTD three hundred million (NTD 300,000,000) or more, Except for the purchase and sale of the bonds, repurchase/reverse repurchase bonds, and requisition or repurchase of money market funds issued by the domestic security investment and trust industry, the unit responsible for implementation may not proceed to enter into a transaction contract or make a payment until the following matters have been submitted to the Audit Committee and obtain the consent of the Audit Committee and proposed to the board of directors for a resolution:

- 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- 2. The reason for choosing the related party as a trading counterparty.
- 3. With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 12 and Article 13.
- 4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.
- 5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- 6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- 7. Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 6 herein,

and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the audit committee in accordance with the Procedures need not be counted toward the transaction amount.

With respect to the acquisition or disposal of business-use equipment between the Company and its parent or subsidiaries, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.

Article 12: Assessment on Reasonableness of Transaction Conditions:

When the Company acquires real property from a related party, the reasonableness of the transaction costs shall be evaluated by the following means and an accountant shall be engaged to verify the result and provide substantial opinion, unless the related party acquired the real property through inheritance or as a gift, or more than five (5) years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction, or the real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.

- 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
- 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall

have been seventy percent (70%) or more of the financial institution's appraised loan value of the property and the period of the loan shall have been one (1) year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.

- 3. Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means provided under subparagraph 1 or 2 above respectively.
- Article 13: Matters to be processed where the Calculated Transaction Cost is lower than the Transaction Price:
 - 1. If the transaction cost calculated from the results of an evaluation in accordance with the previous article is lower than the transaction price, unless any of the following circumstances exist and objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and accountant, Article 4 shall be applicable.
 - (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - 1. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent three (3) years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

- 2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighbouring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.
- 3. Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.
- (2) The company acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.
- 2. Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than five hundred (500) meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than fifty percent (50%) of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.
- 3. Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with aforementioned Article are uniformly lower than the transaction price, and if there is no circumstance provided under paragraph 1 of this Article, the following steps shall be processed:

- (1) A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. The Company has set aside a special reserve may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.
- (2) Independent directors of the Audit Committee shall comply with Article 218 of the Company Act.
- (3) Actions taken pursuant to subparagraph 1 and subparagraph 2 shall be reported to the shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

Chapter 3 Monitoring of Transactions of Derivative Products

Article 14: Transaction Principles and Guidelines :

- 1. Types of Transactions : The types of transactions in which the Company may engage include forward contracts, options, interest rate and foreign exchange rate swaps, futures and compound contracts combining any of the above products. Any required transaction in any other product may only be carried out following approval by resolution of the board of directors.
- 2. Operational or Hedging Strategies: Transactions in derivative products carried out by the Company are divided into transactions for hedging purpose and transactions that are not for hedging purpose (i.e., for transaction purpose). The strategy shall be to focus on the main purpose of hedging. The

main selection of transaction products shall be for avoiding the risk of foreign exchange income, expense, asset or indebtedness incurred from the operation of the Company's business. In case of any change of objective environment, "non-hedging transactions" in derivative products may be engaged at appropriate timing in the market in order to increase additional non-operational income or reduce non-operational loss. Further, to the extent possible, the selected transaction counterparties shall be financial institutions that have business dealings with the Company in order to avoid credit risk. The type of transaction shall be clearly defined as hedging transaction or financial operation in pursuit of investment return prior to the transaction as the basis for accounting.

- 3. Transaction Amount Limits:
- (1) Hedging Transactions: The maximum hedging limit shall be the net positions of foreign exchange (including net positions expected to incur in the future) after consolidation of assets and debt.
- (2) Non-Hedging Transactions: Limit on unsettled transactions shall not exceed USD one hundred million (USD 100,000,000). The personnel executing the trade shall first submit an analysis report on foreign exchange trends, its details must clearly analyze the trends in the foreign exchange market and recommend operating mode, and may proceed only upon getting the approval from the chairman, the director authorized by the chairman or general manager.
- 4. Global and Individual Contract Loss Limit Amount
- (1) Hedging Transactions: After a position is established, in case of any of the following, recommendations of corresponding measures shall be proposed immediately to president or the supervisor authorized by the chairman or the director authorized by the chairmanor general manager for decision:

- 1. Evaluated loss amount for any single contract exceeds twenty percent (20%) of the transaction contract amount for consecutive two months.
- 2. Evaluated loss amount for all contracts exceed ten percent of the total transaction contract amount for consecutive two months.
- (2) Non-Hedging Transactions: After a position is established, in case of any of the following, recommendations of corresponding measures shall be proposed immediately to the chairman, the director authorized by the chairman or general manager for decision:
 - 1. Evaluated loss amount for any single contract exceeds twenty percent of the transaction contract amount.
 - 2. Evaluated loss amount for all contracts exceed ten percent of the total transaction contract amount.
- 5. Authorization Amount:
- (1) Hedging Transactions: Based on the changes of company revenue and risk position, the chairman or the director authorized by the chairman or general manager designated person may carry out trading of USD five million (USD 5,000,000) (inclusive) and below for any single trade, whereas for any single trade exceeds USD five million (USD 5,000,000), the approval from the chairman, the director authorized by the chairman or general manager must first be obtained before proceeding.
- (2) Non-Hedging Transactions: To reduce risks, all transactions must be approved by the chairman, the director authorized by the chairman or general manager before proceeding.
- (3) In order to accommodate the management control of the bank,

the authorized person must inform the bank regarding the company authorization.

