

Stock Code:9907



Ton Yi Industrial Corp.

Handbook for the 2019 Annual Meeting of
Shareholders

June 20, 2019

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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 allocate 4.61% 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

Two. Acknowledgments

#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:

#2 (Proposed by the board of directors)

Summary:

Acknowledgment of the Company's 2018 Earnings Appropriation.

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, and 10% legal reserve NT\$142,845,627 was set aside pursuant to law, plus 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 asserted 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:

#2 (Proposed by the Board of Directors)

Proposal:

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:

#4

(Proposed by the Board of Directors)

Proposal:

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:

#5

(Proposed by the Board of Directors)

Proposal:

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 dismissed 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 dismissed 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

#1

(Proposed by the Board of Directors)

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

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.

Con v e n e r : Chin-Cheng Chien

Audit
Committee

M e m b e r : Ming-Long Wang

M e m b e r : 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.
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.

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.
PARENT COMPANY ONLY BALANCE SHEETS
YEARS ENDED DECEMBER 31

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

	Assets	Notes	December 31, 2018		December 31, 2017	
			AMOUNT	%	AMOUNT	%
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 parties	7	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		<u>4,605,186</u>	<u>15</u>	<u>3,886,388</u>	<u>14</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	3(1), 6(4) and 7	122,199	-	-	-
1523	Available-for-sale financial assets - non-current	3(1) and 12	-	-	178,731	1
1543	Financial assets carried at cost - non-current	3(1) and 12	-	-	501,050	2
1550	Investments accounted for under equity method	6(5) and 7	16,063,238	52	12,205,536	44
1600	Property, plant and equipment - net	6(6)	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 facilities	6(6)	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		<u>26,447,839</u>	<u>85</u>	<u>24,044,146</u>	<u>86</u>
1XXX	Total assets		<u>\$ 31,053,025</u>	<u>100</u>	<u>\$ 27,930,534</u>	<u>100</u>

(Continued)

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY BALANCE SHEETS
YEARS ENDED DECEMBER 31

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

Liabilities and Equity	Notes	December 31, 2018		December 31, 2017		
		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		<u>3,755,220</u>	<u>12</u>	<u>2,350,315</u>	<u>8</u>
Non-current liabilities						
2540	Long-term borrowings	6(11)(26)	8,100,000	26	6,500,000	23
2550	Provisions for liabilities - non-current	6(12)	78,242	-	76,802	-
2570	Deferred income tax liabilities	6(23)	205,358	1	204,498	1
2640	Accrued pension liabilities - non-current	6(13)	379,753	1	360,381	2
2645	Guarantee deposits received	6(26)	5,500	-	6,510	-
25XX	Total non-current liabilities		<u>8,768,853</u>	<u>28</u>	<u>7,148,191</u>	<u>26</u>
2XXX	Total liabilities		<u>12,524,073</u>	<u>40</u>	<u>9,498,506</u>	<u>34</u>
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		<u>18,528,952</u>	<u>60</u>	<u>18,432,028</u>	<u>66</u>
Contingent liabilities and commitments						
3X2X	Total liabilities and equity	9	<u>\$ 31,053,025</u>	<u>100</u>	<u>\$ 27,930,534</u>	<u>100</u>

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

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

Items	Notes	Year ended December 31			
		2018		2017	
		AMOUNT	%	AMOUNT	%
4000					
5000					
5900					
5910					
5920					
5950					
6100					
6200					
6450					
6000					
6900					
7010					
7020					
7050					
7070					
7000					
7900					
7950					
8200					
8311					
8316					
8349					
8361					
8362					
8399					
8300					
8500					
9750					
9850					

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

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

	Notes	Share capital- common stock	Capital Reserves			Retained Earnings			Other Equity Interest		Total equity	
			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		
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
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)	(998,735)	(8,254)	(1,131,150)
Balance at December 31, 2016		<u>\$ 15,791,453</u>	<u>\$ 58,271</u>	<u>\$ 169,088</u>	<u>\$ 819</u>	<u>\$ -</u>	<u>\$ 1,439,699</u>	<u>\$ 826,453</u>	<u>\$ 969,596</u>	<u>(\$ 818,870)</u>	<u>(\$ 256,275)</u>	<u>\$ 18,180,234</u>
2017												
Balance at January 1, 2017		\$ 15,791,453	\$ 58,271	\$ 169,088	\$ 819	\$ -	\$ 1,439,699	\$ 826,453	\$ 969,596	(\$ 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 year	6(5)	-	-	-	-	-	-	-	35,432	158,375	56,089	249,896
Capital surplus - unclaimed cash dividends		-	-	-	-	1,869	-	-	-	-	-	1,869
Balance at December 31, 2017		<u>\$ 15,791,453</u>	<u>\$ 58,271</u>	<u>\$ 169,088</u>	<u>\$ 819</u>	<u>\$ 1,869</u>	<u>\$ 1,536,659</u>	<u>\$ 1,075,145</u>	<u>\$ 659,405</u>	<u>(\$ 660,495)</u>	<u>(\$ 200,186)</u>	<u>\$ 18,432,028</u>

(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.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	2017	2016
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,571,384	\$ 655,240
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on financial assets at fair value through profit or loss		1,387	-
Expected credit loss	12	2,833	-
Provision for doubtful accounts	12	-	868
(Reversal of provision) provision for inventory market price decline	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)	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)	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 and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		471,533	-
Notes receivable		(29,242)	(21,508)
Accounts receivable		(262,259)	(35,233)
Accounts receivable - related parties		(228,657)	(214,065)
Other receivables		(12,678)	(3,535)
Inventories		(210,698)	(29,909)
Prepayments		53,157	21,405
Changes in operating liabilities			
Contract liabilities-current		(30,565)	-
Notes payable		(8,414)	10,334
Accounts payable		(90,792)	(149,840)
Other payables		161,601	(83,173)
Advance receipts		-	12,417
Current refund liabilities		1,007	-
Accrued pension liabilities - non-current		(58,651)	(56,391)
Cash inflow generated from operations		1,319,954	797,154
Dividends received		5,510	18,439
Interest received		908	456
Interest paid		(123,111)	(89,004)
Income tax paid		(21,382)	(156,507)
Net cash flows from operating activities		<u>1,181,879</u>	<u>570,538</u>

(Continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Decrease (Increase) in other financial assets - current		\$	997	(\$	997)
Acquisition of investments accounted for under the equity method - subsidiaries	6(5) and 7	(	3,210,527)	(	2,325,174)
Acquisition of property, plant and equipment	6(25)	(	70,569)	(	13,271)
Proceeds from disposal of property, plant and equipment			120		64
Proceeds from disposal of investment property			5,998		-
Increase in prepayments for equipment		(	6,487)	(	68,323)
Interest paid for prepayments for equipment	6(6)(20)	(	162)	(	1,123)
Decrease in guarantee deposits paid			-		3,324
Increase in long-term prepaid rent		(	8,009)		-
Decrease in other non-current assets			1,133		4,934
Net cash flows used in investing activities		(	3,287,506)	(	2,400,566)

CASH FLOWS FROM FINANCING ACTIVITIES

Increase (decrease) in short-term borrowings	6(26)		1,592,942	(	236,635)
(Decrease) increase in notes and bills payable	6(26)	(	300,000)		350,000
(Decrease) increase in other financial liabilities - current	6(26)	(	1,990)		2,300
Increase in long-term borrowings	6(26)		3,050,000		5,100,000
Decrease in long-term borrowings	6(26)	(	1,450,000)	(	2,759,550)
(Decrease) Increase in guarantee deposits received	6(26)	(	1,010)		1,010
Cash dividends paid	6(16)	(	789,573)	(	600,075)
Reversal of unclaimed cash dividends	6(15)		214		1,869
Net cash flows from financing activities			2,100,583		1,858,919
Net (decrease) increase in cash and cash equivalents		(	5,044)		28,891
Cash and cash equivalents at beginning of year	6(1)		38,005		9,114
Cash and cash equivalents at end of year	6(1)	\$	32,961	\$	38,005

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.

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

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

Assets	Notes	December 31, 2018		December 31, 2017		
		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 parties	7	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		<u>11,863,688</u>	<u>32</u>	<u>8,881,645</u>	<u>24</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non current	3(1), 6(4) and 7	122,199	-	-	-
1523	Available-for-sale financial assets - non-current	3(1) and 12	-	-	178,731	1
1543	Financial assets carried at cost - non-current	3(1) and 12	-	-	501,050	1
1600	Property, plant and equipment - net	6(5)(9) and 9(4)	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 facilities	6(5) and 7	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		<u>25,349,145</u>	<u>68</u>	<u>28,489,758</u>	<u>76</u>
1XXX	Total assets		<u>\$ 37,212,833</u>	<u>100</u>	<u>\$ 37,371,403</u>	<u>100</u>

(Continued)

