

**Stock Code: 6196**

**Taiwan Stock Exchange  
Market Observation Post  
System:**

<http://mops.twse.com.tw>

**Company Website:**

<http://www.micb2b.com>



**Marketech International Corp.**

**Handbook for the 2017  
Annual General Meeting of Shareholders**

**Time :** May 26<sup>th</sup>, 2016 (Friday) at 9:00 a.m.

**Venue:** 3F.,No.3, Yuancyu St., Nangang Dist., Taipei City  
(Audio-Visual Meeting Center)

## **DISCLAIMER**

*THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2016 ANNUAL GENERAL MEETING (THE "HANDBOOK") OF MARKETECH INTERNATIONAL CORP. (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE AGENDA SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.*

**Marketech International Corp.**  
**Handbook for the 2017 Annual General Meeting of Shareholders**

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**I. Meeting Procedures**

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5. Matters for Ratification
6. Matters to Discuss
7. Other Matters and Extempore Motion
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**II. Meeting Agenda**

**Time :** May 26<sup>th</sup>, 2017 (Friday) at 9:00 a.m.

**Venue:** 3F.,No.3, Yuancyu St., Nangang Dist., Taipei City  
(Audio-Visual Meeting Center)

**1. Chairman to announce the commencement of meeting (to announce the number of shares represented by shareholders attending the Meeting)**

**2. Chairman's Remarks**

**3. Matters to Report**

- (1) Employees' Compensation and Directors' and Supervisors' Remuneration in 2016
- (2) 2016 Business Report
- (3) Audit Committee's review report of 2016
- (4) Investments in Mainland China in 2016
- (5) Status of implementing the Provision of Endorsements and Guarantees to Others in 2016
- (6) Report on the purpose of issuing the third domestic unsecured convertible bonds
- (7) Other reports

**4. Matters for Ratification**

- (1) To ratify 2016 Business Report and Financial Statements
- (2) To ratify 2016 Earnings Distribution

**5. Matters for Discussion**

- (1) Amendment to "Procedures for Endorsement and Guarantee".
- (2) Amendment to "Procedures for Lending Funds to Other Parties".
- (3) Amendment to "Procedures for Acquisition or Disposal of Assets".

**6. Other Matters and Extempore Motion**

**7. Adjournment**

### III. Matters to Report

- Item 1:** (proposed by the Board of Directors)  
**Description:** Please refer to the Company's 2016 Employees' Compensation and Directors' and Supervisors' Remuneration  
**Explanation:** The 2016 directors' and supervisors' remuneration is NT\$7,545,232 and employees' compensation is NT\$75,452,319, please refer to "Appendix 5" (page 66) of this handbook.
- Item 2:** (proposed by the Board of Directors)  
**Description:** Please refer to the Company's 2016 Business Report  
**Explanation:** Regarding the Company's 2016 Business Report and Financial Statements, please refer to "Annex 1" (page 6-8) and "Annex 2" (page 9-35) of this handbook.
- Item 3:** (proposed by the Board of Directors)  
**Description:** Please refer to the Audit Committee Audit Report on the 2016 Business Report, Financial Statements and Earnings Distribution.  
**Explanation:** Regarding the Company's Audit Committee Audit Report on the 2016 Business Report, Financial Statements and Earnings Distribution, please refer to "Annex 3" (page 36) of this handbook.
- Item 4:** (proposed by the Board of Directors)  
**Description:** Please refer to the Company's 2016 Report on the Investments in Mainland China.  
**Explanation:** Regarding the Company's 2016 Report on the Investments in Mainland China, please refer to "Annex 4" (page 37-39) of this handbook.
- Item 5:** (proposed by the Board of Directors)  
**Description:** Please refer to the Company's Report on the Provision of Endorsements and Guarantees to Others for 2016  
**Explanation:** Regarding the Company's Report on the Provision of Endorsements and Guarantees to Others for 2016, please refer to "Annex 5" (page 40) of this handbook.
- Item 6:** (proposed by the Board of Directors)  
**Description:** Please refer to the Company's 2016 Report of the 3rd Offering of Domestic Unsecured Convertible Corporate Bonds.  
**Explanation:** (1) Through the board of directors, the Company has carried out the 3rd offering of domestic non-collateralized convertible corporate bonds with a total value of NTD500 million on June 8, 2016. This amount is used for the repayment of bank loans.  
(2) The Company's 3rd offering of domestic unsecured bonds were officially issued and offered over-the-counter on August 22, 2016. Regarding the conversion of corporate bonds and implementation of capital use plan this time, please refer to "Annex 6" (page 41) of this handbook.

## **IV. Matters for Ratification**

**Item 1:** (proposed by the Board of Directors)

**Description:** Please ratify The Company's 2016 Business Report and Financial Statements.

**Explanation:**

- (1) The Company's 2016 Business Report and Financial Statements are completed and approved by the Board of Directors on February 20, 2017 with records. The 2016 Annual Financial Statement has also been audited by Independent Accountant Lin Chun-Yao and Independent Accountant Chang Shu-Chiung of PricewaterhouseCoopers (PwC) Taiwan. Aforesaid statements and report are also audited by the audit committees with records.
- (2) Aforesaid statements / report and independent accountants' report are attached. Please refer to "Annex 1" (page 6-8) and "Annex 2" (page 9-35) of this handbook.

Resolution:

**Item 2:** (proposed by the Board of Directors)

**Description:** Please ratify the Company's 2016 Earnings Distribution

**Explanation:**

- (1) Please refer to "Annex 7" of our Company's 2016 Earnings Distribution (page 42).
- (2) The distributed cash dividend shall be counted only until digit in ones (shall be rounded down to an integer).
- (3) Regarding the earnings distribution stated in preceding Paragraph, if the 3rd offering of domestic unsecured convertible corporate bonds or employees' execution of employee stock option affects the Company's no. of the weighted average outstanding shares and results in a change of shareholders' dividend declared ratio, a request of fully authorizing the board of directors to make adjustment accordingly shall be submitted at shareholders' meeting.
- (4) Accng to earnings distribution stated in preceding Paragraph, the cash dividend shall be, after the authorization was approved at the General Meeting of Shareholders', distributed based on the dividends appointment base date stipulated by the Board of Directors separately.

Resolution:

## **V. Matters for Discussion**

**Item 1:** (proposed by the Board of Directors)

**Description:** Amendments to “Procedures for Endorsements and Guarantees”

**Explanation:** (1) Amendments were made to Company’s “Procedures for Endorsements and Guarantees” due to the establishment of audit committee, a committee that replaces the responsibilities of supervisors, and actual operating needs.  
(2) Regarding the Comparison Table of Amendments to “Procedures for Endorsements and Guarantees” , please refer to “Annex 8” (page 43-46)of this handbook.

Resolution

**Item 2:** (proposed by the Board of Directors)

**Description:** Amendment to “Procedures for Loaning of Funds to Others”

**Explanation:** (1) Amendments were made to Company’s “Procedures for Loaning of Funds to Others” due to the establishment of audit committee, a committee that replaces the responsibilities of supervisors, and actual operating needs.  
(2) Regarding the Comparison Table of Amendments to “Procedures for Loaning of Funds to Others” , please refer to “Annex 9” (page 47-49)of this handbook.

Resolution:

**Item 3:** (proposed by the Board of Directors)

**Description:** Amendment to “Procedures for Acquisition or Disposal of Assets”

**Explanation:** (1) Amendments were made to Company’s “Procedures for Acquisition or Disposal of Assets” due to the establishment of audit committee, a committee that replaces the responsibilities of supervisors, and actual operating needs.  
(2) Regarding the Comparison Table of Amendments to “Procedures for Acquisition or Disposal of Assets”, please refer to “Annex 10” (page 50-56)of this handbook.

Resolution:

## **VI. Other Matters and Extempore Motion**

## **VII. Adjournment**

## **[Annex 1: 2016 Business Report]**

### **Marketch International Corp. 2016 Business Report**

#### **I. Operating Results of 2016**

##### **1. Operating Results**

The Company's consolidate revenue for 2016 totaled NT\$18,650,941 thousand, with an increase over NT\$18,031,624 thousand comparing with the year before (2015). Net income in 2016 was NT\$511,263 thousand, with an increase over NT\$459,985 thousand comparing with the year before.

The Parent Company's separate revenue of the parent company for 2016 totaled NT\$13,308,343 thousand, with an increase over NT\$12,482,462 thousand comparing with the year before (2015). Net income in 2016 was NT\$515,151 thousand, with an increase over NT\$458,724 thousand comparing with the year before. The company will continue to stabilize growth and profitability as the operational goals in the future, thus to create the largest shareholder equity.

Summary of the 2016 and 2015 Consolidated and Separate Financial Statement is listed as follows:

##### **(1) Summary of Consolidated Financial Statement**

Unit: NT\$ thousands

Items	2015	2016	Variance (\$)	Variance (%)
Operating Revenue	18,031,624	18,650,941	619,317	3.43
Gross Profit	2,014,602	2,247,657	233,055	11.57
Operating Income	574,436	700,300	125,864	21.91
Net Income	459,985	511,263	51,278	11.15
EPS (in dollars) (Note2)	2.78	3.12	0.34	12.23

Note 1: The above information is summarized from Audit Reports of 2015 and 2016.

Note 2: The Earnings per Share is calculated based on the no. of the weighted average outstanding shares.

##### **(2) Summary of Separate Financial Statement**

Unit: NT\$ thousands

Items	2015	2016	Variance (\$)	Variance (%)
Operating Revenue	12,482,462	13,308,343	825,881	6.62
Gross Profit	1,485,761	1,749,009	263,248	17.72
Operating Income	616,331	770,176	153,845	24.96
Net Income	458,724	515,151	56,427	12.30
EPS (in dollars) (Note2)	2.78	3.12	0.34	12.23

Note 1: The above information is summarized from Audit Reports of 2015 and 2016.

Note 2: The Earnings per Share is calculated based on the no. of the weighted average outstanding shares.

##### **2. Budget Implementation**

In 2016, the continuous booming in semiconductor, optoelectronics and other electronic industries, and momentum of expanded production across the strait have increased the market demand, of which benefits not only the manufacturers in these industries, but also MIC to achieve the budget plan and reach significant increase in annual consolidated and non-consolidated operating revenue in 2016. The company will continue to stabilize growth and profitability as the operational goals in the future.