- 6. Division of powers and responsibilities:
 - (1)Trader: An executive officer of a derivative commodity transaction of the Company who is appointed by the Chairman or the director or President authorized by the Chairman. They are responsible for the formulation of the trading strategy within the scope of authorization, the execution of the trade command, the disclosure of future transaction risks, and providing information to the relevant departments for reference promptly.
 - (2)Finance Department: Responsible for the confirmation of the transaction, reserve the transaction records, regularly initiating the assessment of the fair value of the position held and the settlement of the derivatives.
- (3) Accounting Department: Responsible for having bookkeeping processed and relevant information disclosed in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Firms"
- 7. Principles for Performance Evaluation:
- (1) Hedging Transactions: Performance evaluation shall be based on the foreign exchange (interest) rate cost on the Company's books and the profit and loss incurred from derivative financial transactions. There shall be at least two evaluations every month and the performance shall be submitted to management for reference.
- (2) Non-Hedging Transactions: Performance evaluation shall be based on the profit and loss actually incurred. There shall be at least one evaluation every week and the performance shall be submitted to management for reference.

Article 15: Risk Management Measures:

In engaging in transactions of derivative products, the Company's risk management scope and the risk management measures to be taken are as follows:

- 1. Credit Risk Consideration: In principle, the selected transaction counterparties shall be financial institutions or brokerage agents that have dealings with the Company, with a good reputation and the ability to provide professional information.
- 2. Market Price Risk Consideration: The future market price fluctuation of derivative products may incur uncertain losses. Therefore after positions are established, the profit and loss shall continue to be followed. When the loss exceeds the preset loss stop point, report shall be made immediately to the chairman, the director authorized by the chairman or general manager for decision
- 3. Liquidity Risk Consideration: In order to ensure the liquidity of transaction products, the transaction institution must have sufficient equipment, information and transaction capability to perform transactions in any market.
- 4. Processing Risk Consideration: The authorization amount and processing flow shall be strictly complied with in order to avoid any processing risk
- 5. Legal Risk Consideration: As far as possible, use international standardized documents when signing any agreements with financial institutions to avoid legal risks.
- 6. Product Risk Consideration: The internal transaction person shall possess complete and correct professional knowledge about the transacted derivative product in order to avoid loss from misuse of derivative products.

- 7. Cash Settlement Risk Consideration: The authorized transaction person shall strictly comply with the rules of authorization amount and shall also pay attention to the cash flow of the Company in order to ensure that there is sufficient cash for settlement.
- 8. Transaction personnel may not also serve as confirmation and settlement personnel.
- 9. Verification personnel shall regularly verify accounts with banks or through confirmation letters and shall verify whether the total amount of transaction has exceeded the limit provided under this Procedure at all times.
- 10. Weighing Risk. In accordance to Paragraph 8 herein, the supervising personnel and administering personnel shall not belong to the same department, and report to the board of directors or a senior executive from a different department.
- 11. All positions shall be evaluated at least once every week. In case of hedging transactions pursuant to business requirement, evaluation shall be performed at least twice every month. The evaluation report shall be submitted to the chairman, the director authorized by the chairman or general manager.

Article 16: Internal Audit System:

The internal audit staff of the Company shall regularly understand the appropriateness of internal control for transactions of derivative products, perform monthly audit on the operating procedure of the transaction department with regard to transactions of derivative products and prepare audit reports. If any significant breach of this rule is discovered, an immediate report shall be submitted to chairman, the director authorized by the chairman or general manager and the audit committee shall be informed in writing.

Article 17: Regular Evaluation Method and Handling of Abnormal Situations:

1. Transactions of derivative products shall be regularly

evaluated on monthly or weekly basis and profit and loss as well as open positions of non-hedging transactions during the current month or current week shall be listed and submitted to chairman, the director authorized by the chairman or general manager as reference for management performance evaluation and risk consideration.

- 2. The senior executive designated by the board of directors shall pay attention to the monitoring and control of risk for transactions of derivative products at all times. The board of directors shall evaluate whether the performance of transactions of derivative products complies with the fixed operational strategies and whether the risk undertaken is within the Company's scope of tolerance.
- 3. The senior executive authorized by the board of directors shall manage transactions of derivative products based on the following principles:
- (1) Regularly evaluate whether the risk management measures currently used are appropriate and ensure that the relevant provisions under the "Rules Governing the Acquisition and Disposal of Asset" established by the Financial Supervisory Commission and this Procedure are complied with.
- (2) Monitor transaction and profit and loss situations. Take necessary corresponding measures if any anomaly is discovered and report immediately to the board of directors.
- 4. The Company shall establish a record book for transactions of derivative products, detailing the types and amounts of transactions of derivative products, the dates of approval by the board of directors, monthly or weekly regularly evaluation reports and matters subject to regular evaluations by the board of directors and senior executive authorized by the board of directors.