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

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

	Liabilities and Equity	Notes	December 31, 2018		December 31, 2017	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(10)(28)	\$ 3,712,581	10	\$ 1,617,516	4
2110	Short-term notes and bills payable	6(11)(28)	399,927	1	699,816	2
2130	Current contract liabilities	3(1), 6(19), 7 and 12	71,206	-	-	-
2150	Notes payable		15,245	-	23,659	-
2170	Accounts payable		1,035,480	3	1,246,651	3
2180	Accounts payable - related parties	7	134,098	-	112,170	-
2200	Other payables		1,504,902	4	1,257,149	4
2220	Other payables - related parties	7	67,824	-	54,933	-
2230	Current income tax liabilities	6(25)	212,191	1	3,777	-
2305	Other current financial liabilities	6(28)	20,180	-	19,563	-
2310	Advance receipts	3(1), 6(19) and 7	-	-	83,524	-
2320	Long-term liabilities, current portion	6(12)(13)(28)	850,829	2	2,066,184	6
2365	Current refund liabilities	3(1) and 12	9,145	-	-	-
21XX	Total current liabilities		<u>8,033,608</u>	<u>21</u>	<u>7,184,942</u>	<u>19</u>
	Non-current liabilities					
2540	Long-term borrowings	6(13)(28)	8,100,000	22	9,914,142	27
2550	Provisions for liabilities - non-current	6(14)	78,242	-	76,802	-
2570	Deferred income tax liabilities	6(25)	664,485	2	428,263	1
2640	Accrued pension liabilities - non-current	6(15)	379,753	1	360,381	1
2645	Guarantee deposits received	6(28)	26,086	-	9,392	-
25XX	Total non-current liabilities		<u>9,248,566</u>	<u>25</u>	<u>10,788,980</u>	<u>29</u>
2XXX	Total liabilities		<u>17,282,174</u>	<u>46</u>	<u>17,973,922</u>	<u>48</u>
	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)	(4)	(860,681)	(2)
31XX	Equity attributable to owners of the parent		<u>18,528,952</u>	<u>50</u>	<u>18,432,028</u>	<u>49</u>
36XX	Non-controlling interest	4(3)	<u>1,401,707</u>	<u>4</u>	<u>965,453</u>	<u>3</u>
3XXX	Total equity		<u>19,930,659</u>	<u>54</u>	<u>19,397,481</u>	<u>52</u>
	Contingent liabilities and commitments	9				
3X2X	Total liabilities and equity		<u>\$ 37,212,833</u>	<u>100</u>	<u>\$ 37,371,403</u>	<u>100</u>

(Continued)

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

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

Year ended December 31

Items	Notes	2018		2017	
		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)(23)) (24), 7 and 9	(31,752,956)	(90)	(29,217,870)	(89)
5900 Net operating margin		<u>3,350,850</u>	<u>10</u>	<u>3,449,513</u>	<u>11</u>
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)	-	-	-
6000 Total operating expenses		(2,369,006)	(7)	(2,211,783)	(7)
6900 Operating profit		<u>981,844</u>	<u>3</u>	<u>1,237,730</u>	<u>4</u>
Non-operating income and expenses					
7010 Other income	6(6)(20) and 9(4)	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		<u>1,208,222</u>	<u>4</u>	<u>(367,632)</u>	<u>(1)</u>
7900 Profit before income tax		<u>2,190,066</u>	<u>7</u>	<u>870,098</u>	<u>3</u>
7950 Income tax expense	6(25) and 9(4)	(650,485)	(2)	(267,196)	(1)
8200 Profit for the year		<u>\$ 1,539,581</u>	<u>5</u>	<u>\$ 602,902</u>	<u>2</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					

(Continued)

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)

	Items	Notes	Year ended December 31			
			2018		2017	
			AMOUNT	%	AMOUNT	%
311	Actuarial (loss) gain on defined benefit plan	6(15)	(\$ 78,023)	-	\$ 42,688	-
316	Unrealized loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(4)	(56,532)	-	-	-
349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	24,071	-	(7,256)	-
	Components of other 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 valuation of available-for-sale financial assets	12	-	-	56,089	-
399	Income tax relating to the components of other comprehensive income	6(25)	18	-	1,070	-
300	Other comprehensive (loss) income for the year		(\$ 595,825)	(2)	\$ 230,269	1
500	Total comprehensive income for the year		\$ 943,756	3	\$ 833,171	3
	Profit attributable to:					
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		29,343	-	(16,829)	-
			\$ 943,756	3	\$ 833,171	3
	Earnings per share	6(26)				
750	Basic		\$ 0.94		\$ 0.38	
850	Diluted		\$ 0.94		\$ 0.38	

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)

Notes	Equity attributable to owners of the parent											Non-controlling interest	Total equity
	Capital Reserves			Retained Earnings				Other Equity Interest			Total		
	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-sale financial assets				
2015													
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	-	-	-	-	-	-	(24,946)	(493,935)	(47,444)	(566,325)	(24,477)	(590,802)	
Balance at December 31, 2015	<u>\$ 15,791,453</u>	<u>\$ 58,271</u>	<u>\$ 169,088</u>	<u>\$ 819</u>	<u>\$ 1,379,732</u>	<u>\$ 826,453</u>	<u>\$ 589,910</u>	<u>\$ 179,865</u>	<u>(\$ 248,021)</u>	<u>\$ 18,747,570</u>	<u>\$ 1,048,358</u>	<u>\$ 19,795,928</u>	
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	-	-	-	-	-	-	(124,161)	(998,735)	(8,254)	(1,131,150)	(67,565)	(1,198,715)	
Balance at December 31, 2016	<u>\$ 15,791,453</u>	<u>\$ 58,271</u>	<u>\$ 169,088</u>	<u>\$ 819</u>	<u>\$ 1,439,699</u>	<u>\$ 826,453</u>	<u>\$ 969,596</u>	<u>(\$ 818,870)</u>	<u>(\$ 256,275)</u>	<u>\$ 18,180,234</u>	<u>\$ 982,282</u>	<u>\$ 19,162,516</u>	

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
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 2,190,066	\$ 870,098
Adjustments			
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 equipment	6(21)	(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)	13,930	13,748
Gain on disposal of long-term prepaid rent	9(4)	(608,644)	-
Dividend income	6(20)	(5,510)	(18,439)
Interest income	6(20)	(22,363)	(16,298)
Interest expense	6(22)	338,543	435,824
Changes in operating assets and liabilities			
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		(372,415)	10,616
Other receivables		(30,070)	9,484
Inventories		(201,722)	(248,121)
Prepayments		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		(363,909)	(446,004)
Income tax paid		(264,750)	(290,454)
Net cash flows from operating activities		<u>3,062,544</u>	<u>3,041,555</u>

(Continued)

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
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
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)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
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

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

2018 Earnings Appropriation

Item	Unit : NT\$ 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

NOTE :

1. Net income for 2018 shall be preferred in the profie distribution.
2. Each common shareholder will be entitled to receive the cash dividends
In dollar amount. The fractional parts would be classified as “other non-operation
income”.

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

Ton Yi Industrial Corp. (Attachment 6)

Comparison Table of Articles of the Company Corporate Charter

Provision After Proposed Amendments	Current Provision	Explanation
<p>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> named "<u>TON YI INDUSTRIAL CORP.</u>"</p>	<p>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.</p>	<p>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.</p>
<p>(No change)</p>	<p>Article 2 The businesses operated by the Company are as follows:</p> <ol style="list-style-type: none"> 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
	<p>aliphatic acid, tin products and oxidized tin).</p> <p>6. ZZ99999 other businesses not prohibited or restricted by law except any business requiring special approval.</p>	
<p><u>Article 3</u> When the Company needs to invest in other businesses due to its business needs, it will <u>not be restricted by the over 40% of the 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.</p>	<p>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.</p>	<p>In accordance with Article 13 of the Company Act, the text and order of this article shall be amended as appropriate.</p>
<p>Article 4 The Company may make external endorsement/guarantee due to the business.</p>	<p>Article 3 The Company may make external endorsement/guarantee due to the business.</p>	<p>In accordance with the adjustment of the original Article 2-1, this article was amended to Article 4.</p>
<p><u>Article 5</u> The Company's head office is based in Tainan, and may establish branches and representative offices domestically or overseas through <u>the decision of the Board of Directors</u> if necessary.</p>	<p>Article 4 The Company's head office is based in Tainan, and may establish branches and representative offices domestically or overseas if necessary.</p>	<p>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.</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p><u>Article 6</u> 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.</p>	<p>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.</p>	<p>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.</p>
<p><u>Article 7</u> The shares shall be registered and shall be numbered and signed or sealed by a director who is <u>a representative of the Company and issued by a stock issuer of a bank in accordance with the law, the registered stocks issued by the Company</u> may not be printed, but <u>the shares issued shall be registered in Governing Centralized Securities Depository Enterprises and processed in accordance with the regulations of the institution.</u></p>	<p>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.</p>	<p>1.In accordance with the adjustment of the original Article 2-1, this article was amended to Article 7. 2.It was amended by the provisions of Article 161-2 and Article 162 of the Company Act.</p>
<p><u>Article 8</u> If the company handles <u>shareholder operation services such as shareholders transfer, mortgage setting, registering loss, inheritance, gift, seal change and address change, except as otherwise provided by the Act and the Securities Exchange Act</u>, it shall be handled in accordance with the</p>	<p>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</p>	<p>1.In accordance with the adjustment of the original Article 2-1, this article was amended to Article 8. 2.This article</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>“Regulations Governing the Administration of Shareholder Services of Public Companies”.</p>	<p>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.</p>	<p>was amended in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies” as appropriate.</p>
<p>(delete)</p>	<p>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.</p>	<p>Not a matter of the companys’ Articles of association,so delete it</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>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.</p>	<p>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.</p>	<p>Text error correction</p>
<p>(delete)</p>	<p>Article 10 The following formalities shall take place for processing any application pertaining to the loss of share certificates and replacement of such:</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Not a matter of the companys' Articles of association,so delete it.</p>
<p>(delete)</p>	<p>Article 11 The Company may collect adequate handling charge cover printing cost and revenue stamp tax for transfer of the share certificates.</p>	<p>Not a matter of the companys' Articles of association,so</p>