### 3. Analysis of Receipts, Expenditures and Profitability

Items		Consolidated Financial Statement		Separate Financial Statement	
		2015	2016	2015	2016
Financial Structure	Ratio of liabilities to assets (%)	62.56	67.30	52.26	58.26
	Ratio of long-term capital to fixed assets (%)	325.88	377.18	410.30	469.76
Solvency	Current ratio (%)	136.04	137.68	129.52	139.25
	Quick ratio (%)	99.78	102.89	93.04	100.19
	Times interest earned	16.15	12.88	71.28	55.50
Profitability	Return on total assets (%)	4.15	4.29	5.02	5.16
	Return on shareholders' equity (%)	10.40	11.27	10.38	11.36
	Ratio of operating income to paid-in capital (%)	34.80	42.42	37.34	46.66
	Ratio of pre-tax income to paid-in capital (%)	35.52	40.75	34.74	40.68
	Profit margin (%)	2.55	2.74	3.67	3.87
	Earnings per share (dollar) (Note)	2.78	3.12	2.78	3.12

Note: The Earnings per Share is calculated based on the no. of the weighted average outstanding shares

### 4. Research and Development

#### (1) Expenditure involved

Unit: NT\$ thousands; %

Items	Year	Consolidated Financial Statement		Separate Financial Statement	
		2015	2016	2015	2016
Research and development expenses (A)		173,494	209,703	173,307	208,022
Operating revenue (B)		18,031,624	18,650,941	12,482,462	13,308,343
Ratio (A)/(B)(%)		0.96	1.12	1.39	1.56

#### (2) Developed technologies and products in 2016

Featured with the capability of integrating high-technology production, auto-control and precision machinery technologies, the R&D team of MIC Group has shown extraordinary results in developing high-technology system and facilities. Its major performance in 2016 is shown below:

Year	R&D Performance	Applications
2016	Wafer-Level Sapphire Substrate Testing Equipment	LED Industry
	Nanoimprint	Microelectromechanical and LED Optoelectronics Industries
	The Frame Installation Positioning and Angle Detection Experiment	3D Detection

## II. Highlights of 2017 Business Plan

### 1. Operating Strategies

- (1) Go further in high-tech equipment and material product lines to increase the operating revenue.
- (2) Upgrade capabilities in turnkey service of engineering, design and system integration.
- (3) Cooperate with well-known international manufacturers to develop capabilities in production relevant processing equipment.
- (4) Research and develop customized equipment and production.
- (5) Upgrade and extend equipment maintenance services.
- (6) Expand and diversity business in non-IT industries with its core technology and capability

## 2. Sales volume forecast and basis thereof

According to Industrial Economics and Knowledge Center (IEK), it is forecasted that the economy will be recovered in 2017 due to the slowing-down fluctuation of global commodity price and the country's better performance in exports; the output value of semiconductor is also expected to have a growth of 3.5% to 4.2% in 2017 as a result of semiconductor players' consistent investment in advanced production, which help to pick up the import. Besides, the up-to-date "Global Economic Prospects" released by the World Bank, the growth rate of global real GDP will be rebounded, from 2.3% (2016) to 2.7%, in 2017. Directorate-General of Budget, Accounting and Statistics (DGBAS) also adjusted the annual economic growth rate of last year (2016) to 1.5%; the forecast of the annual growth rate of this year (2017) is also adjusted to 1.92, showing the best performance over the last three years.

Looking into 2017, MIC Group has maintained its foot in Taiwan while heading towards Asia. It is expected to see a growth in MIC's operating performance this year comparing with the year before.

## 3. Important Production and Sales Policies

- (1) To integrate MIC Group's business units and build up the Company's core technology.
- (2) To provide customers on-time solutions that satisfy the customer demand in order to increase the Company's competitiveness in sales.
- (3) To provide customer a full line service through synergy of the company's business units.
- (4) To enhance sales office's supply service to provide appropriate and on-time integrated services.
- (5) To enhance its relationship with customers in Asia and to extend the Company's capability to provide local services.

## (III). Future Development Strategy

Centered on four major business groups – business agency, engineering design, system applications, and R&D and Manufacturing – MIC aims to further diversify its services and to include non-IT customers in order to expand its business in Asia.

Regarding the management system, MIS has implemented ISO9001, ISO14001 and OHSAS18001 work standards to enhance its work quality and efficiency to ensure the Group's competitiveness, to make employees confident, to bring customers a good protection and to maximize shareholders' benefits.

## (IV). Impacts of External Competitive Environment, Regulatory Environment and Macroeconomic Environment

To respond to the fierce competition of macroeconomic environment, the increase in cost and decrease in profitability have become a common phenomenon. MIC Group will do our best to further control relevant costs and expenses to increase our competitiveness in the industry. As for the regulations, amendments concerning the protection to our environment, consumers and investors were made, causing more restrictions on business and turning the business environment even more complicated. MIC Group will therefore provide even more professional services to confront the challenges brought by the business environment. Upholding the spirit of "innovation", it is our aim to provide an "integrated" and "differentiated" service to expand our market and make the Group even more advantageous.

A Good Health and All the Bests to our Shareholders.

Sincerely yours,

Chairman: Margaret Kao

President: Scott Lin

Accounting Director: Chung Chi-Wen

## **【 Annex 2:2016 Financial Statements and Report of Independent Accountants 】**

### **I. 2016 Consolidated Financial Statements and Report of Independent Accountants**

To the Board of Directors and Stockholders of  
Marketech International Corp.

#### ***Opinion***

We have audited the accompanying consolidated balance sheets of Marketech International Corp. and its subsidiaries (the “Group”) as at December 31, 2016 and 2015, 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 at December 31, 2016 and 2015, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparations 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 consolidated financial statements of the year ended December 31, 2016. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

## ***Recognition of construction revenue***

### Description

Please refer to Notes 4(13) and 4(29) for accounting policy on construction contract and revenue. Please refer to Note 5(2) for the details of uncertainty of construction contract accounting estimation and assumption. Please refer to Notes 6(22) and 6(6) for description on construction revenue and construction cost.

The Group recognized revenue and profit by using the percentage of completion method. This method is also being used to calculate the cost in each contract at the year-end. The management will re-evaluate the cost if the budget had increased or decreased, and depending on the cost after adjustment to recalculate the percentage of completion. The construction revenue may be affected by the appropriateness of determination of cost and estimated cost. Thus, we considered this as one of the key audit matters.

### How our audit addressed the matter

We tailored the audit scope as follows:

- A. Obtained an understanding of the managements' control system when the contract has been created or significant change in estimate cost.
- B. Obtained the newly added construction contract list for this fiscal year, and ensure that the total contract price is equal to the amount being used to calculate construction revenue. Ensure that the construction supplement can be traced back to supplementary contracts.
- C. Checked the construction cost estimation sheets incurred in the current period, sample test the basis of estimation and subcontracting amount, and ensure it has been approved appropriately by the management.
- D. Checked the rationality of significant changes in estimation of construction cost, and sample test whether the revised plan has been approved by the management.
- E. Obtained the billing details, and select samples of related vouchers by using statistical procedure to check the correctness of input cost in engineering reports and computation of percentage of completion.

## ***Valuation on inventories***

### Description

Please refer to Note 4(12) for description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(6) for the description of inventory.

The Group is primarily engaged in import and export trading business, which include integrated circuit, electronic equipment, and materials, components used on electronic equipment. Due to the rapid technological changes, the semiconductor equipment industry has become more and more competitive, and the product price frequently changes. Therefore, the Group is now exposed to risk on inventory valuation loss and slow-moving inventory. Inventories are stated at the lower of cost or net realizable value, slow-moving inventories are using specific identification method to estimate the allowance for inventory valuation losses.

The base stock of inventories are based on assumptions of future demand and development plan. Due to the large quantity of inventories, and since the amounts involved are significant, the determination of net realisable value for obsolete or slow-moving inventory involves subjective judgement resulting in high degree of estimation uncertainty. As a result of the high uncertainties in these estimates, we considered this is one of the key audit matters.

### How our audit addressed the matter

We tailored the audit scope as follows:

- A. Assessed the reasonableness of the allowance for inventory valuation losses based on our understanding of the Group's operating conditions and industry. This includes the classification of the net realizable value of inventories, the evidence which showed the inventories were subsequently scrapped or sold, and the judgement on slow-moving inventories are reasonable.
- B. Obtained an understanding of the Group's inventory control procedures. Reviewed annual inventory counting plan and participated in the annual inventory counting event.
- C. Verified the appropriateness of the stock aging analysis, and ensured it is consistent with the Group's policy.
- D. Inspect the sales contracts and discussed with the management to evaluate the reasonableness of the future demand for inventories. In order to assess the reasonableness of allowance for inventory valuation losses, we sampled inventories to verify the digestion of inventories and historical data of inventory discount.

## ***Valuation of allowance of accounts receivable***

### Description

Please refer to Note 4(9) for accounting policy of accounts receivable. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to accounts receivable. Please refer to Note 6(5) for the description of accounts receivable.

First, the Group assessed the significant accounts receivable individually, and for those are not significant can be assessed either individually or collectively. If there is no impairment after individual assessment, then the group of accounts receivable will be added for collectively assessment. If the accounts receivable over a certain age is significant, the management will re-examine the collectibility, assesses each case for possible impairment. Management uses professional judgement during the process, and accounting estimates have a high possibility of becoming inappropriate. The professional judgment may be affected by the following issues. Such as customer's financial status, internal credit rating, order history, and economic situation. Thus, obtaining the supporting documents which management used for judgement is important. Thus, we considered the assessment on allowance for bad debts as one of our key audit matters.

### How our audit addressed the matter

We tailored the audit scope as follows:

- A. Obtained an understanding of the process which management used to evaluate the collectibility of accounts receivable.
- B. Ensured that the classification of impairment in the group of accounts receivable is appropriate and in accordance with the Group's accounting policy.
- C. Checked the details of significant impairment recognized by the management, against the supporting documents to verify appropriateness.
- D. Verified the subsequent collections details of significant accounts receivable.
- E. Obtained the details of significant accounts receivable which has not yet been collected at the year end, and re-evaluated the appropriateness.