Chapter 4 Mergers and Consolidations, Splits, Acquisitions, and Assignment

of Shares

- Article 18: When processing mergers, settlements, acquisitions, or share transfers, the Company shall appoint an accountant, attorney, or securities underwriter to express an opinion on the reasonableness of the stock conversion ratio, the purchase price, or the allotment of the cash dividend or other properties to shareholders before convening the board meeting and then presented in the board meeting for discussion and approval. If the Company merged with a subsidiary that has 100% stock shares or total capital directly or indirectly held by the Company; or for a merger between subsidiaries with 100% stock share or capital directly or indirectly held by the Company, it is not necessary to obtain the opinion of the aforementioned specialists on the reasonableness of such merger, settlement, acquisition, or share transfer.
- Article 19: The Company that conducts a merger, spin-off or acquisition shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, spin-off, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, spin-off, or acquisition. Provided, where a provision of another law exempts a company from convening a shareholders meeting to approve the merger, spin-off or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, spin-off, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, spin-off or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.
- Article 20: Unless another act provides otherwise or the FSC is notified in advance, when the Company participates in any merger, split or acquisition, it shall convene the board meeting and the

shareholders meeting on the same day as the other participating companies to resolve on matters of merger, split or acquisition. When the Company participates in any transfer of shares, it shall convene the board meeting on the same day as the other participating companies.

When participating in a merger, spin-off, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for five (5) years for reference:

- 1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, spin-off, acquisition, or transfer of another company's shares prior to disclosure of the information.
- 2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
- 3. Important documents and minutes: Including merger, spin-off, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings. When participating in a merger, spin-off, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within two (2) days commencing immediately from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on

an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of paragraphs 2 and 3.

Article 21: Share exchange ratio and acquisition price:

The share exchange ratio or acquisition price shall not be amended at will pertaining to any merger, split, acquisition or share transfer except for any of the following circumstances:

- 1. Capital increase in cash, issuance of convertible corporate bonds, issuance of shares without consideration, issuance of corporate bonds with warrants attached, special shares with warrants attached, stock warrants and other securities of the nature of equity.
- 2. Disposal of the Company's major assets or any other action which impacts the financial or business well-being of the Company.
- 3. Occurrence of major disaster, evolutionary change in technology or any other event which affects shareholders' interest or stock price.
- 4. Any one party of the companies involved in a merger, split, acquisition or share transfer, making an adjustment through treasury shares buyback in accordance with law.
- 5. Change of entity, or increase or decrease of the number of entities participating in a merger, split, acquisition or share transfer.
- 6. Change of any other condition that may be changed under the agreement and for which public disclosure has been made.

Article 22: Matters which must be provided in the agreement:

Where the Company participates in a merger, split, acquisition or transfer of shares, the deal agreement shall specify the rights and obligations of the participating companies, the share exchange ratio and the acquisition price which may be changed as stated in the previous article, and the following matters:

- 1. The handling for breach of contract.
- 2. The principles for handling securities of equity nature issued or treasury shares repurchased by the distinguished company or the split company before the consummation of a merger or a split.
- 3. The quantity of and the principles for handling treasury shares which may be repurchased in accordance with law by the participating company after the record date for calculation of share exchange ratio.
- 4. The manner in which increase or decrease in number of participating entities is to be handled.
- 5. The estimated progress schedule for executing the project and the estimated completion date.
- 6. The relevant handling procedures related to the expected date for convening the shareholders meeting in accordance with law, where completion of the project becomes delayed.
- Article 23: Other noted matters for the Company's participating in a merger, split, acquisition or share transfer:
 - 1. The requirement for all persons participating in or knowing the merger, split, acquisition or share transfer to enter into a written non-disclosure undertaking. Before announcement of the information, all persons involved shall neither reveal the project nor engage in buying or selling of any share or other securities of equity nature of any company which is related to the transaction either in his own name or in the name of

any other person.

- 2. Subsequent to the announcement of the merger, split, acquisition or share transfer, if a further merger, split, acquisition or share transfer is contemplated with another company, unless the number of participating entities is decreased and the shareholders meeting has resolved and authorized the board of directors to make changes, in which circumstances no additional resolution from the shareholders meeting shall be necessary, all completed procedures or legal actions under the original proposal shall be redone.
- 3. Where a company participating in the merger, split, acquisition or share transfer is not a public reporting company, the Company shall enter into an agreement with such company and proceed in accordance with Article 20 hereunder and the two preceding paragraphs of this article.

Chapter 5 Other Important Matters

- Article 24: Where the Company acquires or disposes of assets, relevant contracts, meeting minutes, record books, price appraisal reports and opinions of accountants, attorneys or securities underwriters shall be maintained for at least 5 years at the Company unless otherwise stipulated by law.
- Article 25: With regards to price appraisal reports issued by expert appraisals or opinions of accountants, attorneys or securities underwriters, the aforementioned persons shall not be a related party to any of the companies to a transaction.
- Article 26: Where an acquisition or disposal of assets by the Company is subject to approval by the board of directors according to the Procedures or other laws or regulations and where the director voices objection which is recorded or stated in writing, such director objection information shall be submitted to the audit committee. If the Company has independent directors, the opinions

of each independent director shall be fully taken into consideration. For any objection or reservation an independent director might have, it shall be specified in the minutes of board meetings.

Article 27: The Procedures shall be implemented after the audit committee's consent, the board of directors' passage by resolution and the shareholders meeting's approval and so shall the amendment thereto. If any director expresses dissent and such dissent has been recorded in the minutes or substantiated by a written declaration, the Company shall submit the director's dissenting opinion to the audit committee. When the Procedures are submitted to discussion by the board of directors, the board of 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.