Provision After Proposed Amendments	Current Provision	Explanation
		delete it.
<p>Article 10</p> <p>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.</p>	<p>Article 12</p> <p>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.</p>	<p>In accordance with the adjustment of the original Article 2-1, this article was amended to Article 10.</p>
<p>Article 11</p> <p>In the event where a shareholder is unable to attend a shareholders' meeting for any reason, the shareholder may appoint a proxy to attend the meeting on behalf of the shareholder by executing a power of attorney in accordance with Article 177 of the Company Act.</p>	<p>Article 13</p> <p>In the event where a shareholder is unable to attend a shareholders' meeting for any reason, the shareholder may appoint a proxy to attend the meeting on behalf of the shareholder by executing a power of attorney in accordance with Article 177 of the Company Act.</p>	<p>1. In accordance with the adjustment of the original Article 2-1, this article was amended to Article 11. 2. Text error correction</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>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.</p>	<p>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.</p>	<p>In accordance with the adjustment of the original Article 2-1, this article was amended to Article 12.</p>
<p>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,</p>	<p>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,</p>	<p>1. In accordance with the adjustment of the original Article 2-1, this article was amended to Article 13. 2. It was amended by the provisions of Article 174</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>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.</p>	<p>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.</p>	<p>of the Company Act as appropriate.</p>
<p>Article 14 Unless otherwise provided in laws, a shareholder shall be entitled to one voting right for each share held by him/her.</p>	<p>Article 16 Unless otherwise provided in laws, a shareholder shall be entitled to one voting right for each share held by him/her.</p>	<p>In accordance with the adjustment of the original Article 2-1, this article was amended to Article 14.</p>
<p>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</p>	<p>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</p>	<p>1. In accordance with the adjustment of the original Article 2-1, this article was amended to Article 15. 2. It was amended by the provisions of Article 183 of the Company Act as appropriate.</p>

Provision After Proposed Amendments	Current Provision	Explanation
and processed in accordance with Article 183 of the Company Act.	and processed in accordance with Article 183 of the Company Act.	
<p>Article 16</p> <p>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.</p>	<p>Article 18</p> <p>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.</p>	<p>In accordance with the adjustment of the original Article 2-1, this article was amended to Article 16.</p>
<p>Article 17</p> <p>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.</p>	<p>Article 19</p> <p>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.</p>	<p>In accordance with the deletion of the original Article 10 and Article 11, this article was amended to Article 17.</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>	
<p>Article 18</p> <p>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</p>	<p>Article 19-1</p> <p>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</p>	<p>In accordance with the deletion of the original Article 10 and Article 11, this article was amended to Article 18.</p>

Provision After Proposed Amendments	Current Provision	Explanation
<p>May establish other functional committees of which the committee charter may be stipulated by the Board of Directors.</p>	<p>Directors may establish other functional committees of which the committee charter may be stipulated by the Board of Directors.</p>	
<p>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.</p>	<p>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.</p>	<p>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.</p>
<p>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</p>	<p>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</p>	<p>In accordance with the deletion of the original Article 10 and Article 11, this article was amended to Article 21.</p>

Provision After Proposed Amendments	Current Provision	Explanation
appointed, the chairperson shall be elected from remaining Directors.	appointed, the chairperson shall be elected from remaining Directors.	
<p>Article 21</p> <p>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.</p>	<p>Article 22</p> <p>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.</p>	<p>In accordance with the deletion of the original Article 10 and Article 11, this article was amended to Article 21.</p>
<p>Article 22</p> <p>The Board of Directors is organized by <u>directors</u> and hold the following responsibilities and powers: (I) <u>Review the company's operating plan.</u> (II) <u>Appoint and remove the manager of the Company.</u> (III) <u>Review</u> budgets and final account closing. (IV) <u>Propose</u> the motion for the ratio of profit <u>allocation</u> or loss offsetting. (V) <u>Propose</u> the motion for the increase/decrease of capital. (VI) <u>Branch setting and dissolving.</u> (VII) Enforce the decisions resolved in the shareholders' meeting. (VIII) Exercise other responsibilities and</p>	<p>Article 23</p> <p>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.</p>	<p>1. In accordance with the deletion of the original Article 10 and Article 11, this article was amended to Article 22. 2. It was amended by the provisions of Article 193 of the Company Act and</p>

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.
Article 23 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 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.	In accordance with the adjustment of the original Article 2-1, this article was amended to Article 23.
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 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 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.	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
<p>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.</p>	<p>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.</p>	
(No change)	<p>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.</p>	
<p>Article 27 The Company may retain a certain number of consultants as resolved by the Board of Directors.</p>	<p>Article 27 The Company may retain a certain number of consultants as resolved by the Board of Directors.</p>	Discretionary tex
(No change)	<p>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.</p>	
(No change)	<p>Article 29 The Company takes the calendar</p>	

Provision After Proposed Amendments	Current Provision	Explanation
	<p>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.</p>	
(No change)	<p>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.</p>	
<p>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</p>	<p>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</p>	Text error correction

Provision After Proposed Amendments	Current Provision	Explanation
<p>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.</p>	<p>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.</p>	
<p>Article 32 The organizational rules and operational rules shall be separately worked out by the Board of Directors.</p>	<p>Article 32 The organizational rules and operational rules shall be separately worked out by the Board of Directors.</p>	<p>Discretionary tex</p>
<p>(No change)</p>	<p>Article 33 Any matters inadequately provided for herein shall be subject to Company Act and other laws and regulations concerned.</p>	
<p>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 was on XX XX, XXXX.</u> To implement after the resolution of the shareholders' meeting, and amending is the same.</p>	<p>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.</p>	<p>To modify the text and indicate the date of revision as appropriate.</p>

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
<p>Article 1</p> <p>The acquisition or disposal of assets by Ton Yi Industrial Corp. (hereinafter referred to as the “Company”) shall be done in accordance with this operational procedures (hereinafter referred to as 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 (<u>hereinafter referred to as the “FSC”</u>) and any other laws and regulations.</p>	<p>Article 1</p> <p>The acquisition or disposal of assets by Ton Yi Industrial Corp. (hereinafter referred to as 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 and any other laws and regulations.</p>	<p>To modify the statement of text as appropriate.</p>
<p>Article 2</p> <p>The Procedure "Assets" as used in the Regulations includes the following:</p> <ol style="list-style-type: none"> 1. Investments in stocks, government bonds, corporate bonds, financial bonds, <u>securities representing interest in a fund</u>, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2. Real property (including land, houses and buildings, investment property) and equipment. 3. Memberships. 	<p>Article 2</p> <p>The Procedure "Assets" as used in the Regulations includes the following:</p> <ol style="list-style-type: none"> 1. Investments in stocks, government bonds, corporate bonds, <u>financial bonds</u>, <u>domestic beneficiary certificates</u>, offshore funds, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities, such as <u>long-term and short-term</u> investments. 2. Real property (including land, houses and buildings, investment property, <u>land use</u> 	<p>In accordance with the provisions of the International Financial Reporting Standards No. 16 Lease and the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”</p>

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

Amended articles	Original articles	Description
<p>not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) <u>agreements</u>.</p> <p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter referred to as "transfer of shares") under Article 1563 of the Company Act.</p> <p>3. (omission)</p> <p>4. (omission)</p> <p>5. (omission)</p> <p>6. (omission)</p> <p>7. <u>Investment professional:</u> <u>Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises,</u></p>	<p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter referred to as "transfer of shares") under paragraph 6 of Article 156 of the Company Act.</p> <p>3. (omission)</p> <p>4. (omission)</p> <p>5. (omission)</p> <p>6. (omission)</p>	<p>of Assets by Public Companies” was amended, so the Article was amended as appropriate.</p>

Amended articles	Original articles	Description
<p><u>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.</u></p> <p><u>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.</u></p> <p><u>9. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that</u></p>		

Amended articles	Original articles	Description
<p><u>is regulated by the foreign competent authority and that is permitted to conduct securities business.</u></p>		
<p>Article 4</p> <p>Appraisal procedures:</p> <p>1. Where the Company acquires or disposes of any securities investment or engages in any transaction of derivatives, <u>the Planning Department or the Finance Department</u> shall perform an analysis of relevant return and evaluate potential risks. For any acquisition or disposal of real property, equipment or <u>its right-of-use assets</u>, 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.</p> <p>2. Where the Company envisages acquiring or disposing of securities, prior to the date of occurrence of the event, the Company shall obtain</p>	<p>Article 4</p> <p>Appraisal procedures:</p> <p>1. Where the Company acquires or disposes of any securities investment or engages in any transaction of derivatives, <u>the finance department</u> 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 <u>the Procedures</u>.</p> <p>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</p>	<p>In accordance with the definition of International Financial Reporting Standard No. 16 Lease and the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” was amended, so the Article was amended as appropriate.</p>

Amended articles	Original articles	Description
<p>financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant (hereinafter referred to as 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 (hereinafter referred to as 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. This requirement does not apply, however, to</p>	<p>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. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by</p>	

Amended articles	Original articles	Description
<p>publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (hereinafter referred to as FSC).</p> <p>3. In acquiring or disposing of real property, equipment or its right-of-use assets 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 domestic government agency, engaging others to build on its own land, engaging others to build on rented land, acquiring or disposing of equipment for business use or its right-of-use assets, 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:</p> <p>(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</p>	<p>regulations of the Financial Supervisory Commission (hereinafter referred to as FSC).</p> <p>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:</p> <p>(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 <u>shall apply to</u></p>	

Amended articles	Original articles	Description
<p>transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is any <u>subsequent</u> change to the terms and conditions of the transaction.</p> <p>(2) (omission) (3) (omission) (4) (omission)</p> <p>4. Where the Company acquires or disposes of memberships, <u>intangible assets or its right-of-use assets</u> 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 domestic 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</p>	<p><u>any future changes to the terms and conditions of the transactions.</u></p> <p>(2) (omission) (3) (omission) (4) (omission)</p> <p>4. Where the Company acquires or disposes of <u>memberships or intangible assets</u> 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.</p> <p>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</p>	

Amended articles	Original articles	Description
<p>Foundation.</p> <p>5. The calculation of the transaction prices referred to in the preceding three subparagraphs shall be done in accordance with Article 6, subparagraph 2 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.</p> <p>6. (omission)</p> <p>7. (omission)</p> <p>(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 as appreciate.</p> <p>(2) (omission)</p> <p>(3) For the acquisition or disposal of membership, the price shall be determined in</p>	<p>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.</p> <p>6. (omission)</p> <p>7. (omission)</p> <p>(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.</p> <p>(2) (omission)</p> <p>(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</p>	