### ***Other matter – Parent company only financial reports***

We have audited and expressed an unqualified opinion on the parent company only financial statements of Marketech International Corp. Ltd. as at and for the years ended December 31, 2016 and 2015.

### ***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 Preparations 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 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 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, 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.

  
Lin, Chun-Yao

  
Chang, Shu-Chiung

for and on behalf of PricewaterhouseCoopers, Taiwan

February 20, 2017

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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.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2016		December 31, 2015		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 1,752,244	12	\$ 1,404,874	12
1110	Financial assets at fair value	6(2)				
	through profit or loss - current		7,297	-	5,719	-
1125	Available-for-sale financial assets	6(3)(9)				
	- current		63,853	-	-	-
1150	Notes receivable, net	6(4)	213,014	2	106,392	1
1170	Accounts receivable, net	6(5)(8)	4,019,113	29	3,072,747	26
1180	Accounts receivable - related	7				
	parties, net		417	-	23,341	-
1190	Construction contracts receivable	6(8) and 7	2,868,149	20	2,485,012	21
1200	Other receivables		16,083	-	20,910	-
130X	Inventories, net	6(6)	2,621,278	19	2,248,268	19
1410	Prepayments	6(7)	456,297	3	398,626	3
1470	Other current assets	8	160,570	1	165,065	1
11XX	<b>Total current assets</b>		<u>12,178,315</u>	<u>86</u>	<u>9,930,954</u>	<u>83</u>
<b>Non-current assets</b>						
1543	Financial assets at cost -	6(3)(9)				
	non-current		256,628	2	287,714	2
1550	Investments accounted for using	6(10)				
	equity method		37,679	-	76,004	1
1600	Property, plant and equipment, net	6(11), 7 and 8	1,388,586	10	1,419,554	12
1780	Intangible assets	7	21,619	-	23,045	-
1840	Deferred tax assets	6(26)	113,923	1	108,037	1
1900	Other non-current assets	6(11)	86,032	1	80,918	1
15XX	<b>Total non-current assets</b>		<u>1,904,467</u>	<u>14</u>	<u>1,995,272</u>	<u>17</u>
1XXX	<b>Total Assets</b>		<u>\$ 14,082,782</u>	<u>100</u>	<u>\$ 11,926,226</u>	<u>100</u>

(Continued)

**MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2016		December 31, 2015		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(12) and 8	\$ 1,913,374	14	\$ 1,370,748	11
2150	Notes payable		858,675	6	806,991	7
2170	Accounts payable		3,447,773	25	2,740,764	23
2180	Accounts payable - related parties	7	13,565	-	20,610	-
2190	Construction contracts payable	6(8)	1,325,311	9	1,236,940	10
2200	Other payables	6(13)	455,018	3	421,292	4
2230	Current tax liabilities		93,751	1	81,271	1
2310	Advance receipts	6(14)	724,461	5	598,114	5
2399	Other current liabilities, others		13,428	-	23,447	-
21XX	<b>Total current liabilities</b>		<u>8,845,356</u>	<u>63</u>	<u>7,300,177</u>	<u>61</u>
<b>Non-current liabilities</b>						
2530	Bonds payable	6(15)	477,153	3	-	-
2570	Deferred tax liabilities	6(26)	10,350	-	30,644	1
2640	Accrued pension liabilities	6(17)	144,643	1	130,590	1
2670	Other non-current liabilities, others		85	-	17	-
25XX	<b>Total non-current liabilities</b>		<u>632,231</u>	<u>4</u>	<u>161,251</u>	<u>2</u>
2XXX	<b>Total Liabilities</b>		<u>9,477,587</u>	<u>67</u>	<u>7,461,428</u>	<u>63</u>
<b>Equity</b>						
<b>Share capital</b>						
		6(19)				
3110	Ordinary shares		1,650,698	12	1,650,698	14
<b>Capital surplus</b>						
		6(20)				
3200	Capital surplus		648,446	4	618,773	5
<b>Retained earnings</b>						
		6(21)				
3310	Legal reserve		575,258	4	529,385	4
3320	Special reserve		92,239	1	92,239	1
3350	Unappropriated retained earnings		1,667,955	12	1,542,603	13
<b>Other equity interest</b>						
3400	Other equity interest		(26,985)	-	25,898	-
31XX	<b>Total equity attributable to owners of parent</b>		<u>4,607,611</u>	<u>33</u>	<u>4,459,596</u>	<u>37</u>
36XX	<b>Non-controlling interests</b>		(2,416)	-	5,202	-
3XXX	<b>Total Equity</b>		<u>4,605,195</u>	<u>33</u>	<u>4,464,798</u>	<u>37</u>
<b>Significant contingent liabilities and unrecognised contract commitments</b>						
		9				
<b>Significant events after the balance sheet date</b>						
		11				
3X2X	<b>Total Liabilities and Equity</b>		<u>\$ 14,082,782</u>	<u>100</u>	<u>\$ 11,926,226</u>	<u>100</u>

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

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31				
		2016		2015		
		AMOUNT	%	AMOUNT	%	
4000	<b>Operating Revenue</b>	6(22) and 7	\$ 18,650,941	100	\$ 18,031,624	100
5000	<b>Operating Costs</b>	6(6)(25) and 7	( 16,403,284)	( 88)	( 16,017,022)	( 89)
5900	<b>Gross Profit</b>		<u>2,247,657</u>	<u>12</u>	<u>2,014,602</u>	<u>11</u>
	<b>Operating Expenses</b>	6(25)				
6100	Sales and marketing expenses		( 525,098)	( 3)	( 491,181)	( 3)
6200	General and administrative expenses		( 812,556)	( 4)	( 775,491)	( 4)
6300	Research and development expenses		( 209,703)	( 1)	( 173,494)	( 1)
6000	<b>Total operating expenses</b>		( 1,547,357)	( 8)	( 1,440,166)	( 8)
6900	<b>Operating Profit</b>		<u>700,300</u>	<u>4</u>	<u>574,436</u>	<u>3</u>
	<b>Non-operating Income and Expenses</b>					
7010	Other income	6(23)	81,362	-	57,730	-
7020	Other gains and losses	6(2)(24)	( 54,865)	-	( 4,682)	-
7050	Finance costs		( 56,596)	-	( 38,717)	-
7060	Share of gain (loss) of associates and joint ventures accounted for using equity method		<u>2,412</u>	-	( 2,378)	-
7000	<b>Total non-operating income and expenses</b>		( 27,687)	-	11,953	-
7900	<b>Profit before Income Tax</b>		672,613	4	586,389	3
7950	Income tax expense	6(26)	( 161,350)	( 1)	( 126,404)	( 1)
8200	<b>Net Income</b>		<u>\$ 511,263</u>	<u>3</u>	<u>\$ 459,985</u>	<u>2</u>

(Continued)

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31			
		2016		2015	
		AMOUNT	%	AMOUNT	%
<b>Other Comprehensive Income</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Gains (losses) on remeasurements of defined benefit plans	6(17)			
			(\$ 15,975)	-	(\$ 17,831)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)			
			2,716	-	3,031
8310	<b>Total components of other comprehensive loss that will not be reclassified to profit or loss</b>		<u>(13,259)</u>	<u>-</u>	<u>(14,800)</u>
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Exchange differences on translation of foreign operations		( 98,892)	( 1)	( 38,808)
8362	Unrealized gain on valuation of available-for-sale financial assets of foreign operations	6(3)	29,408	-	-
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method		( 104)	-	16
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	6(26)			
			16,855	-	6,574
8360	<b>Total components of other comprehensive income that will be reclassified to profit or loss</b>		<u>(52,733)</u>	<u>(1)</u>	<u>(32,218)</u>
8300	<b>Other comprehensive loss, net of tax</b>		<u>(\$ 65,992)</u>	<u>(1)</u>	<u>(\$ 47,018)</u>
8500	<b>Total Comprehensive Income</b>		<u>\$ 445,271</u>	<u>2</u>	<u>\$ 412,967</u>
<b>Profit (loss) attributable to:</b>					
8610	Owners of the parent		<u>\$ 515,151</u>	<u>3</u>	<u>\$ 458,724</u>
8620	Non-controlling interests		<u>(\$ 3,888)</u>	<u>-</u>	<u>\$ 1,261</u>
<b>Comprehensive income (loss) attributable to:</b>					
8710	Owners of the parent		<u>\$ 449,009</u>	<u>2</u>	<u>\$ 411,859</u>
8720	Non-controlling interests		<u>(\$ 3,738)</u>	<u>-</u>	<u>\$ 1,108</u>
<b>Basic earnings per share</b>					
9750	<b>Basic earnings per share</b>	6(27)	<u>\$</u>	<u>3.12</u>	<u>\$</u>
<b>Diluted earnings per share</b>					
9850	<b>Diluted earnings per share</b>	6(27)	<u>\$</u>	<u>2.95</u>	<u>\$</u>