The aforementioned all members of the audit committee and all members of the directors refer to actual incumbent audit committee m

Ton Yi Industrial Corp. Appendix (4) **Operational Procedures For Loaning Funds**

Amended on Jun 13, 2014

Article 1: All funds loaned by the Company shall be processed according to the OperationalProcedures.

Article 2: Any loans given to others by the Company shall fulfill any one of the following conditions:

(1) Where an inter-company or inter-firm business transaction calls for such lending arrangement; or

(2) Where an inter-company or inter-firm short-term financing facility is necessary.

Short term refers to a period of one year or one business lifecycle (the longer of which shall apply).

Article 3: Evaluation standards for loaning funds to others:

(1) Where the Company loans funds for reasons of business dealings, it shall be based on the principle that the business dealing has taken place and the loan amount shall be equivalent to the amount required for procurement of goods or sales of goods during the latest year or during the current year up to the time of the loan, whichever is higher.

(2) Loaning funds for a required short-term financing facility shall be limited to one of the following circumstances:

1. Any investee of the Company as defined based on the equity method

has requirements due to repayment of bank loans, purchase of equipment or working capital.

2. Any company of which the Company directly or indirectly holds more

than 50% shares has requirements due to repayment of bank loans, purchase of equipment or working capital.

3. Any company of which the Company directly or indirectly holds more than 50% shares has requirements due to reinvestment, and the business of such reinvestee is relevant to the businesses operated by the Company, as well as helpful to the future business development of the Company.

- Article 4: Limits on the aggregate amount of loans and maximum amount permitted to a single borrower
- (1)The total amount being loaned to others shall not exceed 40% of the net worth of the Company as shown in the latest financial statement audited and certified, or reviewed by a certified public accountant.

(2)Limit on maximum amount permitted to each single borrower:
1.Where there are business dealings with the Company, the loan amount given to each single borrower shall not exceed the amount required for procurement of goods or sales of goods during the latest year or during the current year up to the time of the loan, whichever is higher.
2.Where loaning funds for short-term financing facility is required, the loan amount made to each single borrower shall not exceed 20% of the net worth of the Company as shown in the latest financial statement audited and certified, or reviewed by a certified public accountant.
Loans given to overseas companies in which the Company directly and indirectly holds 100% voting shares shall not exceed 40% of the net worth of the Company as shown in the latest financial statement audited and certified, or reviewed by a certified public accountant.

Article 5: Procedures for loaning funds

(1) Operating Procedures

1.In processing matters for loaning funds or short-term loans, upon review by the department in charge, loans may be granted after approval by the Chairman or Director authorized by the chairman or General Manager, and subsequently submission to and approval by the Board of Directors through resolution. Material loans to others shall be approved by the Audit Committee and be submitted to the Board of Directors for approval. When funds are loaned between the Company and its subsidiary or among subsidiaries of the Company, the Chairman may be authorized to proceed with multiple releases of funds or revolving drawdowns

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with regard to the same borrower within a certain amount authorized by resolution of the Board of Directors and within a one year period.

The certain amount mentioned above shall be in compliance with Article 4, paragraph 2. In addition, the authorized amount extended by the Company or its subsidiaries to any single entity shall not exceed 10% of the net worth on the latest financial statements of the Company.

2. The Finance Department shall prepare a memorandum book for its fund-loaning activities. After a loan of funds is approved based on the above sub-paragraph 1, the borrower, the amount, date of approval by the Board of

Directors, lending/borrowing date, and matters to be carefully evaluated based on the review procedures shall be recorded for future reference.

3. The internal auditors shall audit the Operational Procedures for Loaning Funds to Others and the implementation thereof on a quarterly basis and prepare written records accordingly. They shall notify the Audit Committee in writing of any material violation found.

4. The Finance Department shall, on a monthly basis, prepare a detailed statement recording the occurrence and cancellation of any matter regarding the loaning of funds, so as to control, follow-up and prepare public announcements. The Finance Department shall evaluate and reserve sufficient allowance for bad debts on a quarterly basis, and shall disclose information regarding its loans of funds in its financial reports and provide a certified public accountant with relevant information.

5.If, as a result of a change in circumstances, a borrower does not meet the requirements of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies or the loan balance exceeds the limit, the Finance Department shall adopt a rectification plan and submit the same to the Audit Committee, and shall complete the rectification according to the timeframe set out in the plan.

(2) Review Procedures

1.For the loans given by the Company, the company or enterprise applying for the loan shall file a written application and attach relevant financial information and

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statements detailing the purpose of the borrowing.

2.Once the Company accepts the application, the department in charge shall prepare a related written report to be submitted to the Board of Directors for review and approval after it investigates and evaluates the necessity and reasonableness of the funds loaned to others, whether the borrower has any direct or indirect business relationship with the Company, the financial status of the business operated, the ability to repay the debt, credibility, profitability, and the purpose of the funds, and consider the impact of the total amount of the loan given by the Company on the Company's operational risk, financial status and shareholders equity.

3.When processing the loaning of funds or short-term financing facility, the Company shall obtain guarantee notes of equivalent amount, shall create a pledge or mortgage over personal property or real property when necessary, shall evaluate on a quarterly basis if the value of the collateral is equivalent to the balance of the loan, and shall request for additional collateral when necessary. Pertaining to the aforementioned debt guarantee, should the debtor provide personal or corporate guarantee with sufficient financial capability and credibility to replace provision of collateral, the Board of Directors may refer to the review report prepared by the department in charge; where corporate guarantee is provided, it should be noted if the Articles of Incorporation of the borrowing company has stipulated any provision that guarantees may be made.