Amended articles	Original articles	Description
<p>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 or its right-of-use assets, the price shall be determined in reference to international or market practice, remaining life and the impact on the Company's technology and business.</p> <p>(4) For the acquisition or disposal of real property, equipment <u>or its right-of-use assets</u>, 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</p>	<p>shall be determined in reference to international or market practice, remaining life and the impact on the Company's technology and business.</p> <p>(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 of the Procedures hereof in order to evaluate whether the transaction price is reasonable.</p> <p>(5) (omission)</p> <p>(6) (omission)</p> <p>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</p>	

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<p>order to evaluate whether the transaction price is reasonable.</p> <p>(5) (omission)</p> <p>(6) (omission)</p> <p>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 opinions shall be submitted to the Board of Directors for discussion and approval. <u>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</u></p>	<p>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 opinions shall be submitted to the Board of Directors for discussion and approval.</p>	

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

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<p><u>Department.</u></p> <p>(ii) <u>For the acquisition or disposal of securities</u> that are traded through a stock exchange or over-the-counter market, the <u>chairman shall decide to authorize the Planning Department</u> 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 and submit the <u>proposal to the Board of Directors for a ratification.</u></p> <p>(2) Real property, equipment or <u>its right-of-use assets</u>: 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 a discussion or a ratification. The land shall be investigated and evaluated by the Planning Department in accordance with the market conditions, and the acquisition shall be</p>	<p>for discussion or ratification. The relevant procedure shall be carried out by the <u>finance department.</u></p> <p>(ii) For any purchase and sale of securities that are traded through a stock exchange or over-the-counter market, the <u>chairman shall authorize the finance department</u> 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.</p> <p>(2) Real property or equipment: The acquisition or disposal of <u>real property or equipment</u> 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 <u>the Planning Division according to the market</u></p>	

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<p>handled by each unit in accordance with the method of Rules Governing the Capital Expenditure Budget, shall be <u>approved</u> by the directors at all levels according to the checking authority, and then <u>handled</u> through the procurement procedures; 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 shall be approved according to the checking authority in advance.</p> <p><u>(3) Transaction with a related party:</u> <u>It should be handled in accordance with the provisions of Chapter two.</u></p> <p><u>(4) Derivatives :</u> <u>It should be handled in accordance with the provisions of Chapter three.</u></p> <p>(5) Merger, spin-off, acquisition or transfer of shares: It should be handled in</p>	<p><u>situation and then presented to the Chairman or the Director or President authorized by the Chairman for approval</u>, while the other assets acquired shall be presented by the responsible department to the Chairman or the Director or President authorized by the <u>Chairman for review and approval in accordance with the Rules Governing the Capital Expenditure Budget</u>. 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.</p> <p><u>(3) Derivatives :</u> <u>Transactions of derivatives shall be done</u></p>	

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<p>accordance with the provisions of Chapter four. 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.</p> <p>(6) (omission)</p> <p>2. The execution department of the Company for acquiring or disposing of securities and transactions regarding derivatives is the <u>Planning Department</u> and the person approved by the <u>chairman</u>; 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. After the acquisition or disposal of an asset is evaluated and approved in accordance with</p>	<p><u>in accordance with Chapter three of the Procedures.</u></p> <p>(4) <u>Transaction with a related party:</u> <u>Such transaction shall be preceded pursuant to Chapter two of the Procedures.</u></p> <p>(5) Merger, spin-off, acquisition or transfer of shares: <u>Relevant procedures</u> shall be carried out and <u>relevant information</u> shall be prepared in accordance with Chapter four of <u>the Procedures</u>. 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. Any transfer of shares shall be subject to prior approval by the Board of Directors.</p> <p>(6) (omission)</p> <p>2. The execution department of the Company for acquiring or</p>	

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<p>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 two to Chapter four of the Procedures.</p>	<p>disposing of securities and transactions regarding derivatives is the <u>Department of Finance and Accounting and staffs assigned by the chairman</u>, 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 <u>the chairman or the general manager</u>. 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</p>	

Amended articles	Original articles	Description
	<p>related party, engaging in transactions of derivatives and merger, spin-off, acquisition or transfer of shares <u>shall also</u> be proceeded with in accordance with Chapter two to Chapter four of <u>the Procedures</u>.</p>	
<p>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 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 or its <u>right-of-use assets</u> with the related party, or, for the acquisition or disposal of assets other than the real property or <u>its right-of-use assets</u> 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</p>	<p>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</p>	<p>In accordance with the definition of International Financial Reporting Standard No. 16 Lease and the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” was amended, so the Article was amended as appropriate.</p>

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

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

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<p>year.</p> <p>(4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>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 the Procedures need not be counted toward the transaction amount.</p> <p>3. (omission)</p> <p>4. The mandatory disclosures with any error or omission found at the time of announcement should be announced and <u>reported</u> again within 2 days from the event date.</p> <p>5. After the transaction of announcement in accordance with the provisions of this Article, in any of the following circumstances, a public report of relevant information shall be made on the information reporting website designated by the FSC within two days commencing immediately</p>	<p>disposals, respectively) of the same security within the preceding year.</p> <p>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.</p> <p>3. (omission)</p> <p>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.</p> <p>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:</p> <p>(1) Change, termination, or rescission of a contract</p>	

Amended articles	Original articles	Description
<p>from the date of occurrence of the event:</p> <p>(1) Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(2) The merger, spin-off, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>(3) Change to the originally publicly announced and reported information.</p>	<p>signed in regard to the original transaction.</p> <p>(2) The merger, spin-off, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>(3) Change to the originally publicly announced and reported information.</p>	
<p>Article 7</p> <p>Investment Scope and Limit:</p> <p>1. The total amount of real property or its right-of-use 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.</p> <p>2. The total amount of acquisition of real property or <u>its</u></p>	<p>Article 7</p> <p>Investment Scope and Limit:</p> <p>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.</p> <p>2. The total amount of real property <u>purchased</u> for non-operational use by any</p>	<p>In accordance with the definition of International Financial Reporting Standard No. 16 Lease and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" was amended, so the Article was amended as appropriate.</p>

Amended articles	Original articles	Description
<p><u>right-of-use assets</u> 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 <u>acquisition</u> of securities 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.</p>	<p>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.</p>	
<p>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</p>	<p>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</p>	<p>The Article was amended with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" as appropriate.</p>

Amended articles	Original articles	Description
<p>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. <u>Article 26</u> should be applied if the Company has instituted an Audit Committee.</p> <p>2. 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 and the Company shall make filing for public announcement on the designated website in accordance with the rules. The public announcement and reporting standard is based on the Company's paid-in capital or total assets.</p>	<p>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. <u>Article 27</u> should be applied if the Company has instituted an Audit Committee.</p> <p><u>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.</u></p> <p>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</p>	

Amended articles	Original articles	Description
	<p>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 (20%)</u> of paid-in capital or <u>ten percent (10%)</u> of the total assets.</p>	
<p>Article 9 Penalty: If the related 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, an 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.</p>	<p>Article 9 Penalty: If the <u>manager</u> 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, an 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.</p>	<p>To modify the statement of text as appropriate.</p>
<p>Article 11 Resolution Procedures: When the Company intends to acquire or <u>dispose of real property or its right-of-use assets to a related party</u>, or when it intends to acquire or dispose of assets other than real property or its</p>	<p>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</p>	<p>In accordance with the definition of International Financial Reporting Standard No. 16 Lease and</p>

Amended articles	Original articles	Description
<p>right-of-use assets 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 <u>obtain the consent of more than one-half of all members and proposed to the Board of Directors for a resolution:</u></p> <ol style="list-style-type: none"> 1. (omission) 2. (omission) 3. With respect to the acquisition of real property or its <u>right-of-use assets</u> from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 12 and Article 13. 4. (omission) 5. (omission) 	<p>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:</p> <ol style="list-style-type: none"> 1. (omission) 2. (omission) 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. (omission) 5. (omission) 6. (omission) 7. (omission) <p>The calculation of the transaction</p>	<p>the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” was amended, so the Article was amended as appropriate.</p>

Amended articles	Original articles	Description
<p>6. (omission)</p> <p>7. (omission)</p> <p>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 adopted by the board of directors and recognized by the audit committee in accordance with the Procedures need not be counted toward the transaction amount.</p> <p>The Company engages in the following transactions with its parent company, <u>subsidiaries, or subsidiaries that directly or indirectly hold 100% of the issued shares or total capital</u>, the Board of Directors shall authorize the chairman to make a decision within NT\$1 billion and then report to the Board of Directors for the most recent period:</p> <p>(1) For the <u>acquisition or disposal of equipment for business use or its right-of-use assets</u></p> <p>(2) For the <u>acquisition or disposal of real property for business use or its right-of-use assets</u></p>	<p>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.</p> <p>With respect to the <u>acquisition or disposal of business-use equipment</u> 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 <u>certain amount</u> and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p>	

Amended articles	Original articles	Description
<p>Article 12</p> <p>Assessment on Reasonableness of Transaction Conditions:</p> <p>When the Company acquires real property or <u>its right-of-use assets from a related party</u>, the reasonableness of the transaction costs shall be evaluated by the following means:</p> <ol style="list-style-type: none"> 1. (omission) 2. (omission) <p>Where land and structures thereupon are combined as a single property purchased <u>or leased</u> in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the <u>preceding</u> paragraph.</p> <p><u>When the Company acquires real property or its right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.</u></p> <p><u>Where the Company acquires real property or its right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the preceding</u></p>	<p>Article 12</p> <p>Assessment on Reasonableness of Transaction Conditions:</p> <p>When the Company acquires real property from a related party, the reasonableness of the transaction costs shall be evaluated by the following means <u>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.</u></p> <ol style="list-style-type: none"> 1. (omission) 2. (omission) 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 	<p>In accordance with the definition of International Financial Reporting Standard No. 16 Lease and the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” was amended, so the Article was amended as appropriate.</p>