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

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent										
		Capital Reserves			Retained Earnings			Other equity interest				
		Share capital - ordinary shares	Capital surplus - share premium	Capital surplus - others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-fo r-sale financial assets	Total	Non-controlling interests	Total equity
<b>Year 2015</b>												
Balance at January 1, 2015		\$ 1,650,698	\$ 616,003	\$ 351	\$ 490,931	\$92,239	\$ 1,467,273	\$ 57,963	\$ -	\$ 4,375,458	\$ 4,094	\$ 4,379,552
Appropriations and distribution of earnings for 2014	6(21)											
Legal reserve		-	-	-	38,454	-	( 38,454 )	-	-	-	-	-
Cash dividends		-	-	-	-	-	( 330,140 )	-	-	( 330,140 )	-	( 330,140 )
Share-based payment	6(18)(20)	-	-	2,419	-	-	-	-	-	2,419	-	2,419
Profit for 2015		-	-	-	-	-	458,724	-	-	458,724	1,261	459,985
Other comprehensive loss for 2015		-	-	-	-	-	( 14,800 )	( 32,065 )	-	( 46,865 )	( 153 )	( 47,018 )
Balance at December 31, 2015		<u>\$ 1,650,698</u>	<u>\$ 616,003</u>	<u>\$ 2,770</u>	<u>\$ 529,385</u>	<u>\$92,239</u>	<u>\$ 1,542,603</u>	<u>\$ 25,898</u>	<u>\$ -</u>	<u>\$ 4,459,596</u>	<u>\$ 5,202</u>	<u>\$ 4,464,798</u>
<b>Year 2016</b>												
Balance at January 1, 2016		\$ 1,650,698	\$ 616,003	\$ 2,770	\$ 529,385	\$92,239	\$ 1,542,603	\$ 25,898	\$ -	\$ 4,459,596	\$ 5,202	\$ 4,464,798
Appropriations and distribution of earnings for 2015	6(21)											
Legal reserve		-	-	-	45,873	-	( 45,873 )	-	-	-	-	-
Cash dividends		-	-	-	-	-	( 330,140 )	-	-	( 330,140 )	-	( 330,140 )
Share-based payment	6(18)(20)	-	-	8,537	-	-	-	-	-	8,537	-	8,537
Changes in equity of associates and joint ventures accounted for using equity method		-	-	-	-	-	( 527 )	-	-	( 527 )	-	( 527 )
Due to recognition of equity component of convertible bonds issued	6(15)(20)	-	-	21,136	-	-	-	-	-	21,136	-	21,136
Profit (loss) for 2016		-	-	-	-	-	515,151	-	-	515,151	( 3,888 )	511,263
Other comprehensive income (loss) for 2016		-	-	-	-	-	( 13,259 )	( 82,291 )	29,408	( 66,142 )	150	( 65,992 )
Change in non-controlling interests		-	-	-	-	-	-	-	-	-	( 3,880 )	( 3,880 )
Balance at December 31, 2016		<u>\$ 1,650,698</u>	<u>\$ 616,003</u>	<u>\$ 32,443</u>	<u>\$ 575,258</u>	<u>\$92,239</u>	<u>\$ 1,667,955</u>	<u>( \$ 56,393 )</u>	<u>\$ 29,408</u>	<u>\$ 4,607,611</u>	<u>( \$ 2,416 )</u>	<u>\$ 4,605,195</u>

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

**MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31	
		2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 672,613	\$ 586,389
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets at fair value through profit or loss	6(2)(24)	( 1,328 )	( 863 )
Provision for bad debt expense	12	74,825	82,201
Share of (gain) loss of associates and joint ventures accounted for using equity method		( 2,412 )	2,378
(Gain) loss on disposal of investments	6(24)	( 7,894 )	123
Depreciation	6(11)(25)	102,789	105,978
Amortisation	6(25)	19,333	21,084
Loss on disposal of property, plant and equipment		1,264	360
Impairment loss on financial assets	6(24)	-	14,829
Compensation cost of share-based payments	6(18)(20)	8,537	2,419
Interest income		( 4,109 )	( 5,006 )
Interest expense		56,596	38,717
Dividend income		( 14,624 )	( 9,169 )
Gain recognised in bargain purchase	6(29)	-	( 2,419 )
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss – current		-	6,841
Notes receivable, net		( 106,623 )	( 69,943 )
Accounts receivable, net		( 1,110,410 )	( 80,644 )
Accounts receivable – related parties, net		23,386	( 14,265 )
Construction contracts receivable		( 383,138 )	( 130,398 )
Other receivables		( 10,437 )	6,810
Inventories		( 422,209 )	( 404,299 )
Prepayments		( 57,671 )	178,075
Other current assets		4,697	( 30,694 )
Changes in operating liabilities			
Notes payable		51,684	( 657 )
Accounts payable		794,603	( 602,962 )
Accounts payable – related parties		( 7,045 )	( 3,226 )
Construction contracts payable		88,371	218,436
Other payables		62,888	26,200
Advance receipts		126,347	8,831
Other current liabilities, others		( 10,019 )	9,370
Other non-current liabilities		( 1,922 )	( 2,358 )
Cash outflow generated from operations		( 51,908 )	( 47,862 )
Interest received		3,327	5,079
Dividends received		14,624	12,849
Interest paid		( 52,771 )	( 35,939 )
Income tax paid		( 152,940 )	( 131,545 )
Net cash flows used in operating activities		( 239,668 )	( 197,418 )

(Continued)

**MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31	
		2016	2015
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Proceeds from disposal of available-for-sale financial assets – current		\$ 1,889	\$ -
Decrease in other financial assets – current		410	72,329
Acquisition of financial assets measured at cost – non-current		( 20,131 )	( 23,157 )
Proceeds from disposal of financial assets measured at cost – non-current		13,449	271
Proceeds from capital reduction of financial assets measured at cost – non-current		9,185	12,689
Acquisition of investments accounted for using equity method		( 1,408 )	( 42,000 )
Proceeds from disposal of investments accounted for using equity method		307	-
Proceeds from capital reduction of investments accounted for using equity method		41,182	-
Net cash flow from acquisition of subsidiaries		-	( 5,177 )
Acquisition of property, plant and equipment	6(11)	( 95,635 )	( 34,082 )
Proceeds from disposal of property, plant and equipment	6(11)	2,577	801
Acquisition of intangible assets		( 18,307 )	( 9,843 )
Increase in refundable deposits		( 9,798 )	( 7,565 )
Decrease (increase) in other non-current assets		1,088	( 40,527 )
Net cash flows used in investing activities		<u>( 75,192 )</u>	<u>( 76,261 )</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings		634,001	435,810
Repayment of long-term borrowings		-	( 4,415 )
Increase in guarantee deposits received		67	17
Proceeds from issuance of bonds	6(15)	495,000	-
Cash dividends paid	6(21)	( 330,140 )	( 330,140 )
Changes in non-controlling interests		( 3,880 )	-
Net cash flows from financing activities		<u>795,048</u>	<u>101,272</u>
Effect of exchange rate changes on cash and cash equivalents		( 132,818 )	( 50,890 )
Net increase (decrease) in cash and cash equivalents		347,370	( 223,297 )
Cash and cash equivalents at beginning of year	6(1)	<u>1,404,874</u>	<u>1,628,171</u>
Cash and cash equivalents at end of year	6(1)	<u>\$ 1,752,244</u>	<u>\$ 1,404,874</u>

## **II. 2016 Parent Company only Financial Statements and Report of Independent Accountants**

To the Board of Directors and Stockholders of  
Marketech International Corp.

### ***Opinion***

We have audited the accompanying parent company only balance sheets of Marketech International Corp. (the “Company”) as at December 31, 2016 and 2015, and the 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 at December 31, 2016 and 2015, 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” 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 Company 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 Marketech International Corp. parent company only financial statements of the year ended December 31, 2016. 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.

## ***Recognition of construction revenue***

### Description

Please refer to Notes 4(12) and 4(18) for accounting policy on construction contract and revenue. Please refer to Note 5(2) for the details of uncertainty of construction contract accounting estimation and assumption. Please refer to Notes 6(19) and 6(6) for description on construction revenue and construction cost.

The Company recognized revenue and profit by using the percentage of completion method. This method is also being used to calculate the cost in each contract at the year-end. The management will re-evaluate the cost if the budget had increased or decreased, and depending on the cost after adjustment to recalculate the percentage of completion. The construction revenue may be affected by the appropriateness of determination of cost and estimated cost. Thus, we considered this as one of the key audit matters.

### How our audit addressed the matter

We tailored the audit scope as follows:

- A. Obtained an understanding of the managements' control system when the contract has been created or significant change in estimate cost.
- B. Obtained the newly added construction contract list for this fiscal year, and ensure that the total contract price is equal to the amount being used to calculate construction revenue. Ensure that the construction supplement can be traced back to supplementary contracts.
- C. Checked the construction cost estimation sheets incurred in the current period, and sampling the basis of estimation and subcontracting amount, and ensure it has been approved appropriately by the management.
- D. Checked the rationality of significant changes in estimation of construction cost, and sample test whether the revised plan has been approved by the management.
- E. Obtained the billing details, and select samples of related vouchers by using statistical procedure to check the correctness of input cost in engineering reports and computation of percentage of completion.

## ***Valuation on inventories***

### Description

Please refer to Note 4(11) for description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(6) for the description of inventory.

The Company is primarily engaged in import and export trading business, which include integrated circuit, electronic equipment, and materials, components used on electronic equipment. Due to the rapid technological changes, the semiconductor equipment industry has become more and more competitive, and the product price frequently changes. Therefore, the Company is now exposed to risk on inventory valuation loss and slow-moving inventory. Inventories are stated at the lower of cost or net realizable value, slow-moving inventories are using specific identification method to estimate the allowance for inventory valuation losses.

The base stock of inventories are based on assumptions of future demand and development plan. Due to the large quantity of inventories, and since the amounts involved are significant, the determination of net realisable value for obsolete or slow-moving inventory involves subjective judgement resulting in high degree of estimation uncertainty. As a result of the high uncertainties in these estimates, we considered this is one of the key audit matters.

### How our audit addressed the matter

We tailored the audit scope as follows:

- A. Assessed the reasonableness of the allowance for inventory valuation losses based on our understanding of the Company's operating conditions and industry. This includes the classification of the net realizable value of inventories, the evidence which showed the inventories were subsequently scrapped or sold, and the judgement on slow-moving inventories are reasonable.
- B. Obtained an understanding of the Company's inventory control procedures. Review annual inventory counting plan and participate in the annual inventory counting event.
- C. Verified the appropriateness of the stock aging analysis, and ensured it is consistent with the Company's policy.
- D. Inspected the sales contracts and discussed with the management to evaluate the reasonableness of the future demand for inventories. In order to assess the reasonableness of allowance for inventory valuation losses, we sampled inventories to verify the digestion of inventories and historical data of inventory discount.

## ***Valuation of allowance of accounts receivable***

### Description

Please refer to Note 4(8) for accounting policy of accounts receivable. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to accounts receivable. Please refer to Note 6(5) for the description of accounts receivable.

First, the Company assessed the significant accounts receivable individually, and for those are not significant can be assessed either individually or collectively. If there is no impairment after individual assessment, then the group of accounts receivable will be added for collectively assessment. If the accounts receivable over a certain age is significant, the management will re-examine the collectibility, assesses each case for possible impairment. Management uses professional judgement during the process, and accounting estimates have a high possibility of becoming inappropriate. The professional judgment may be affected by the following issues. Such as customer's financial status, internal credit rating, order history, and economic situation. Thus, obtaining the supporting documents which management used for judgement is important. Thus, we considered the assessment on allowance for bad debts as one of our key audit matters.