4.If any special circumstance occurs when the review procedures for loaning funds to others are carried out based on the aforementioned sub-paragraphs 1-3 for the company of which the Company directly or indirectly holds more than 50% shares, an adjustment may be made based on the actual situations after the Board of Directors approves.

Article 6: Duration of Loans and Calculation of Interest

- The duration of any loan provided to borrowers shall be limited to one year.
- (2) Interest shall accrue on a monthly basis at a rate not lower than the average interest rate for the Company's short-term borrowings from financial

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institutions.

- (3) If any special circumstance occurs when the duration of loans and calculation of interest are handled based on the aforementioned sub-paragraphs 1 and 2 for the company of which the Company directly or indirectly holds more than 50% shares, an adjustment may be made based on the actual situation after the Board of Directors approves.
- Article 7: Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights
- (1)After the disbursement of each loan, the finance department shall regularlymonitor the variation in the financial status, business and relevant credit status of the borrower and its guarantors, and any fluctuation in value of the collateral, and shall make written records. In the event that any major changes occur, the Finance Department shall immediately report to the General Manager and relevant departments in charge for rapid handling.

(2)When the borrower repays the loan in advance or upon the maturity of any loan, the guarantee note shall not be returned to the borrower nor shall the mortgage be discharged unless the principal amount and interest accrued are repaid in full.

(3)The borrower shall apply for extension in advance in the event the loan cannot be repaid when the loan matures and such extension may be permitted after such application is reported to, and approved by, the Board of Directors. If the borrower fails to get such extension, the

Company may exercise its rights on the collateral or guarantor, and seek compensation.

Article 8: Announcement and reporting procedures

(1) Prior to the 10th of each month, the Finance Department shall deliver the previous month's loan balance of the Company and subsidiaries to the Accounting Department, and shall announce and report the same, on a monthly basis, together with the revenue within the stipulated time limit.

(2) In addition to the monthly announcement and reporting of the loan balance, if the Company's loans of funds reaches one of the following levels, the

Finance Department shall immediately transmit all relevant information to inform the Accounting Department to announce and report such event, within two days commencing immediately from the date of occurrence of such an event:

1.The aggregate balance of loans reaches 20% or more of the Company's net worth as stated in its latest financial statement.

2. The balance of loans to a single enterprise reaches 10% or more of the Company's net worth as stated in its latest financial statement.

3.The amount of new loans of funds reaches NT\$10 million or more, and reaches 2% or more of the Company's net worth as stated in its latest financial statement.

Article 9: Procedures for controlling and managing loans of funds to others by subsidiaries

(1)In the event that a subsidiary of the Company intends to loan funds to others for the need of operation, the "Operational Procedures For Loaning Funds To Others" shall be established, and be submitted to the Shareholders' Meeting for approval after adoption by the Board of Directors of said subsidiary. The same shall apply for any amendments made. Should the subsidiary set up an Audit Committee, the "Operational Procedures For Loaning Funds To Others" shall first be

approved by the Audit Committee, and then approved by the Board of Directors, before submitting to the shareholders' meeting for approval.

(2)Where the subsidiary loans funds to others, it shall process such loaning based on "Internal Control System" and "Operational

Procedures For Loaning Funds To Others" established by itself, and shall report to the Company by the 2th of every month the details of the loan balance, borrowers, and duration of the loans for the previous month in writing.

(3)If the Company's subsidiary is not a public company and the loan balance of the subsidiary reaches the threshold of Article 8, paragraph 2 such that declaration and reporting is required, the subsidiary shall inform the Company on the day of such occurrence, and the Company shall announce and report in the designated website according to applicable regulations.

Article 10: Penalty

Any initial violation of the "Regulations Governing Loaning of

Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the Financial Supervisory Commission or "Operational

Procedures For Loaning Funds To Others" enacted by the Company"

by managers and persons in charge shall be subject to a verbal

warning. Any second violation shall be subject to a written warning.

Repeated or significant violation shall be subject to dismissal.

Article 11: Any matter not provided for under this Procedure shall be subject to "Regulations

Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by Financial Supervisory Commission.

Article 12: This Procedure will be implemented after approved by a

Shareholders Meeting.

The same shall apply for any amendment.

TON YI INDUSTRIAL CORPORATION Appendix (5)

Procedures for Endorsement/Guarantee 103.6.13

Article 1: This Corporation's affairs related to endorsement/guarantee are conducted pursuant to provisions in these Procedures

Article 2: The term "endorsements/guarantees" as used in these Procedures refers to the following:

(I) Financing endorsements/guarantees, including:

1. Bill discount financing.

2. Endorsement or guarantee made to meet the financing needs of another company.

3. Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.

(II) Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the Corporation itself or another company with respect to customs duty matters.

(III) Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.

Any creation by this Corporation of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with these Regulations.

Article 3: Counterparty for Endorsement/Guarantee

The counterparty for endorsement/guarantee of this Corporation is limited as follows:

- (I) A company with which it does business.
- (II) A company in which this Corporation directly and indirectly holds more than 50 percent of the voting shares.
- (III) A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.