Amended articles	Original articles	Description
<p><u>article, and the preceding three paragraphs do not apply:</u></p> <ol style="list-style-type: none"> <u>1. The related party acquired the real property or its right-of-use assets thereof through inheritance or as a gift.</u> <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.</u> <u>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.</u> <u>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.</u> 	<p><u>2</u> above respectively.</p>	
<p>Article 13 Matters to be processed where the Calculated Transaction Cost is lower than the Transaction Price:</p> <ol style="list-style-type: none"> 1. If the transaction cost calculated from the results of 	<p>Article 13 Matters to be processed where the Calculated Transaction Cost is lower than the Transaction Price:</p> <ol style="list-style-type: none"> 1. If the <u>transaction cost</u> calculated from the results of 	<p>In accordance with the definition of International Financial Reporting</p>

Amended articles	Original articles	Description
<p>an evaluation in accordance with <u>paragraph 1 and paragraph 2</u> of the previous articles is lower than the transaction price, shall be applicable <u>in accordance with the provisions of the third subparagraph</u>, 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.</p> <p>(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:</p> <ol style="list-style-type: none"> 1. (omission) 2. Concluded a transaction by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms 	<p>an evaluation in accordance with the previous article is lower than the transaction price, <u>unless</u> 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, <u>Article 4 shall be applicable.</u></p> <p>(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:</p> <ol style="list-style-type: none"> 1. (omission) 2. <u>Completed transactions</u> by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price 	<p>Standard No. 16 Lease and the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” was amended, so the Article was amended as appropriate.</p>

Amended articles	Original articles	Description
<p>are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property or rental market practices.</p> <p>(2) The Company acquiring real property or <u>rent acquisition right-of-use assets of real property from a related party</u> 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.</p> <p>2. Concluded a transaction 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</p>	<p>discrepancies in floor or area land prices in accordance with standard property market practices.</p> <p><u>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.</u></p> <p>(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.</p> <p>2. Completed transactions for neighboring or closely valued parcels of land in the</p>	

Amended articles	Original articles	Description
<p>principle refers to conclude a transaction 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 or its right-of-use assets.</p> <p>3. Where the Company acquires real property <u>or its right-of-use assets from a related party</u> and the results of appraisals conducted in accordance with aforementioned <u>2 subparagraphs</u> are uniformly lower than the transaction price, the following steps shall be processed:</p> <p>(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 <u>the real property or its right-of-use assets transaction price</u> and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares.</p>	<p>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.</p> <p>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 <u>paragraph 1 of this Article</u>, the following steps shall be processed:</p> <p>(1) A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange</p>	

Amended articles	Original articles	Description
<p>(2) (omission)</p> <p>(3) The processing situation of the <u>previous</u> <u>2</u> subparagraphs shall be reported to the shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p><u>4. The Company has set aside a special reserve under the provision of the third paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, 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.</u></p> <p><u>5. When the Company acquires real property or its right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if</u></p>	<p>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. <u>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.</u></p> <p>(2) (omission)</p> <p>(3) Actions taken pursuant to <u>subparagraph 1 and subparagraph 2</u> shall be reported to the shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any</p>	

Amended articles	Original articles	Description
<p><u>there is other evidence indicating that the acquisition was not an arm's length transaction.</u></p>	<p>investment prospectus.</p>	
<p>Article 14 Transaction Principles and Guidelines :</p> <p>1. (omission)</p> <p>2. Operational or Hedging Strategies: Transactions in derivative products carried out by the Company are divided into <u>transactions for trading purpose and transactions that are not for trading purpose.</u> In <u>the transactions not for trading purpose</u>, 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, <u>"trading transactions"</u> 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,</p>	<p>Article 14 Transaction Principles and Guidelines :</p> <p>1. (omission)</p> <p>2. Operational or Hedging Strategies: Transactions in derivative products carried out by the Company are divided into <u>transactions for hedging purpose and transactions that are not for hedging purpose (i.e., for transaction purpose).</u> 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, <u>"non-hedging transactions"</u> 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</p>	<p>According to the Company practice, the Article was amended as appropriate.</p>

Amended articles	Original articles	Description
<p>to the extent possible, the selected transaction counterparties shall be financial institutions that have business dealings with the Company in order to <u>decrease</u> credit risk.</p> <p>3. Transaction Amount Limits: (1) <u>Non-Trading Transactions</u>: The maximum hedging limit shall be the net positions of foreign exchange (including net positions expected to incur in the future) after individual assets and debt.</p> <p>(2) <u>Trading Transactions</u>: Limit on unsettled transactions shall not exceed USD <u>2 million</u>. 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.</p> <p>4. Global and Individual Contract Loss Limit Amount</p>	<p>possible, the selected transaction counterparties shall be financial institutions that have business dealings with the Company <u>in order to avoid</u> 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.</p> <p>3. Transaction Amount Limits: (1) <u>Hedging Transactions</u>: 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.</p> <p>(2) <u>Non-Hedging Transactions</u>: Limit on unsettled transactions shall not exceed USD <u>one hundred million</u> (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</p>	

Amended articles	Original articles	Description
<p>(1) <u>Non-Trading Transactions</u>: After a position is established, in case of any of the following, recommendations of corresponding measures shall be proposed immediately to the chairman for a decision:</p> <ol style="list-style-type: none"> 1. (omission) 2. Evaluated loss amount for all contracts exceed ten percent of the total transaction contract amount for consecutive two months. <p>(2) <u>Trading Transactions</u>: After a position is established, in case of any of the following, recommendations of corresponding measures shall be proposed immediately to the chairman for a decision:</p> <ol style="list-style-type: none"> 1. (omission) 2. (omission) <p>5. Authorization Amount:</p> <p>(1) <u>Non-Trading Transactions</u>: Based on the changes of company revenue and risk position, <u>and the trading personnel shall be</u></p>	<p>and recommend operating mode, and may proceed only upon getting the approval from the chairman, the director authorized by the chairman or general manager.</p> <p>4. Global and Individual Contract Loss Limit Amount</p> <p>(1) <u>Hedging Transactions</u>: 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 <u>or the director authorized by the chairman or general manager for decision</u>:</p> <ol style="list-style-type: none"> 1. (omission) 2. Evaluated loss amount for all contracts exceed ten percent of the total transaction contract amount for consecutive two months. <p>(2) <u>Non-Hedging Transactions</u>: After a position is established, in case of any of the following,</p>	

Amended articles	Original articles	Description
<p><u>approved by the general manager and shall be traded within USD 30 million of the accumulated trading position not exceeding the existing hedge part or the accumulated trading position. The relevant transaction must be carried out after approval by the chairman if the above amount is exceeded.</u></p> <p>(2) <u>Trading Transactions:</u> To reduce risks, all transactions must be approved by the chairman before proceeding.</p> <p>6. Division of powers and responsibilities:</p> <p>(1) <u>Finance Department:</u></p> <p>a. An executive <u>department</u> of a derivative commodity transaction of the Company, it is 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</p>	<p>recommendations of corresponding measures shall be proposed immediately to the chairman, <u>the director authorized by the chairman or general manager</u> for decision:</p> <p>1. (omission) 2. (omission)</p> <p>5. Authorization Amount:</p> <p>(1) <u>Hedging Transactions:</u> Based on the changes of company revenue and risk position, <u>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.</u></p> <p>(2) <u>Non-Hedging Transactions:</u> To reduce risks, all transactions</p>	

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

Amended articles	Original articles	Description
<p><u>the risks assumed are within the company's tolerance.</u></p> <p><u>2. Regularly to assess whether the currently used risk management procedures are appropriate and conduct in accordance with the company's "Policies and Procedures for Financial Derivatives Transactions".</u></p> <p>7. Principles for Performance Evaluation:</p> <p>(1) <u>Non-Trading Transactions:</u> 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.</p> <p>(2) <u>Trading Transactions:</u> Performance evaluation shall be based on the profit and loss actually</p>	<p>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.</p> <p>(3) Accounting Department: Responsible for having bookkeeping processed and relevant information disclosed in accordance with the "<u>Regulations Governing the Preparation of Financial Reports by Securities Firms</u>".</p> <p>7. Principles for Performance Evaluation:</p> <p>(1) <u>Hedging Transactions:</u> 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.</p>	

Amended articles	Original articles	Description
<p>incurred. There shall be at least one evaluation every week and the performance shall be submitted to management for reference.</p>	<p>(2) <u>Non-Hedging Transactions</u>: 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.</p>	
<p>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. (omission) 2. 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 for a decision. 3. (omission) 4. (omission) 5. Legal Risk Consideration:</p>	<p>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. (omission) 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, <u>the director authorized by the chairman</u> or general manager for</p>	<p>According to the Company practice, the Article was amended as appropriate.</p>

Amended articles	Original articles	Description
<p>As far as possible, when signing any agreements with financial institutions, it shall be carefully reviewed by <u>the organizer and assisted by the legal department or the professional legal counsel</u> to avoid legal risks.</p> <p>6. (omission)</p> <p>7. (omission)</p> <p>8. (omission)</p> <p>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.</p> <p>10. Weighing Risk. In accordance to subparagraph 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.</p> <p>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</p>	<p>decision.</p> <p>3. (omission)</p> <p>4. (omission)</p> <p>5. Legal Risk Consideration: As far as possible, <u>use international standardized documents</u> when signing any agreements with financial institutions <u>to avoid legal risks.</u></p> <p>6. (omission)</p> <p>7. (omission)</p> <p>8. (omission)</p> <p>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.</p> <p>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.</p> <p>11. All positions shall be evaluated at least once every week. In case of hedging transactions pursuant to business requirement, evaluation</p>	

Amended articles	Original articles	Description
<p>evaluation report shall be submitted to the general manager.</p>	<p>shall be performed at least twice every month. The evaluation report shall be submitted to <u>the chairman, the director authorized by the chairman</u> or general manager.</p>	
<p>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, <u>perform monthly audit on the circumstances of trading department engages</u> in derivative commodity trading procedures 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 and the audit committee shall be informed in writing.</p>	<p>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, <u>perform monthly audit on the operating procedure of the transaction department with regard to transactions of derivative products</u> 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 <u>or general manager</u> and the audit committee shall be informed in writing.</p>	<p>According to the Company practice, the Article was amended as appropriate.</p>
<p>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 transactions during the</p>	<p>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 <u>non-hedging</u> transactions</p>	<p>According to the Company practice, the Article was amended as appropriate.</p>