### How our audit addressed the matter

We tailored the audit scope as follows:

- A. Obtained an understanding of the process which management used to evaluate the collectibility of accounts receivable.
- B. Ensured that the classification of impairment in the group of accounts receivable is appropriate and in accordance with the Company's accounting policy.
- C. Checked the details of significant impairment recognized by the management, against the supporting documents to verify appropriateness.
- D. Verified the subsequent collections details of significant accounts receivable.
- E. Obtained the details of significant accounts receivable which has not yet been collected at the year end, and re-evaluated the appropriateness.

### ***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 Preparations 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 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 the 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:

7. 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.

8. 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.
9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
10. 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.
11. Evaluate the overall presentation, structure and content of the parent company only 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.
12. 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 group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 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, 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.

  
Lin, Chun-Yao  
for and on behalf of PricewaterhouseCoopers, Taiwan  
February 20, 2017

  
Chang, Shu-Chiung

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The accompanying 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 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.

MARKETECH INTERNATIONAL CORP.  
PARENT COMPANY ONLY BALANCE SHEETS  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2016		December 31, 2015		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 881,517	8	\$ 670,818	7
1110	Financial assets at fair value	6(2)				
	through profit or loss - current		7,297	-	5,719	-
1125	Available-for-sale financial assets	6(3)				
	- current		63,853	1	-	-
1150	Notes receivable, net	6(4)	136,651	1	63,435	1
1170	Accounts receivable, net	6(5)(7)	2,642,947	24	1,950,129	21
1180	Accounts receivable - related	7				
	parties, net		11,098	-	22,474	-
1190	Construction contracts receivable	6(7) and 7	1,935,864	17	1,613,903	17
1200	Other receivables	7	85,969	1	21,871	-
130X	Inventories, net	6(6)	1,949,583	18	1,566,187	17
1410	Prepayments		305,882	3	155,739	2
1470	Other current assets	8	19,882	-	43,506	-
11XX	<b>Total current assets</b>		<u>8,040,543</u>	<u>73</u>	<u>6,113,781</u>	<u>65</u>
<b>Non-current assets</b>						
1543	Financial assets at	6(8)				
	cost-non-current		254,873	2	285,816	3
1550	Investments accounted for using	6(9)				
	equity method		1,471,719	14	1,653,587	18
1600	Property, plant and equipment, net	6(10) and 7	1,120,544	10	1,126,399	12
1780	Intangible assets	7	15,515	-	12,265	-
1840	Deferred tax assets	6(23)	113,923	1	108,037	1
1900	Other non-current assets	6(9)(10)	20,757	-	42,037	1
15XX	<b>Total non-current assets</b>		<u>2,997,331</u>	<u>27</u>	<u>3,228,141</u>	<u>35</u>
1XXX	<b>Total Assets</b>		<u>\$ 11,037,874</u>	<u>100</u>	<u>\$ 9,341,922</u>	<u>100</u>

(Continued)

MARKETECH INTERNATIONAL CORP.  
PARENT COMPANY ONLY BALANCE SHEETS  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2016		December 31, 2015		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(11)	\$ 550,000	5	\$ 490,000	5
2150	Notes payable		858,352	8	806,991	9
2170	Accounts payable		2,339,645	21	1,685,147	18
2180	Accounts payable - related parties	7	24,306	-	20,141	-
2190	Construction contracts payable	6(7)	1,136,463	10	1,099,852	12
2200	Other payables	6(12)	338,486	3	301,666	3
2230	Current tax liabilities	6(23)	93,751	1	77,393	1
2310	Advance receipts		423,408	4	217,263	2
2399	Other current liabilities, others		9,566	-	21,872	-
21XX	<b>Total current liabilities</b>		<u>5,773,977</u>	<u>52</u>	<u>4,720,325</u>	<u>50</u>
<b>Non-current liabilities</b>						
2530	Corporate bonds payable	6(13)	477,153	5	-	-
2570	Deferred tax liabilities	6(23)	10,350	-	30,644	-
2640	Net defined benefit liability - non-current	6(14)	144,643	1	130,590	2
2670	Other non-current liabilities, others	6(9)	24,140	-	767	-
25XX	<b>Total non-current liabilities</b>		<u>656,286</u>	<u>6</u>	<u>162,001</u>	<u>2</u>
2XXX	<b>Total Liabilities</b>		<u>6,430,263</u>	<u>58</u>	<u>4,882,326</u>	<u>52</u>
<b>Equity</b>						
<b>Share capital</b>						
3110	Ordinary shares	6(16)	1,650,698	15	1,650,698	18
<b>Capital surplus</b>						
3200	Capital surplus	6(17)	648,446	6	618,773	7
<b>Retained earnings</b>						
3310	Legal reserve	6(18)	575,258	5	529,385	6
3320	Special reserve		92,239	1	92,239	1
3350	Unappropriated retained earnings		1,667,955	15	1,542,603	16
<b>Other equity interest</b>						
3400	Other equity interest		(26,985)	-	25,898	-
3XXX	<b>Total Equity</b>		<u>4,607,611</u>	<u>42</u>	<u>4,459,596</u>	<u>48</u>
<b>Significant contingent liabilities and unrecognised contract commitments</b>						
<b>Significant events after the balance sheet date</b>						
3X2X	<b>Total Liabilities and Equity</b>		<u>\$ 11,037,874</u>	<u>100</u>	<u>\$ 9,341,922</u>	<u>100</u>

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

MARKETECH INTERNATIONAL CORP.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

		Year ended December 31			
		2016		2015	
Items	Notes	AMOUNT	%	AMOUNT	%
4000	<b>Operating Revenue</b>	\$ 13,308,343	100	\$ 12,482,462	100
5000	<b>Operating Costs</b>	( 11,559,334)	( 87)	( 10,996,701)	( 88)
5900	<b>Gross Profit</b>	1,749,009	13	1,485,761	12
	<b>Operating Expenses</b>				
6100	Sales and marketing expenses	( 271,458)	( 2)	( 256,264)	( 2)
6200	General and administrative expenses	( 499,353)	( 4)	( 439,859)	( 4)
6300	Research and development expenses	( 208,022)	( 1)	( 173,307)	( 1)
6000	<b>Total operating expenses</b>	( 978,833)	( 7)	( 869,430)	( 7)
6900	<b>Operating Profit</b>	770,176	6	616,331	5
	<b>Non-operating Income and Expenses</b>				
7010	Other income	101,828	1	64,137	1
7020	Other gains and losses	( 4,946)	-	28,670	-
7050	Finance costs	( 12,322)	-	( 8,161)	-
7070	Share of loss of subsidiaries, associates and joint ventures accounted for using equity method	( 183,210)	( 2)	( 127,460)	( 1)
7000	<b>Total non-operating income and expenses</b>	( 98,650)	( 1)	( 42,814)	-
7900	<b>Profit before Income Tax</b>	671,526	5	573,517	5
7950	Income tax expense	( 156,375)	( 1)	( 114,793)	( 1)
8200	<b>Net Income</b>	\$ 515,151	4	\$ 458,724	4
	<b>Other Comprehensive Income</b>				
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311	Gains (losses) on remeasurements of defined benefit plans	( \$ 15,975)	-	( \$ 17,831)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	2,716	-	3,031	-
8310	<b>Total components of other comprehensive loss that will not be reclassified to profit or loss</b>	( 13,259)	-	( 14,800)	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign operations	( 99,042)	( 1)	( 38,655)	( 1)
8362	Unrealized gains on valuation of available-for-sale financial assets	29,408	-	-	-
8380	Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using equity method	( 104)	-	16	-
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	16,855	-	6,574	-
8360	<b>Total components of other comprehensive loss that will be reclassified to profit or loss</b>	( 52,883)	( 1)	( 32,065)	( 1)
8300	<b>Other comprehensive loss, net of tax</b>	( \$ 66,142)	( 1)	( \$ 46,865)	( 1)
8500	<b>Total Comprehensive Income</b>	\$ 449,009	3	\$ 411,859	3
	<b>Basic earnings per share</b>				
9750	Basic earnings per share	\$ 3.12		\$ 2.78	
	<b>Diluted earnings per share</b>				
9850	Diluted earnings per share	\$ 2.95		\$ 2.73	

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

MARKETECH INTERNATIONAL CORP.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital Reserves			Retained Earnings			Other equity interest		Total equity
		Share capital – ordinary shares	Capital surplus – share premium	Capital surplus – others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statement translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	
<b>Year ended December 31, 2015</b>										
Balance at January 1, 2015		\$ 1,650,698	\$ 616,003	\$ 351	\$ 490,931	\$ 92,239	\$ 1,467,273	\$ 57,963	\$ -	\$ 4,375,458
Appropriation and distribution of 2014 earnings: (Note)	6(18)									
Legal reserve		-	-	-	38,454	-	( 38,454 )	-	-	-
Cash dividends		-	-	-	-	-	( 330,140 )	-	-	( 330,140 )
Share-based payment	6(15)(17)	-	-	2,419	-	-	-	-	-	2,419
Profit for 2015		-	-	-	-	-	458,724	-	-	458,724
Other comprehensive loss for 2015		-	-	-	-	-	( 14,800 )	( 32,065 )	-	( 46,865 )
Balance at December 31, 2015		<u>\$ 1,650,698</u>	<u>\$ 616,003</u>	<u>\$ 2,770</u>	<u>\$ 529,385</u>	<u>\$ 92,239</u>	<u>\$ 1,542,603</u>	<u>\$ 25,898</u>	<u>\$ -</u>	<u>\$ 4,459,596</u>
<b>Year ended December 31, 2016</b>										
Balance at January 1, 2016		\$ 1,650,698	\$ 616,003	\$ 2,770	\$ 529,385	\$ 92,239	\$ 1,542,603	\$ 25,898	\$ -	\$ 4,459,596
Appropriation and distribution of 2015 earnings: (Note)	6(18)									
Legal reserve		-	-	-	45,873	-	( 45,873 )	-	-	-
Cash dividends		-	-	-	-	-	( 330,140 )	-	-	( 330,140 )
Share-based payment	6(15)(17)	-	-	8,537	-	-	-	-	-	8,537
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method		-	-	-	-	-	( 527 )	-	-	( 527 )
Due to recognition of equity component of convertible bonds issued	6(13)(17)	-	-	21,136	-	-	-	-	-	21,136
Profit for 2016		-	-	-	-	-	515,151	-	-	515,151
Other comprehensive income (loss) for 2016		-	-	-	-	-	( 13,259 )	( 82,291 )	29,408	( 66,142 )
Balance at December 31, 2016		<u>\$ 1,650,698</u>	<u>\$ 616,003</u>	<u>\$ 32,443</u>	<u>\$ 575,258</u>	<u>\$ 92,239</u>	<u>\$ 1,667,955</u>	<u>( \$ 56,393 )</u>	<u>\$ 29,408</u>	<u>\$ 4,607,611</u>

Note: The stockholders have resolved to distribute directors' and supervisors' remuneration of \$6,197 and employees' bonus of \$40,000 for 2015 and distribute directors' and supervisors' remuneration of \$3,461 and employees' bonus of \$34,715 for 2014. All amounts have been deducted from the statements of comprehensive income.