Companies in which this Corporation <u>holds</u>, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the public company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the public company holds, directly or indirectly, 100% of the voting shares.

Article 4: Credit for Endorsement/Guarantee

- (I) The aggregate balance of endorsement/guarantee to others by the Corporation shall not exceed 70 percent of the Corporation' s net value, and the limit of an endorsement/guarantee made to a single business shall not exceed 70 percent of the Corporation' s net value.
- (II) The aggregate balance of endorsement/guarantee to others by this Corporation and its subsidiaries as a whole shall not exceed 70 percent of this Corporation's net value, and the limit of an endorsement/guarantee made to a single business shall not exceed 70 percent of this Corporation's net value.
- (III) Where an endorsement/guarantee is made due to needs arising from business dealings, the amount of endorsement/guarantee shall not exceed the amount of business dealings between both parties. The "amount of business dealings" refers to the amount of sales or purchases between both parties, whichever is higher.
- (IV) Where the aggregate balance of endorsement/guarantee to others by this Corporation and its subsidiaries as a whole reaches 50 percent or more of this Corporation' s net value, the necessity of and reasonableness of endorsements/guarantees shall be explained in the Shareholders' meeting.

Article 5: Operation Procedures for Endorsement/Guarantee

Where the endorsement/guarantee is handled, the financial unit shall (1) perform item-by item review on the counterparty' s qualification, conformity of credit to the provisions in these Procedures and reaching of standards of announcement and filing based on the application submitted by the endorsement/guarantee counterparty, and the application shall be submitted along with review results as provided by Article 6 hereof to chairman, or, the director or general manager empowered by the chairman before submitting to the board of directors for discussion and approval. Significant endorsement/guarantee shall be approved by the audit committee and submitted to the board of directors for resolution.; However, with consideration to timeliness, the endorsement can be granted by the chairman of the board, where empowered by the board of directors within a specific limit, for subsequent submission to and ratification by the next board of directors' meeting, with handling status and relevant affairs reported to the

shareholders' meeting for evaluation.

- (II) Financial unit of this Corporation shall prepare a memorandum book for its endorsement/guarantee activities. After the endorsement/guarantee is approved following the preceding paragraph, besides applying for seals in accordance with the procedures set forth, the entity for which the endorsement/guarantee is made, the amount, the date of passage by the board of directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the matters following Article 6 hereof shall be carefully evaluated, and relevant documents of negotiable instruments, agreement, etc. shall also be photocopied and kept properly.
- (III) Internal auditors shall audit the Procedures for Endorsement/Guarantee and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify audit committee in writing of any material violation found.
- (IV) Financial unit shall create a statement containing completed and cancelled guarantees every month for better control, tracking and handling of announcement and filing. The assessment shall be made quarterly and contingent loss incurred by endorsement/guarantee shall be recognized, and the information of endorsement/guarantee and CPAs providing certification and attest shall be disclosed in the financial statement.
- (V) If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made does not meet the requirements of these Procedures, or the loan balance exceeds the limit due to the change of limit calculation basis, financial unit shall set forth rectification before the chairman or the director or general manager authorized by the chairman completely cancel the endorsed/guaranteed amount or excessive portion within certain expiration, and relevant rectification shall be submitted to audit committee.
- (VI) Financial unit shall actively notice the guaranteed enterprise to retrieve the guarantee notes deposited in bank or creditor institutions and cancel the deeds relevant to endorsement/guarantee before the expiration of Endorsement/Guarantee

For circumstances in which an entity for which this Corporation makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, besides handling in accordance with the preceding paragraphs (I) to (VI) and Article 6 hereof, the internal audit personnel of this Company shall perform audit on endorsement/guarantee procedures and its implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the audit committee in writing of any material violation found.

Article 6: Review Procedures

Where the endorsement/guarantee is made to others, the financial unit shall perform review and assessment following the items below and take records:

- (I) Understanding relationship of endorsement/guarantee counterparty and this Corporation, purpose of loans and usage, relevance to business of this Corporation or significance of its operation to this Company, along with this Corporation' s endorsement/guarantee limit and current balance, with evaluation of its necessity and reasonableness.
- (II) Analysis on operation, finance, and credit status and source of payoff based on annual report, financial report and other relevant information of endorsement/guarantee counterparty to measure potential risks.
- (III) Analysis on this Corporation's ratio of current balance of endorsement/guarantee to this Corporation's net value, liquidity and cash flow status, and the review results of the preceding paragraphs (I) and (II) to evaluate its effects to this Corporation's operation risks, financial status and shareholders' equity.
- (IV) Based on type of guarantee and credit status of guarantee counterparty, and the assessment results from the preceding paragraphs (I) to (III), a measurement on requiring the counterparty to provide appropriate collaterals shall be made, and a quarterly assessment on the discrepancy between the value of the collateral and the balance as stated in endorsement/guarantee. This Corporation may require the counterparty to provide additional collateral if necessary.
- (V) For companies under circumstances as mentioned in Article 3, paragraph (II) hereof, the review procedures shall be handled following the preceding paragraphs (I) to (IV). Adjustments based on conditions are allowed under special circumstances after approval by the board of directors.