Amended articles	Original articles	Description
<p>current month or current week shall be listed and submitted to general manager as reference for management performance evaluation and risk consideration.</p> <p>2. The senior executive <u>authorized</u> by the Board of Directors of the Company 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.</p> <p>3. The senior executive authorized by the Board of Directors shall manage transactions of derivative products based on the following principles:</p> <p>(1) Regularly evaluate whether the risk management measures currently used are appropriate and ensure to handle under the “Rules Governing the Acquisition and Disposal of Asset”</p>	<p>during the current month or current week shall be listed and submitted to <u>the Chairman or the director or President authorized by the Chairman</u> as reference for management performance evaluation and risk consideration.</p> <p>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.</p> <p>3. The senior executive authorized by the Board of Directors shall manage transactions of derivative products based on the following principles:</p> <p>(1) Regularly evaluate whether the risk management measures currently used are appropriate and ensure that the <u>relevant</u></p>	

Amended articles	Original articles	Description
<p>established by the Financial Supervisory Commission and the Procedures.</p> <p>(2) To supervise transaction and profit and loss situations. Take necessary corresponding measures if any anomaly is discovered and report immediately to the board of directors, and the Board of Directors shall have <u>independent directors present and give their opinions.</u></p> <p>4. (omission)</p>	<p><u>provisions</u> under the “Rules Governing the Acquisition and Disposal of Asset” established by the Financial Supervisory Commission and <u>this Procedure</u> are complied with.</p> <p>(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.</p> <p>4. (omission)</p>	
<p>Article 19</p> <p>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.</p> <p>Provided, where a provision of another law exempts a company from convening a shareholders</p>	<p>Article 19</p> <p>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.</p> <p>Provided, where a provision of another law exempts a company from convening a shareholders</p>	<p>To modify the statement of text as appropriate.</p>

Amended articles	Original articles	Description
<p>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 <u>lack of a quorum, insufficient votes, or other legal restriction</u>, 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.</p>	<p>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 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.</p>	
<p>Article 20 Unless specified by other laws or <u>have special factors</u> are notified of the FSC in advance, <u>when the Company participates in any merger, split or acquisition</u>, 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. <u>Unless specified by other laws or have special factors are notified of the FSC in advance, when the Company participates in transfer of shares</u>, it shall convene the board meeting on the same day.</p>	<p>Article 20 Unless another act provides otherwise or the FSC is notified in advance, <u>when the Company participates in any merger, split or acquisition</u>, 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</p>	<p>To modify the statement of text as appropriate.</p>

Amended articles	Original articles	Description
<p>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:</p> <ol style="list-style-type: none"> 1. (omission) 2. (omission) 3. (omission) (omission) <p>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 companies listed or traded shall sign an agreement with such company whereby the latter is required to abide and conduct in accordance with the <u>preceding two paragraphs</u>.</p>	<p>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:</p> <ol style="list-style-type: none"> 1. (omission) 2. (omission) 3. (omission) (omission) <p>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 <u>paragraphs 2 and 3</u>.</p>	
<p>Article 21</p> <p>The proportion of the shares or the purchase price of the company <u>participating</u> in the merger, division, acquisition or share transfer shall not be arbitrarily changed except in the following cases, and <u>shall be changed in the merger, division, acquisition or share transfer contract</u>:</p> <ol style="list-style-type: none"> 1. (omission) 	<p>Article 21</p> <p><u>Share exchange ratio and acquisition price</u>:</p> <p>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:</p> <ol style="list-style-type: none"> 1. (omission) 2. (omission) 3. (omission) 	<p>To modify the statement of text as appropriate.</p>

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

Amended articles	Original articles	Description
<p>involved shall neither reveal the project nor engage in buying, selling or merger, split, acquisition or transfer of shares 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.</p> <p>2. Subsequent to the announcement of any party that participates in 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 addition to the resolution of the shareholder meeting, the participation in the <u>company's merger, division, acquisition or share transfer case</u>, the completion of the procedures or legal acts, should be carried out by all <u>participating companies</u>.</p> <p>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</p>	<p>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.</p> <p>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.</p> <p>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</p>	

Amended articles	Original articles	Description
<p>agreement with such company and proceed in accordance with Article 20 hereunder and the two preceding subparagraphs of this article.</p>	<p>paragraphs of this article.</p>	
<p>Article 25 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide to the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall <u>meet the following requirements:</u></p> <p>1. <u>May not have previously received a final and 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</u></p>	<p>Article 25 With regards to price appraisal reports issued by expert appraisals or opinions of accountants, attorneys or securities underwriters, the aforementioned persons <u>shall not be a related party to any of the companies to a transaction.</u></p>	<p>The Article was amended with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" as appropriate.</p>

Amended articles	Original articles	Description
<p><u>suspended sentence, or since a pardon was received.</u></p> <p><u>2. May not be a related party or de facto related party of any party to the transaction.</u></p> <p><u>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.</u></p> <p><u>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</u></p> <p><u>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</u></p> <p><u>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.</u></p> <p><u>3. They shall undertake an item-by-item evaluation of the comprehensiveness,</u></p>		

Amended articles	Original articles	Description
<p><u>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.</u></p> <p><u>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.</u></p>		
<p>Article 26</p> <p>When the procedures for the acquisition and disposal of assets of the Company are adopted or amended they shall be approved by <u>more than half of all audit committee members and submitted to the board of directors for a resolution</u>, and where the director voices objection which is recorded or stated in writing, such director objection information shall be submitted to the audit committee.</p> <p><u>If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if</u></p>	<p>Article 26</p> <p>Where an acquisition or disposal of assets by the Company is subject to <u>approval by the board of directors</u> 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. <u>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</u></p>	<p>To modify the statement of text as appropriate.</p>

Amended articles	Original articles	Description
<p>approved by more than two-thirds of all directors, and the resolution of the audit committee <u>shall be recorded in the minutes of the board of directors meeting.</u> <u>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.</u></p>	<p>meetings.</p>	
<p><u>Article 27</u> <u>The Company shall establish its procedures for the acquisition or disposal of assets in accordance with the provisions of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", and be agreed by more than one-half of all the members of the Audit Committee, after the procedures have been approved by the Board of Directors, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. 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.</u> <u>If approval of more than half of all audit committee members as required in the preceding</u></p>	<p><u>Article 27</u> <u>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 directors shall fully take into account each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</u> The aforementioned all members</p>	<p>To modify the statement of text as appropriate.</p>

Amended articles	Original articles	Description
<p><u>paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</u></p> <p>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.</p>	<p>of the audit committee and all members of the directors refer to actual incumbent audit committee.</p>	

Ton Yi Industrial Corp. (Attachment 8)

“Operational Procedures for Loaning Funds to Others”
chart of amended provisions

Amended articles	Original articles	Description
<p>Article 2</p> <p>Any loans given to others by the Company shall fulfill any one of the following conditions:</p> <p>(1) Where an inter-company or inter-firm business transaction calls for such lending arrangement;</p> <p>or</p> <p>(2) Where short-term financing facility is necessary.</p> <p>Short term refers to a period of one year or one business lifecycle(the longer of which shall apply)</p>	<p>Article 2</p> <p>Any loans given to others by the Company shall fulfill any one of the following conditions:</p> <p>(1) Where an inter-company or inter-firm business transaction calls for such lending arrangement;</p> <p>or</p> <p>(2) Where an inter-company or inter-firm short-term financing facility is necessary.</p> <p>Short term refers to a period of one year or one business lifecycle (the longer of which shall apply).</p>	<p>Amendment to the wording.</p>
<p>Article 4: Limits on the aggregate amount of loans and maximum amount permitted to a single borrower</p> <p>(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.</p> <p>(2)Limit on maximum amount permitted to an individual borrower:</p> <p>1.Where there are business dealings with the Company, the loan amount given to an individual borrower shall not</p>	<p>Article 4: Limits on the aggregate amount of loans and maximum amount permitted to a single borrower</p> <p>(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.</p> <p>(2)Limit on maximum amount permitted to each single borrower:</p> <p>1.Where there are business dealings with the Company, the loan amount given to each single borrower shall not exceed the amount required for</p>	<p>In accordance to the amendment of paragraph 4 of Article 3 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies by the Financial Supervisory Commission, R.O.C., this provision is</p>

Amended articles	Original articles	Description
<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>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.</p>	<p>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.</p>
<p>Article 5: Duration of Loans and Calculation of Interest</p> <p>(1) The duration of any loan made by this Company shall be limited to one year.</p> <p>(2) 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.</p>	<p>Article 6: Duration of Loans and Calculation of Interest</p> <p>(1) The duration of any loan provided to borrowers shall be limited to one year.</p> <p>(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</p>	<p>The original provision of Article 6 is placed in Article 5 and amendment to the wording has been made.</p>
<p>Article 6: Procedures for loaning funds</p> <p><u>(1) In processing matters for loaning funds, upon review by the department in charge and determined the amount of the loan, after approval by the Chairman, the loan may be</u></p>	<p>Article 5: Procedures for loaning funds</p> <p>(1) Operating Procedures</p> <p>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</p>	<p>The original provision of Article 5 is placed in Article 6; the original provision of paragraph 2 of Article 5 is</p>

Amended articles	Original articles	Description
<p><u>granted subject to the consent of one-half or more of all audit committee members and the resolution of the board of directors.</u></p> <p><u>(2)When funds are loaned between the Company and its parent company or the Company and its subsidiary, apart from compliance with the procedure in the preceding paragraph, the Chairman may be authorized to proceed with multiple releases of funds or revolving drawdowns 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 is subject to the restriction that 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.</u></p> <p>(3) The Finance Department shall prepare a memorandum book for its fund-loaning activities. After a loan of funds is approved based on the above 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.</p> <p>(4) The internal auditors shall audit the Operational Procedures</p>	<p>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 with regard to the same borrower within a certain amount authorized by resolution of the Board of Directors and within a one year period.</p> <p>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.</p> <p>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.</p>	<p>placed in Article 7 and the paragraphs have been amended.</p> <p>In accordance to the amendment of paragraph 4 to paragraph 6 of Article 8 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies by the Financial Supervisory Commission, R.O.C., this provision is amended accordingly and amendment to the wording has been made.</p>