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

MARKETECH INTERNATIONAL CORP.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2016	2015
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 671,526	\$ 573,517
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(21)	( 1,328 )	( 863 )
Provision for bad debt expense	12	28,000	36,226
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method		183,210	127,460
(Gain) loss on disposal of investments	6(21)	( 7,894 )	681
Depreciation	6(10)(22)	73,458	70,666
Amortisation	6(22)	13,648	10,272
Loss (gain) on disposal of property, plant and equipment		102	( 269 )
Impairment loss on financial assets	6(21)	-	14,829
Compensation cost of share-based payments	6(15)(17)(22)	8,537	2,419
Interest income		( 1,749 )	( 503 )
Interest expense		12,322	8,161
Dividend income		( 14,624 )	( 9,169 )
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets measured at fair value through profit or loss - current		-	6,841
Notes receivable, net		( 73,216 )	( 45,551 )
Accounts receivable, net		( 720,818 )	87,137
Accounts receivable - related parties, net		11,376	14,147
Construction contracts receivable		( 321,961 )	144,238
Other receivables		( 64,809 )	18,067
Inventories, net		( 383,396 )	( 314,849 )
Prepayments		( 150,143 )	52,941
Other current assets		18,689	( 16,664 )
Changes in operating liabilities			
Notes payable		51,361	( 657 )
Accounts payable		654,498	( 686,136 )
Accounts payable - related parties		4,165	( 972 )
Construction contracts payable		36,611	183,094
Other payables		36,668	4,530
Advance receipts		206,145	56,191
Other current liabilities, others		( 12,306 )	12,408
Other non-current liabilities		( 1,922 )	( 2,358 )
Cash inflow generated from operations		256,150	345,834
Interest received		1,092	501
Dividends received		14,624	12,849
Interest paid		( 9,128 )	( 8,066 )
Income tax paid		( 145,259 )	( 123,653 )
Net cash flows from operating activities		<u>117,479</u>	<u>227,465</u>

(Continued)

MARKETECH INTERNATIONAL CORP.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2016	2015
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Proceeds from disposal of available-for-sale financial assets			
- current		\$ 1,889	\$ -
Acquisition of financial assets measured at cost –			
non-current		( 20,131 )	( 21,259 )
Proceeds from disposal of financial assets measured at			
cost – non-current		13,449	271
Proceeds from capital reduction of financial assets			
measured at cost – non-current		9,185	12,689
Acquisition of investments accounted for using equity			
method – subsidiaries		( 93,243 )	( 240,835 )
Acquisition of investments accounted for using equity			
method – non-subsidiaries		( 1,408 )	( 42,000 )
Proceeds from disposal of investments accounted for using			
equity method – non-subsidiaries		307	-
Proceeds from capital reduction of investments accounted			
for using equity method		41,182	-
Acquisition of property, plant and equipment	6(10)	( 70,282 )	( 28,297 )
Proceeds from disposal of property, plant and equipment	6(10)	2,577	349
Acquisition of intangible assets		( 16,898 )	( 8,068 )
Decrease in refundable deposits		1,663	308
Increase in prepayments for investments	6(9)	-	( 24,548 )
Net cash flows used in investing activities		<u>( 131,710 )</u>	<u>( 351,390 )</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings		60,000	490,000
Increase in guarantee deposits received		70	-
Proceeds from issuance of bonds		495,000	-
Cash dividends paid	6(18)	( 330,140 )	( 330,140 )
Net cash flows from financing activities		<u>224,930</u>	<u>159,860</u>
Net increase in cash and cash equivalents		210,699	35,935
Cash and cash equivalents at beginning of year	6(1)	<u>670,818</u>	<u>634,883</u>
Cash and cash equivalents at end of year	6(1)	<u>\$ 881,517</u>	<u>\$ 670,818</u>

## **【Annex 3: 2016 Audit Committee Audit Report】**

**Marketch International Corp.**

**Audit Committee Audit Report**

To: Members of the 2017 Shareholders' Meeting

We, as the Audit Committee of MIC Group, have audited the 2016 Business Report, Financial Statements and Earnings Distribution Proposal made and submitted by the board of directors. The said Financial Statements were audited by Independent Accountant Lin Chun-Yao and Independent Accountant Chang Shu-Chiung of Pricewaterhouse Coopers (PwC) Taiwan, and are supported with an audit report issued by PwC. We believe that there is no inconsistent information of aforementioned Business Report, Financial Statements and Earnings Distribution Proposal and hereby submit these documents to you according to Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act.

Sincerely yours,

Chairperson of Audit Committee, Lin Hsiao-Min

February 22, 2017

## 【Annex 4 : Investments in Mainland China in 2016】

### Marketch International Corp. Information on investments in Mainland China For the year ended December 31, 2016

#### I. Financial Information of Investments in Mainland China

Unit: NT\$ thousands

Investee in Mainland China	Main Business Activities	Paid-in Capital (Note 1 and Note 2)	Accumulated amount of remittance from Taiwan to Mainland China at period start (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan at period end (Note 1 and Note 2)		Accumulated amount of remittance from Taiwan to Mainland China at period end (Note 1 and Note 2)	Net income (loss) of investee of this period	Ownership held by the Company (direct or indirect)	Investment income (loss) of this period recognized by the Company (Note 3)	Book value of investments in Mainland China at period end (Note 1)	Accumulated amount of investment income remitted back to Taiwan at period end
				Remitted to Mainland China	Remitted back to Taiwan						
MIC-Tech (WuXi) Co., Ltd.	Design, manufacturing, installation and maintenance of semiconductor device, crystal dedicated device, electronic component device, environment pollution preventing equipment; assembling of wrapping device and cooling equipment; assembling of barbecue grill; wholesale, commission agency and import and export of the aforementioned products their components, textile, commodities, chemical products and cosmetics; lease of self-owned plants	\$ 822,375 (Note 4)	\$ 661,125	\$ -	\$ -	\$ 661,125	(\$ 115,300)	100%	(\$ 114,694)	\$ 22,027	\$ -
MIC-Tech (Shanghai) Corp. Ltd.	Wholesale, commission agency, import and export of semiconductor production, inspection equipment and its consumables and boilers that generate electricity; storage and allocation of mainly chemical and boiler products; international and entrepot trade; trading and trading agency among enterprises in customs bonded area; consulting services in customs bonded area	265,772 (Note 4)	16,125	-	-	16,125	1,619	100%	1,619	322,444	-
Fuzhou Jiwei System Integrated Co., Ltd.	Installation and complete services of clean room, mechanical system, street pipe system	9,675 (Note 4)	9,656	-	-	9,656	(467)	100%	(467)	(835)	-

Investee in Mainland China	Main Business Activities	Paid-in Capital (Note 1 and Note 2)	Accumulated amount of remittance from Taiwan to Mainland China at period start (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan at period end (Note 1 and Note 2)		Accumulated amount of remittance from Taiwan to Mainland China at period end (Note 1 and Note 2)	Net income (loss) of investee of this period	Ownership held by the Company (direct or indirect)	Investment income (loss) of this period recognized by the Company (Note 3)	Book value of investments in Mainland China at period end (Note 1)	Accumulated amount of investment income remitted back to Taiwan at period end
				Remitted to Mainland China	Remitted back to Taiwan						
MIC-Tech Electronics Engineering Corp.	General contracting for electrical installing construction, specialized contracting for electrical installing construction, specialized contracting for electronic engineering, specialized contracting for petroleum and chemical equipment installation, specialized contracting for channel and guarantee for post construction and consulting service for related construction technology	568,213 (Note 4)	274,770	-	-	274,770	1,985	100%	1,985	568,700	-
Shanghai Puritic Co., Ltd.	Production of scrubber bins for semiconductor manufacturers, design, installation, debugging and technology services of tunnel system, equipment repair for semiconductor manufacturers, consulting service for electrical and medical equipment;	\$ 12,900 (Note 4)	\$ 19,447	\$ -	\$ -	\$ 19,447	\$ 1,624	80%	\$ 1,299	(\$ 21,391)	\$ -
SKMIC (WUXI) CORP	Design, installation and maintenance of semiconductor device, crystal dedicated device, electronic component device and environment pollution preventing equipment; wholesale, agent, export and import services for aforementioned products; clearing, repair and maintenance of industrial equipment.	9,836 (Note 4)	1,580	-	-	1,580	(7,948)	49%	(3,894)	2,606	-
ChenGao M&E Engineering (Shanghai) Co., Ltd.	Design of microelectronic products and display devices, consulting service for related technology and management	6,450 (Note 4)	6,450	-	-	6,450	(125)	100%	(125)	(2,538)	-
Frontken MIC (Wuxi) Co., Ltd.	Research of specialized cleaning equipment of semiconductor device and integrated circuit, cleaning of special components of semiconductor device, integrated circuit and micro module and cleaning technology for semiconductors	74,433 (Note 4)	29,773	-	-	29,773	(2,036)	100%	(2,036)	6,063	-
Integrated Manufacturing & Services Co., Ltd.	Development of special equipment for solar cell production, manufacture of optical engine, lighting source, projection screen, high definition projection cathode-ray tube and micro-display module, and production, cleaning and regeneration of new electrical device	96,750 (Note 4)	48,375	-	-	48,375	(14,747)	100%	(14,747)	(1,279)	-