Article 7: Procedure for Control of Endorsement/Guarantee made to Subsidiaries

 Where any subsidiary of this Corporation intends to promulgate "Procedures for Endorsement/Guarantee", a passage by the board of directors shall be obtained before submitting for approval by the shareholders' meeting. When the subsidiary has established an audit committee, the promulgation of "Procedures for Endorsement/Guarantee" shall be approved by the audit committee and passed by the board of directors before submitted to shareholders' meeting for approval.

- (II) Where a subsidiary of this Corporation grants endorsement/guarantee to others, it shall be handled following "Internal Control System" and "Procedures for Endorsement/Guarantee" promulgated respectively, and a filing containing previous month's endorsement/guarantee balance, counterparty and expiration date in writing shall be made to this Corporation by 2dn of each month.
- (III) This Corporation shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report the endorsement/guarantee with balance reaching standards as mentioned in paragraph 2 of Article 10 hereof. A notice shall be made to this Corporation on the date of occurrence, and this Corporation shall handle announcement and filing to the designated website.

Article 8: Hierarchy of Decision-Making Authority and Delegation Thereof

- Before making an endorsement/guarantee for others, this Corporation shall have the endorsement/guarantee submitted to and resolved upon by the Board of Directors following Article 5 hereof.
 - (II) Where the Corporation needs to exceed the limits set out in these Procedures to satisfy its business requirements, and where the conditions set out in these Procedures are complied with, it shall obtain approval from the Board of Directors and submit to the shareholders' meeting for ratification. If the shareholders' meeting does not give consent, the company shall adopt a plan to discharge the amount in excess within a given time limit.

Article 9: Custody and Procedures of Corporate Chops

(I) The Corporation shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees. The chop shall be kept in the custody of the chairman authorized by the Board of Directors or a director authorized by the chairman or a person designated by the general manager and may be used to seal or issue negotiable instruments, and a report to the Board of Directors for approval shall be made before dismissal or change of the designated chop custodian.

- (II) After the endorsement/guarantee has been resolved by the Board or approved by the Chairman, the financial unit shall fill out "Seal Use Application Form" and send along with approval record and documents to seal including endorsement/guarantee agreement or guaranteed negotiable instruments to financial supervisor before submitting to the person of corporate chop custody for applying seals.
- (III) Where the person of corporate chop custody applies seals, a check on availability of approval record, approval of "Seal Use Application Form" by financial supervisor, and matching of documents to seal shall be performed before applying seals. A note shall be made to "Seal Use Application Form" after the seal has been applied.
- (IV) When making a guarantee for a foreign company, the Corporation shall obtain the Guarantee Agreement signed by the chairman authorized by the Board of Directors or a director or general manager authorized by the Chairman.

Article 10: Procedures for Public Announcement and Filing

- (I) The financial unit shall submit the previous month's balance of endorsements/guarantees of this Corporation and its subsidiaries to the accounting unit, and, the balance along with the operation revenue shall be announced and filed by the accounting unit by the 10th day of each month.
- (II) Besides announcing and reporting the previous month's balance of endorsements/guarantees of itself and its subsidiaries every month, if balance of endorsements/guarantees reaches one of the following levels, the financial unit shall promptly provide relevant information for accounting department to announce and report such event within two days commencing immediately from the date of occurrence:
 - The aggregate balance of endorsements/guarantees by this Corporation and its subsidiaries reaches 50 percent or more of this Corporation' s net worth as stated in its latest financial statement.
 - 2. The balance of endorsements/guarantees by this Corporation and its subsidiaries for a single enterprise reaches 20 percent or more of this Corporation's net worth as stated in its latest financial statement.
 - 3. The balance of endorsements/guarantees by this Corporation and

its subsidiaries for a single enterprise reaches NTD 10 million or more and the aggregate amount of all endorsements/guarantees for, investment of a long-term nature in, and balance of loans to, such enterprise reaches 30 percent or more of this Corporation's net worth as stated in its latest financial statement.

4. The amount of new endorsements/guarantees made by this Corporation or its subsidiaries reaches NTD 30 million or more, and reaches 5 percent or more of the public company's net worth as stated in its latest financial statement.

Article 11: Penal Principles

Where managers or personnel in charge violates the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by FSC or "Procedures for Endorsement/Guarantee" of this Corporation, personnel of first violation shall receive an oral admonition, personnel of second violation shall receive a warning in writing, and personnel of repeated or material violation shall be transferred.

- Article 12: Any unspecified matters in these Procedures shall be dealt in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" by FSC.
- Article 13: These Procedures shall be agreed by the audit committee and, after passage by the Board of Directors, submit for approval by the shareholders' meeting. The same shall apply to any amendments to the Procedures.

Ton Yi Industrial Corp. Appendix (6) Procedure for Election of Directors

Amend on June 30, 2015

- Article 1. To ensure a just, fair, and open election of directors and supervisors, this Procedure is adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2. Except as otherwise provided by law and regulation or by the Company's Articles of Association, the election of directors shall be conducted in accordance with the Procedure.
- Article 3. The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that the policy include but is not limited to the following two general standards:
 - 1. Basic requirements and values: Gender, age, nationality, and culture.
 - 2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

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

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

Article 4. The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing

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

Article 5. Elections of both directors and supervisors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Law. The Company shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Law with respect to nominee directors and supervisors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors and supervisors will be elected.