Amended articles	Original articles	Description
<p>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.</p> <p>(5) 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.</p> <p>(6) 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.</p> <p>Article 7: Review procedures</p> <p>(1) For the loans given by the Company, the company or enterprise applying for</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>(2) Review Procedures</p> <p>1.For the loans given by the Company, the company or enterprise applying for the loan shall file a written application</p>	

Amended articles	Original articles	Description
<p>the loan shall file a written application and attach relevant financial information and statements detailing the purpose of the borrowing.</p> <p>(2) Once the Company accepts the application, the department of finance 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.</p> <p>Shall collaterals be necessary, the value of the collateral shall be evaluated.</p>	<p>and attach relevant financial information and statements detailing the purpose of the borrowing.</p> <p>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.</p> <p>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</p>	

Amended articles	Original articles	Description
	<p>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.</p>	
<p>Article 8: Announcement and reporting procedures</p> <p><u>The Company shall announce and report items related to loaning funds to others in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies by the Financial Supervisory Commission, R.O.C..</u></p>	<p>Article 8: Announcement and reporting procedures</p> <p>(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.</p> <p>(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:</p> <p>1. The aggregate balance of loans reaches 20% or more of the Company's net worth as</p>	<p>Amendment to the wording.</p>

Amended articles	Original articles	Description
	<p>stated in its latest financial statement.</p> <p>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.</p> <p>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.</p>	
<p>Article 9: Subsequent measures for control and management of loans, and procedures for handling delinquent creditor’s rights</p> <p>(1) Periodically analyze the loan repayment capacity of the borrower.</p> <p>(2)Assess the state of loans and set aside appropriate allowance for bad debts.</p> <p>(3) Periodically track the status and reason for defaults and request the legal department to resolve the issues.</p>	<p>Article 7: Subsequent measures for control and management of loans, and procedures for handling delinquent creditor’s rights</p> <p>(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.</p> <p>(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</p>	<p>The original provision of Article 7 is placed in Article 9 and amendment to the wording has been made.</p>

Amended articles	Original articles	Description
	<p>full.</p> <p>(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.</p>	
<p>Article 11: Procedures for controlling and managing loans of funds to others by subsidiaries</p> <p>(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.</p> <p><u>The restriction Article 4 shall not apply to inter-company loans of funds between overseas companies in which this company holds, directly or indirectly, 100% of the voting shares or inter-company loans of funds from overseas company in which this company holds, directly or indirectly, 100% of the voting shares to this company. However, the aggregate amount</u></p>	<p>Article 9: Procedures for controlling and managing loans of funds to others by subsidiaries</p> <p>(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.</p> <p>(2)Where the subsidiary loans funds to others, it shall process such loaning based on “Internal Control System” and “Operational Procedures For</p>	<p>The original provision of Article 9 is placed in Article 11.</p> <p>In accordance to the amendment of paragraph 4 of Article 3 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies by the Financial Supervisory Commission, R.O.C., this provision is amended accordingly and amendment to the wording of the provision has been made.</p>

Amended articles	Original articles	Description
<p><u>of loans and the maximum amount prescribed separately for each single borrower and the durations of loans shall be specified.</u></p> <p>(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.</p>	<p>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.</p> <p>(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.</p>	
<p>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.</p>	<p>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.</p>	<p>The original provision of Article 11 is placed in Article 12.</p>
<p>Article 13: Formulation and Amendments</p> <p><u>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</u></p>	<p>Article 12: This Procedure will be implemented after approved by a Shareholders Meeting. The same shall apply for any amendment.</p>	<p>The original provision of Article 12 is placed in Article 13. In accordance to the endment of paragraph 4 to paragraph 6 of Article 8 of Regulations</p>

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

Ton Yi Industrial Corp. (Attachment 9)

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

Revised terms	Existing terms	Explanation
<p>Article 2: The term “endorsements/guarantees” as used In these Procedures refers to the following: (I) (Omit) (II) (Omit) (III) Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above (I) (II) 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.</p>	<p>Article 2: The term “endorsements/guarantees” as used In these Procedures refers to the following: (I) (Omit) (II) (Omit) (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.</p>	<p>Discretionary tex</p>
<p><u>Article 4: Specification on the amount of an endorsement/guarantee due to needs from business dealing</u></p> <p><u>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.</u></p> <p>Article 5: Credit for Endorsement/Guarantee (I) (Omit) (II) (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 necessity of and reasonableness of</p>	<p>Article 4: Credit for Endorsement/Guarantee (I) (Omit) (II) (Omit)</p> <p>(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.</p> <p>(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</p>	<p>Article 4 (III) is adjusted to Article 4 ; Article 4 is adjusted to Article 5 and discretionary tex</p>

Revised terms	Existing terms	Explanation
endorsements/guarantees shall be explained in the Shareholders' meeting.	explained in the Shareholders' meeting.	
<p>Article <u>6</u>: Procedures for handling endorsement/guarantee</p> <p>(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.</p> <p>(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 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.</p>	<p>Article 5: Operation Procedures for Endorsement/Guarantee</p> <p>(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.;</p> <p>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.</p> <p>(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</p>	<p>Article 5 is adjusted to Article64</p> <p>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 Discretionary tex.</p>

Revised terms	Existing terms	Explanation
<p>(3)(Omit)</p> <p>(4)A detailed list for handling of the addition and cancellation of endorsement/guarantee should be prepared by the financial department for controlling and tracking. If the endorsement/guarantee is required to be publicly announced, as specified by the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” promulgated by the FSC, it should be submitted to the accounting department for announcement within the stated period. The contingent losses caused by the endorsement/guarantee should also be evaluated and recognized quarterly and, with the relevant information of certified public accountant, be disclosed in the financial report.</p> <p>(5)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.</p> <p>(6)Financial unit shall actively</p>	<p>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.</p> <p>(3)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.</p> <p>(4)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.</p> <p>(5)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,</p>	

Revised terms	Existing terms	Explanation
<p>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</p> <p><u>(7)</u> 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 (1) to (6) and Article 7 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.</p>	<p>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.</p> <p>(6) 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</p> <p>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.</p>	
<p>Article 7: Detailed review Procedures</p> <p>Where the endorsement/guarantee is made to others, the financial unit shall perform review and assessment following the items below and take records:</p> <p>(I)(omission) (II) (Omit)</p>	<p>Article 6: Review Procedures</p> <p>Where the endorsement/guarantee is made to others, the financial unit shall perform review and assessment following the items below and take records:</p> <p>(I)(omission) (II) (omission)</p>	<p>Article 6 is adjusted to Article 7 , discretionary text and delete Article 6(V)</p>

Revised terms	Existing terms	Explanation
<p>(III) (Omit) (IV) (Omit)</p>	<p>(III) (omission) (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.</p>	
<p>Article <u>8</u>: Procedures for managing endorsement or guarantee by subsidiaries</p> <p>1. Omitted.</p> <p>2. When a subsidiary provides a guarantee/endorsement, it shall do so in accordance with the provisions of its “internal control system” and “Management of endorsement and guarantees”. It shall specify the balance, object, and term of the guarantee/endorsement in alignment with “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” promulgated by the FSC, so as to complete the declaration within the time limit.</p>	<p>Article 7: Procedure for Control of Endorsement/Guarantee made to Subsidiaries</p> <p>(I)(Omit)</p> <p>(2)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.</p> <p>(3)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.</p>	<p>Article7 is adjusted to Article 8 , discretionary tex anddelete Article 7(3).</p>
<p>Article <u>9</u>: Hierarchy of decision-making authority and delegation thereof</p>	<p>Article 8: Hierarchy of Decision-Making Authority and Delegation Thereof</p>	<p>Article 8 is adjusted to Article 9 , and discretionary tex</p>

Revised terms	Existing terms	Explanation
<p>1. 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.</p> <p>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.</p>	<p>(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.</p> <p>(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.</p>	
<p>Article 10: Custody and Procedures of Corporate Chops</p> <p>(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.</p> <p>(2)After the endorsement/guarantee has been resolved by the Board or</p>	<p>Article 9: Custody and Procedures of Corporate Chops</p> <p>(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.</p> <p>(2)After the endorsement/guarantee has been resolved by the Board or</p>	<p>Article 9 is adjusted to Article10 , and discretionary tex.</p>

Revised terms	Existing terms	Explanation
<p>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.</p> <p>(III) (Omit) (IV) (Omit)</p>	<p>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.</p> <p>(III) (Omit) (IV) (Omit)</p>	
<p>Article 11: Announcement and Reporting Procedures</p> <p>The Company shall, in respect of matters relating to endorsement/guarantee, conduct public announcement and report in accordance with the declaration standard set forth in the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” promulgated by the FSC.</p>	<p>Article 10: Procedures for Public Announcement and Filing</p> <p>(1)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.</p> <p>(2)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:</p> <p>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.</p> <p>2.The balance of endorsements/guarantees by this Corporation and its subsidiaries for a</p>	<p>Article 10 is adjusted to Article 11 , and discretionary tex.</p>

Revised terms	Existing terms	Explanation
	<p>single enterprise reaches 20 percent or more of this Corporation's net worth as stated in its latest financial statement.</p> <p>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.</p> <p>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.</p>	
<p>Article 12: Penal Principles (Omit)</p>	<p>Article 11: Penal Principles (Omit)</p>	<p>Article 11 is adjusted to Article12.</p>
<p>Article 13: 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.</p>	<p>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.</p>	<p>Article 12 is adjusted to Article13.</p>
<p>Article <u>14</u>: <u>Enactment and Amendment</u> The enactment or amendment of the Management shall be approved by 50% of the members of the Audit Committee and be submitted to the shareholders’ meeting for discussion after approved by the Board of Directors.Without the</p>	<p>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.</p>	<p>Addition Article14 , Article 13 is adjusted to Article14.</p> <p>Article11(4) is added and the terms are amended in accordance with “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” promulgated by the FSC.</p>

Revised terms	Existing terms	Explanation
<p>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.</p> <p>All members of the Audit Committee referred to in this article and all directors referred to in the preceding paragraph shall be counted as actual incumbents.</p>		

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

Article	Revised terms	Existing terms	Explanation
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.	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.	Text error correction
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.	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	To protect shareholders' equite ,and amended by the provisions of Article 192-1 of the Company Act.