Investee in Mainland China	Main Business Activities	Paid-in Capital (Note 1 and Note 2)	Accumulated amount of remittance from Taiwan to Mainland China at period start (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan at period end (Note 1 and Note 2)		Accumulated amount of remittance from Taiwan to Mainland China at period end (Note 1 and Note 2)	Net income (loss) of investee of this period	Ownership held by the Company (direct or indirect)	Investment income (loss) of this period recognized by the Company (Note 3)	Book value of investments in Mainland China at period end (Note 1)	Accumulated amount of investment income remitted back to Taiwan at period end
				Remitted to Mainland China	Remitted back to Taiwan						
MIC-Tech China Trading (Shanghai) Co., Ltd.	Wholesale, commission agency and import and export of chemical products, semiconductors, inspection equipment and its consumables, solar equipment consumables and boilers that generate electricity, International and entrepot trade, trading and trading agency among enterprises in customs bonded area, and consulting service for trading	48,375 (Note 4)	48,375	-	-	48,375	(9,356)	100.0%	(9,356)	39,409	-
Macrotec Technology (Shanghai) Co., Ltd.	Wholesale, commission agency, import and export and other complementary service of electrical products, food, textile, commodities, cosmetics, valve switch, instrumentation, metal products, electrical equipment, International and entrepot trade, trading and trading agency among enterprises in customs bonded area, simple commercial processing in customs bonded area, and consulting service for trading in customs bonded area	\$ 30,860 (Note 4)	\$ 9,699	\$ -	\$ -	\$ 9,699	(\$ 5,663)	31.43%	(\$ 1,780)	\$ 2,331	\$ -

Note 1: Refers to the paid-in capital, amount remitted to Mainland China / back to Taiwan, and book value of investments in Mainland China until December 31, 2016.

Note 2: Paid-in capital and investment amount were translated at the original currency times exchange rate at period end.

Note 3: The assessments of abovementioned investees in Mainland China are based on financial statements audited and issued by accountant(s) during the same period.

Note 4: Through investing in Market Go Profits Ltd., which then invested in the investee in Mainland China.

## II. Information of Ceiling on Investments in Mainland China

December 31, 2016

Unit: NT\$ thousands

Accumulated amount of remittance from Taiwan to Mainland China until December 31, 2016 (Note 1 and Note 2)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 1)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
\$ 1,137,934	\$ 1,861,210	\$ 2,764,567

Note 1: The amount was translated at the original currency times exchange rate at period end.

Note 2: The Company has sold WUXI Probeleader Electronics Co., Ltd. at the end of November 2011. As the accumulated investment was different from the investment collected back, the difference between accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2016 and accumulated amount of remittance from Taiwan to Mainland China registered at and approved by MOEA was US\$186 thousand.

## 【Annex 5: Status of implementing the Provision of Endorsements and Guarantees to Others in 2016】

### Marketech International Corp. and Subsidiaries Provision of Endorsements and Guarantees to Others For the year ended December 31, 2016

Unit: NT\$ thousands

Endorser / Guarantor	Endorsee / Guarantee		Shareholding (%)	Limit on endorsements / guarantees provided for a single party (Note 2 and 3)	Maximum outstanding endorsements / guarantees (Note 4)	Outstanding endorsements / guarantees at period end (Note 5)	Actual drawdown amount (Note 6)	Ceiling on total amount of endorsement / guarantee (Note 2 and 3)	Content of Guarantee
	Company Name	Relationship							
Marketech International Corp.	Marketech Integrated Pte Ltd.	Note 1(2)	100%	2,303,806	67,068	66,346	56,177	4,607,611	Provide promissory notes as bank loan guarantee and signed a contract for joint guarantee
Marketech International Corp.	MIC-Tech (Shanghai) Corp. Ltd.	Note 1(3)	100%	2,303,806	786,142	716,339	426,566	4,607,611	Provide promissory notes as bank loan guarantee and signed a contract for joint guarantee
Marketech International Corp.	MIC-Tech (WuXi) Co., Ltd.	Note 1(3)	100%	2,303,806	324,115	319,275	319,275	4,607,611	Provide promissory notes as bank loan guarantee.
Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	Note 1(3)	100%	2,303,806	1,344,302	1,255,589	944,392	4,607,611	Provide promissory notes as bank loan guarantee and signed a contract for joint guarantee.
Marketech International Corp.	Shanghai Puritic Co., Ltd.	Note 1(3)	80%	2,303,806	69,953	62,010	2,293	4,607,611	Signed a contract for joint guarantee.
Marketech International Corp.	Special Triumph Sdn., Bhd	Note 1(5)	0%	2,303,806	37,752	34,002	34,002	4,607,611	Provide banker's letter of guarantee for joint guarantee
Marketech Co., Ltd	MIC-Tech Viet Nam Co., Ltd	Note 1(3)	0%	2,303,806	38,495	8,320	8,320	4,607,611	Signed a contract for joint guarantee.
MIC-Tech Electronics Engineering Corp.	MIC-Tech (WuXi) Co., Ltd.	Note 1(3)	0%	2,303,806	4,673	4,340	4,340	4,607,611	Signed a contract for joint guarantee.
MIC-Tech Electronics Engineering Corp.	MIC-Tech (Shanghai) Corp. Ltd.	Note 1(3)	0%	2,303,806	67,082	60,920	60,920	4,607,611	Signed a contract for joint guarantee.

Note 1: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified as shown below:

- (1) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (2) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.
- (3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.
- (4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
- (5) Mutual guarantee of the trade as required by the construction contract.
- (6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 2: The Company's limit on endorsements and guarantees

- (1) In accordance with mutual guarantee requirement in the same industry for contracting constructions, limit on the total amount is 5 times of the Company's net assets.
- (2) Except for guarantees for contracting constructions, limit on the Company's accumulated endorsement/guarantee is the Company's net assets; limit on endorsement/guarantee to a single party is 50% of the Company's net assets. Limit on the total endorsement/guarantee of the Company and its subsidiaries as a whole is 1.5 times of the Company's net assets; limit on endorsement/guarantee to a single party is 75% of the Company's net assets.

Note 3: Limit on endorsements and guarantees of the Company's subsidiary - Hoa Phong Marketech Co., Ltd. and MIC-Tech Electronics Engineering Corp.:

- (1) In accordance with mutual guarantee requirement in the same industry for contracting constructions, limit on the total amount is 5 times of the Company's net assets.
- (2) Except for guarantees for contracting constructions, limit on the accumulated endorsements and guarantees are the endorser company's net assets; limit on endorsement/guarantee to a single party is 50% of the endorser company's net assets. Limit on the total endorsement/guarantee of the endorser company and its subsidiaries as a whole is 1.5 times of the endorser company's net assets; limit on endorsement/guarantee to a single party is 75% of the endorser company's net assets.
- (3) Limit on endorsements and guarantees to a company of which the endorser company and the ultimate parent company directly or indirectly holds 90% or above of its share capital is 10 times of the endorser company's net assets and may not exceed 10% of the ultimate parent's net assets. However, the endorsements and guarantees of the ultimate parent to companies which it holds 100% of voting shares are not subject to the preceding and Note 2(2) limits. Nonetheless, limit is subject to paragraph 4.2 of "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies": (see above Note 2(2) details of the Company's endorsement/guarantee).

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period (2016)

Note 5: The amount agreed by the Board of Directors until December 31, 2016.

Note 6: The actual drawn down amount that the endorsee / guarantee use under the ceiling on endorsements / guarantees

# 【Annex 6: 2016 Report of the 3rd Offering of Domestic Unsecured Convertible Corporate Bonds.】

## Marketech International Corp. Report on the Issuance and Implementation of the 3<sup>rd</sup> Offering of Domestic Unsecured Convertible Corporate Bonds

### 1. Issuance of Corporate Bonds

Type of Corporate Bond	The 3 <sup>rd</sup> Offering of Domestic Unsecured Convertible Corporate Bonds.
Date of Resolution by the Board of Directors	June 8, 2016
Approval Reference Number from the Competent Authority	Letter of Jin-Guan-Zheng-Fa-Zhi No. 1050028409 issued on August 1, 2016.
Date of Issue	August 22, 2016
Par Value	NT\$100,000 per corporate bond
Issue Price	Fully distributed pursuant to the par value
Total Amount	NT\$5 billion
Interest Rate	Annual Interest Rate of 0%
Term	Three Years Maturity Date: August 22, 2019
Methods of Redemption	Except for creditors who convert common shares according to Article 10 of Rules for Issuance and Conversion of Unsecured Convertible Corporate Bonds, or the Company redeems the bond prior to its maturity or repurchases the bond at the place of business of a securities firm for write-down according to Article 18 of the Rules for Issuance and Conversion, redemption will be made by cash at once according to the par value at maturity.
Unpaid Amount	NT\$5 billion

### 2. Implementation Status

The Company's 3<sup>rd</sup> offering of domestic unsecured convertible corporate bonds was completed on August 22, 2016 and implemented in the third quarter of 2016 according to the schedule.

Unit: NT\$ thousands; %

Project	Implementation Situation	Implementation Status		Reasons for advanced or delayed progress, and improvement plan.
		Amount of Expenditure	Implementation Progress	
Repayment of Bank Loans	Scheduled	500,000	100%	The implementation is completed according to the schedule.
	Actual	500,000	100%	

### 3. Conversion Status

None of domestic unsecured convertible corporate bonds issued by the Bank during the third offering was converted until December 31, 2016.