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's Articles of Association, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Criteria Governing Review of Securities Traded on Over-the-Counter Markets, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6. The cumulative voting method shall be used for election of the

directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

- Article 7. The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 8. The number of directors will be as specified in the Company's Articles of Association, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 9. Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 10. If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number, provided that when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or corporate shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or corporate shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each

respective representative shall be entered.

- Article 11. A ballot is invalid under any of the following circumstances:
 - 1. The ballot was not prepared by the board of directors.
 - 2. A blank ballot is placed in the ballot box.
 - 3. The writing is unclear and indecipherable or has been altered.
 - 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
 - 5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
 - 6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.
- Article 12. The voting rights shall be calculated on-site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors or supervisors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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 one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Law, the ballots shall be retained until the conclusion of the litigation.

Article 13. The board of directors of the Company shall issue notifications to the persons elected as directors.

Article 14. The Procedure, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Ton Yi Industrial Corp. Rules for Director Elections

Appendix (7)

Amended June 20 2013

Article I:

The candidates nomination system is adopted for the election of directors of the Company; under which the shareholders shall vote among the candidates for a director position. Except otherwise provided in the Company Act, the Articles of Incorporation and other relevant laws and regulations, the aforesaid election shall be proceeded with in accordance with the Rules.

Article II:

The cumulative ballot system is adopted for the election of directors of the Company. The nomination of voters may be substituted by the number of the attendance card printed on the ballot. In the process of electing directors at a shareholders' meeting, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates.

Article III :

Before the start of the election, the chairman shall appoint a certain number of monitors and calculators respectively to exercise the functions as appropriate.

Article IV :

The prescribed number of directors of the Company shall be elected among the candidates list. Based on the number of directors set forth in the Articles of Incorporation of the Company, a candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a common director-elect, an independent director-elect, accordingly. In the event two or more persons have the same number of votes shall conduct a drawing to decide the persons to take the office. The chairman shall take drawings for candidates not present at the meeting.

The election of the all Company's directors is based on the nomination system stated in Article 192.1 of the Company Law and Article 216.1

Article V:

The ballots will be prepared by the Company, and the number of votes representing will be printed thereon. However, no ballot will be printed for shareholders casting votes by means of electronic transmission. The ballot box for the election of directors shall be set up by the Company and inspected by the scrutineer in the public prior to the commencement of the ballot casting. $\mbox{Article VI:}$

> Where a candidate is in the capacity of a shareholder, the voters shall remark in the box of the candidate the account name and shareholder code of the candidate. Where a candidate is not a shareholder, the voters shall remark the candidate's name and ID card number. In the event that a candidate is a government or corporate shareholder, nevertheless, the box of the candidate may be entered either in the name of such government or corporate shareholder, or the name of the representative of the government or corporate shareholder. In case of several representatives, the names of the representatives shall be additionally remarked.

Article VII:

If any of the follows occurs, the ballot is deemed void:

(1)A ballot not prepared by the Company is used.

- (2)The number of persons elected exceeds the limitation.
- (3)Other than the name and the shareholder account number or uniform ID number of the candidate, other contexts are included.
- (4)The handwriting is unclear and illegible.
- (5)If the candidate elected is a shareholder, the identify and shareholder account number thereof are not in conformity with those specified in the shareholders' roster; or if the candidate elected is not a shareholder, the name and uniform ID number are proven non-conformity.
- (6)The name of candidate elected is same with the name of other shareholders, and the shareholder account number or the uniform ID number is not provided for verification.
- (7)The total number of votes casted exceeds the total number of votes held by the shareholder.

(8)A blank ballot is casted into the ballot box.

Article VIII:

The ballots shall be opened on-the-spot upon completion of balloting and the results shall be announced by the chairman on-the-spot.

Article IX:

The Company will issue the Notices of Elected Directors to the candidates who are successfully elected the directors.

Article X:

Any matters insufficiently provided for herein shall be subject to the Company Law and other laws and regulations concerned.

Article XI :

These rules and amendment hereof come into enforcement after being resolved in the shareholders' meeting. Directors' Minimum,

Appendix (8)

Individual and Aggregate Shareholding

- 1. According to Article 26 of Securities and Exchange Act and Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, directors must aggregately hold at least 2.4% of the Company's outstanding shares (37,899,488) in their own names.
- 2. Paid-up capital of the Company: NT\$15,791,453,420 in 1,579,145,342 outstanding shares.
- 3. Minimum shareholding required from all directors: 37,899,488 shares.
- 4. Directors' individual and aggregate shareholding as at the book closure date prior to this annual general meeting:

| Title | Name | | No. of shares held |
|--|--------------------|---|--------------------|
| Chairman | Chih-Hsien Lo | Representative of Uni-President Enterprises Corporation | 719,357,425 |
| Director | Jui-Sheng Wang | | |
| Director | Chao-Kai Huang | | |
| Director | Chih-Chung Chen | | |
| Director | Xiu-Ling Kao | Representative of Kao Chyuan Investment Co., Ltd. | 25,700,700 |
| Director | Shing-Chi Liang | | 5,920,028 |
| Director | Kuo-Keng Chen | | 7,859,222 |
| Independent Director | Ming-Long Wang | | 0 |
| Independent Director | Chin-Cheng Chien | | 0 |
| Independent Director | Bing-Eng Wu | | 0 |
| Shareholding of all directors (including independent directors) | | | 758,837,375 |