Article	Revised terms	Existing terms	Explanation
	<p>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)</p>	<p>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. (Omit)</p>	
Article 14	<p>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:XXX. XX. XX.</p>	<p>The Procedure, and any amendments hereto, shall be implemented after approval by a shareholders meeting.</p>	Date of amendment

Ton Yi Industrial CORP (Attachment 11)
Candidates of Directors

Items	Candidates	Education, Major Experience and Current position
DIRECTOR	Chih-Hsien Lo (represent: Uni-President Enterprises CORP.)	Education : University of California, Los Angeles Qi Yansuo Experience : The Chairman of Uni-President Enterprises CO., Ltd. Current position : The Chairman of Uni-President Enterprises CO., Ltd. , The Chairman of Ton Yi Industrial CO. , Ltd.
DIRECTOR	Chao- Kai Huang (represent: Uni-President 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.
DIRECTOR	Jui-Sheng Wang (represent: Uni-President Enterprises CORP.)	Education : Soohow University Department of Business Administration Experience : Associate of Technical Group of Uni-President Enterprises CO., Ltd. Current position : Associate of the General Manager' s Office of Uni-President Enterprises CO., Director of Ton Yi Industrial Corp.
DIRECTOR	Feng-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 of finance and accounting. ,Company spokesman. Current position : President of Ton Yi Industrial Corp.
DIRECTOR	Xiu-Ling Kao (representatives: Kao Chyuan Inv. Co., Ltd)	Education : 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. 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.
DIRECTOR	Shing-Chi Liang	Education : Nation Changhua Senior High School Experience : President of Ton Yi Industrial Corp. ,Vice Chairman of Ton Yi Industrial Co., Ltd. Current position : Director of Ton Yi Industrial Corp.

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

Ton Yi Industrial CORP
Candidates of Independent Directors

Items	Candidates	Education, Major Experience and Current position
Independent DIRECTOR	Ming-Long Wang	<p>Education : The City University of New York Doctor of Philosophy</p> <p>Experience :</p> <ol style="list-style-type: none"> 1. The City University of New York Doctor of Philosophy"full-time lecturer investment 2. National Cheng Kung University of Accounting and Chief Financial professor of finance 3. National Cheng Kung University Director of Accounting Department 4. Associate Dean of Management, National Cheng Kung University, and EMBA/AMBA CEO <p>Current position :</p> <ol style="list-style-type: none"> 1. National Cheng Kung University of adjunct professor. 2. Director of Catcher Technology CORP. 3. Director of Tang Rong Iron Works Co. , Ltd. 4. Independent Director of Ton Yi Industrial CORP. 5. Independent Director of Guimeng International Co. , Ltd. 6. Independent Director of Hanping Electronics Co. , Ltd. 7. Supervisor of China NET Dragon Co. , Ltd.
Independent DIRECTOR	Chin-Chen Chien	<p>Education : Rutgers, The State University Doctor of Philosophy</p> <p>Experience : National Cheng Kung University Director of Accounting Department</p> <p>Current position :</p> <ol style="list-style-type: none"> 1. National Cheng Kung University Accounting and Chief Financial adjunct professor of finance 2. Independent Director of Ton Yi Industrial CORP. 3. Independent Director of Ronggang Materials Technology Co. , Ltd. 4. Independent Director of Jingsteel Precision Technology Co. , Ltd.

Items	Candidates	Education, Major Experience and Current position
		5. Independent Director of Taiwan Styrene Industry Co. 6. Supervisor of China NET Dragon Co., Ltd. 7. Supervisor of Zhiguan Technology Co., Ltd.
Independent DIRECTOR	Bing-Eng Wu	<p>Education : National Chengchi University , Institute of Management and Suppliers Ph.D.</p> <p>Experience :</p> <ol style="list-style-type: none"> 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 Advancement of Human Resources Committee , vice chairman 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 <p>Current position :</p> <ol style="list-style-type: none"> 1. Fu Jen Catholic University Department professor of finance 2. Independent Director 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
<p>Chih-Hsien Lo (represent: Uni-President Enterprises CORP.)</p>	<p>Chairman : Uni-President Enterprises corp. ∙ President Chain Store Corp. ∙ President Natural Industrial Corp. ∙ Ton Yi Industrial Co., Ltd. ∙ TTET Union Corp. ∙ Prince Housing & Development Corp. ∙ Prince Real Estate Co. ∙ Prince Property Management Consulting Co. ∙ Cheng-Shi Investment Holding Co. ∙ Time Square International Co., Ltd. ∙ Time Square International Co., Ltd. ∙ TIMES SQUARE INTERNATIONAL STAYS CORPORATION. ∙ Kai Yu Investment Co. ∙ President Packaging 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. ∙ Uni-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.</p> <p>Vice Chairman : President Nisshin Corp.</p> <p>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. ∙ 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. ∙ Uni-President 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. ∙ Baiyin 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. ∙</p>

	<p>Shaanxi President Enterprises Co., Ltd. ∙ Uni-President Enterprises (Tianjin) Co., Ltd. ∙ Hunan President Enterprises Co., Ltd. ∙ Harbin President Enterprises Co., Ltd. ∙ Akesu President Enterprises Co., Ltd. ∙ President Enterprises (Inner Mongolia) Co., Ltd. ∙ Shijiazhuang President Enterprises Co., Ltd. ∙ Xinjiang President Enterprises Food Co., Ltd. ∙ Wuhan President Enterprises Food Co., Ltd. ∙ Kunshan President Enterprises Food Co., Ltd. ∙ Chengdu President Enterprises Food Co., Ltd. ∙ Kunming President Enterprises Food Co., Ltd. ∙ Beijing President Enterprises Drinks Co., Ltd. ∙ Uni-President Enterprises (Shanghai) Drink & Food Co., Ltd. ∙ Uni-President Enterprises (Kunshan) Food Technology Co., Ltd. ∙ Uni-President Trading (Hubei) Co., Ltd. ∙ President (Kunshan) Trading Co.,Ltd. ∙ President (Shanghai) Trading Co., Ltd. ∙ Yantai Tongli Beverage Industries Co., Ltd. ∙ Bama President Mineral Water Co. ∙ Wuyuan President Enterprises Mineral Water Co., Ltd. ∙ Changbaishan Mountain President Enterprises (Jilin) Mineral Water Co., Ltd. ∙ Champ Green Capital Limited ∙ Champ Green (Shanghai) Consulting Co. Ltd. ∙ Uni-President (Shanghai) Pearly Century Co., Ltd. ∙ Uni-President Enterprise (Hutubi) Tomato Products Technology Co.</p> <p>President Presco Netmarketing Inc.</p>
<p>Xiu-Ling Kao (represent: Kao Chyuan Inv. Co.,Ltd)</p>	<p>Chairman : Kao Chyuan Inv. Corp. ∙ President Being Corp. ∙ President Fair Development Corp. ∙ Uni-President Department Store Corp. ∙ President Pharmaceutical Corp. ∙ President Drugstore Business Corp.</p> <p>Director : Uni-President Enterprises Corp. ∙ President Chain Store Corp. ∙ Scino Pharm Taiwan Ltd. President International Development Corp. ∙ Uni-President Development Corp. ∙ Prince Housing &Development Corp. ∙ Time Square International Co. Ltd. ∙ TIMES SQUARE INTERNATIONAL HOLDING COMPANY. ∙ President (Sanghai) Health Product Trading Company Ltd. ∙ President Starbucks Coffee Corp ∙ President Century Corp. ∙ Beauty Wonder (Zhejiang) Trading Co., Ltd.</p> <p>President : Kao Chyuan Inv. Co. Ltd.</p>
<p>Chao-Kai Huang (represent: Uni-President Enterprises CORP.)</p>	<p>Chairman : Uni-President Vender corp. ∙ Tung Ang Enterprises Corp</p> <p>Director : 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.</p>
<p>Jui-Sheng Wang (represent: Uni-President</p>	<p>Chairman : President Global Corp. ∙ Tung-You International Corp., ∙ Tung-Xiang Corp</p> <p>Vice Chairman : President Kikkoman Inc. ∙ Kunshan President Kikkoman Biotechnology Co., Ltd. ∙ President</p>

Enterprises CORP.)	Kikkoman Zhenji Foods Co., Ltd.
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. 、 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 Tinline Co., Ltd. 、 Fujian Ton Yi Tinline 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 Tinline Co., Ltd. 、 Fujian Ton Yi Tinline 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. 、 Jingsteel 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

1. 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.
4. 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.
6. 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 accordance 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

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.

Ton Yi Industrial Corp. Appendix (2)
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 writing 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.

Article 19-1: 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:

1. 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, and asset-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.
5. Creditors claims of financial institutions (including receivables, bills purchased 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, leverage contracts, swap contracts and compound contracts combining the above products whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts or long-term purchase (sales) agreements.
2. Assets acquired or disposed through mergers, 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 or subsidiary: 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 engage 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 opinions 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 five 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 chairman or 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.

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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 directors shall fully take into account each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

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 Operational Procedures.

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 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.

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

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-lending 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

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

- (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 short-term borrowings from financial

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 regularly monitor 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.

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 holds, 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

- (I) 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, 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

- (I) 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

- (I) 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:
 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 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. Appendix (7)
Rules for Director Elections

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, and it will exceed the prescribed number, the persons with 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.

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