## 【 Annex 7: Ratification of 2016 Earnings Distribution 】

### Marketch International Corp. Ratification of 2016 Earnings Distribution

Unit: NT\$

Items	Amount
Unappropriated earnings at period start	\$ 1,166,591,302
Deduction: Adjusted un-appropriated earnings in 2016 (Note 1)	( 13,787,236)
Unappropriated earnings after the adjustment	1,152,804,066
Increment: Net income in 2016	515,150,973
Deduction: Legal reserve	( 51,515,097)
To-be- appropriated earnings in total	1,616,439,942
Appropriation item(s): (Note 2)	
Shareholders' dividend – Cash 2.20 / per share	( 363,153,463)
Unappropriated earnings at period end	<u>\$ 1,253,286,479</u>

Note: 1. Refers to re-measurements of defined benefit plans, which was recognized as other comprehensive income due to actuarial assumption variables of defined benefit / pension plan of 2016 and then transferred into retained earnings, NTD 13,259,112. Besides, subsidiaries and associated corporation which were assessed with equity method and a reduction of reserved profit from joint share adjustment, NTD 528,124.

2. The distributed profit was generated mainly in 2016 as the priority.

3. Regarding the dividend distribution rate set in profit distribution proposal, if the Company issue the 3rd domestic unsecured convertible bond to convert to general shares, and the number of ordinary shares outstanding may be affected because of employee stock option certificates used by employees, which caused a change in the rate of share distribution to shareholders, board of directors shall be fully authorized by the shareholders' meeting to adjust it.

4. The distributed cash profit shall be counted only until digit in ones. Digits below shall all be rounded off (shall be rounded down to an integer). Fractional amount less than one dollar should be recorded

Chairman: Margaret Kao

President: Scott Lin

Accounting Director: Chung Chi-Wen

## 【Annex 8: Comparison Table of Amendments to the “Procedures for Endorsement and Guarantee”】

### Comparison Table of Amendments to the “Procedures for Endorsement and Guarantee”

Article before the amendment	Article after the amendment	Explanations
<p>1. Objectives and Legislative Basis</p> <p>All matters concerning the endorsement and/or guarantee provided by the Company to others shall comply with the Procedures. The Procedures are stipulated pursuant to Article 36-1 of Securities and Exchange Act and “<u>Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies</u>” of Letter of Jin-Guan-Zheng-Shen-Zi No. 1010029874 issued by Financial Supervisory Commission on July 6, 2012.</p> <p>The Company shall follow provisions of the Procedures when providing endorsement/ guarantee to others for business requirements, unless otherwise specified by law.</p>	<p>1. Objectives and Legislative Basis</p> <p>All matters concerning the endorsement and/or guarantee provided by the Company to others shall comply with the Procedures. The Procedures are stipulated pursuant to Article 36-1 of Securities and Exchange Act and “<u>Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies</u>”.</p> <p>The Company shall follow provisions of the Procedures when providing endorsement/ guarantee to others for business requirements, unless otherwise specified by law.</p>	To comply with provisions of regulations.
<p>4. Limits of Endorsements and Guarantees</p> <p>The Company’s cumulative liability to and limits and amount of endorsements/ guarantees provided to others are as follows:</p> <p>4.1 <u>Where the Company fulfills its contractual obligations by providing mutual endorsements / guarantees for another company in the same industry for the purpose of undertaking a construction project</u>, the amount of endorsement/ guarantee shall not exceed five times of the Company’s net worth.</p> <p>4.2 <u>Apart guarantees provided for the purpose of undertaking a construction project</u>, the Company’s cumulative liability to endorsements/ guarantees offered to others shall not exceed the Company’s net worth. The endorsement/ guarantee limit to one single company shall not exceed 50% of the Company’s net worth. The amount of all endorsements and guarantees made by the Company and its subsidiaries shall not exceed 1.5 times of the Company’s net worth; the endorsement/ guarantee limit to one single unit shall not exceed 75% of the Company’s net worth.</p> <p>4.3 If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net worth of the public company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders meeting. If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net worth of the public company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders meeting.</p> <p>4.4 <u>The Company’s financial statements are made according to International Financial Reporting Standards (IFRS)</u>. Net worth of the Procedures refers to the balance sheet equity attributable to the owners of the parent company; the said balance sheet shall be made according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p>	<p>4. Limits of Endorsements and Guarantees</p> <p>The Company’s cumulative liability to and limits and amount of endorsements/ guarantees provided to others are as follows:</p> <p>4.1 <u>Where the Company fulfills its contractual obligations by providing mutual endorsements / guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages according to the contractual terms</u>, the amount of endorsement/ guarantee shall not exceed five times of the Company’s net worth.</p> <p>4.2 <u>Apart guarantees of 4.1</u>, the Company’s cumulative liability to endorsements/ guarantees offered to others shall not exceed the Company’s net worth. The endorsement/ guarantee limit to one single company shall not exceed 50% of the Company’s net worth. The amount of all endorsements and guarantees made by the Company and its subsidiaries shall not exceed 1.5 times of the Company’s net worth; the endorsement/ guarantee limit to one single unit shall not exceed 75% of the Company’s net worth.</p> <p>4.3 If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reach 50% or more of the net worth of the public company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders meeting.</p> <p>4.4 Net worth of the Procedures refers to the balance sheet equity attributable to the owners of the parent company; the said balance sheet shall be made according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p>	To satisfy the demand of actual operations.
<p>5. Decision-Making and Authorization</p> <p>5.1 The Company shall make the endorsement/ guarantee in accordance with the Procedures <u>after the board of directors passes the resolution</u>. <u>An endorsement/ guarantee within NT\$100 million (or a construction project guarantee within NT\$3 million)</u> may, for timely manner, take place upon receipt of the approval from the chairman of the board empowered by the board of directors and <u>be submitted to the board of directors for ratification afterwards</u>.</p> <p>Before making any endorsement/guarantee pursuant to Paragraph 2 of Article 3, a subsidiary in which the Company holds, directly or indirectly, 90% or more of the voting shares shall <u>submit the proposed endorsement/ guarantee to the Company’s board of directors for a resolution</u>, provided that this restriction shall not apply to endorsements/ guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares. When the Procedures are submitted to the board of directors</p>	<p>5. Decision-Making and Authorization</p> <p>5.1 The Company shall make the endorsement/ guarantee in accordance with the Procedures <u>upon receipt of Audit Committee’s approval and after the board of directors passes the resolution</u>. <u>An endorsement/ guarantee within NT\$200 million or a construction project guarantee within NT\$5 million</u> may, for timely manner, take place upon receipt of the approval from the chairman of the board empowered by the board of directors and <u>be submitted to the Audit Committee and Board of Director for ratification afterwards</u>.</p> <p>Before making any endorsement/guarantee pursuant to Paragraph 2 of Article 3, a subsidiary in which the Company holds, directly or indirectly, 90% or more of the voting shares <u>shall obtain approval from the Audit Committee and submit the proposed endorsement/ guarantee to the Company’s board of directors for a resolution</u>, provided that this restriction shall not apply to endorsements/ guarantees made between companies in which the Company holds, directly or</p>	To satisfy the demand of actual operations; established the Audit Committee to replace supervisors.

Article before the amendment	Article after the amendment	Explanations
<p>for deliberation, the Company shall take into full consideration of each independent director's opinion when making endorsements and guarantees to others and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.</p> <p>5.2 Where the Company needs to exceed the limits set out in the Procedures to satisfy its business requirements, and where the conditions set out in the Procedures are complied with, <u>it shall obtain approval from the board of directors</u> and half or more of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement/guarantee. It shall also amend the Procedures accordingly and submit the same to the shareholders' meeting for ratification after the fact. 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. When the Procedures are submitted to the board of directors for deliberation as described in the preceding paragraph, the Company shall take into full consideration of each independent director's opinion when making endorsements and guarantees to others and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.</p>	<p>indirectly, 100% of the voting shares. When the Procedures are submitted to the board of directors for deliberation, the Company shall take into full consideration of each independent director's opinion when making endorsements and guarantees to others and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.</p> <p>5.2 Where the Company needs to exceed the limits set out in the Procedures to satisfy its business requirements, and where the conditions set out in the Procedures are complied with, <u>it shall obtain approval from the Audit Committee and submit the proposed endorsement/ guarantee to the board of directors for resolution</u>. Besides half or more of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement/guarantee. It shall also amend the Procedures accordingly and submit the same to the shareholders' meeting for ratification after the fact. 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. When the Procedures are submitted to the board of directors for deliberation as described in the preceding paragraph, the Company shall take into full consideration of each independent director's opinion when making endorsements and guarantees to others and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.</p>	
<p>6. Procedures for making endorsements/ guarantees</p> <p>6.1 When carrying out an endorsement/ guarantee, the management unit (bank endorsement/ guarantee shall be applied by the Accounting Department; customs endorsement/ guarantee shall be applied by the Purchasing Department; and construction project endorsement/ guarantee shall be applied by the business unit) shall review all application items listed on the submitted Endorsement and/or Guarantee Application, including necessity of and reasonableness of endorsements/guarantees; credit status and risk assessment of the entity for which the endorsement/guarantee is made; whether the amount of a loan is commensurate to the total amount of trading between the two companies; the impact on the company's business operations, financial condition, and shareholders' equity; and whether collateral must be obtained and appraisal of the value thereof for relevant records. The endorsement/ guarantee shall only be made after specified endorsement/ guarantee content, reasons and risk assessment are submitted to the Chairman of the board; the Chairman of the board has approved the application; and the board of directors has passed the deliberation. If the endorsement/ guarantee amount is within the authorized limit, the Chairman of the board shall, according to the level of credit and financial status of the entity for which the endorsement/guarantee is made.</p> <p>6.2 The accounting unit shall prepare a memorandum book for its endorsement/ guarantee activities and, upon the endorsement/ guarantee is passed by board of directors or authorized by Chairman of the Board, record in detail the following information for record: endorsement/ guarantee activities, the entity for which the endorsement/ guarantee is made; risk assessment results; endorsement/ guarantee 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; matters to be carefully evaluated; content of received collaterals; and terms and data of removing endorsement/ guarantee liabilities. Relevant documents, including bills and contracts shall be copied and well-preserved.</p> <p>6.3 The accounting unit shall keep a <u>daily record</u> of occurred or cancelled guarantee activities for control, tracking or making announcement. It shall, according to IFRSs 9, evaluate or record the contingent loss for endorsements/guarantees, and shall adequately disclose information on endorsements/guarantees in its financial statements and provide certified</p>	<p>6. Procedures for making endorsements/ guarantees</p> <p>6.1 When carrying out an endorsement/ guarantee, the management unit (bank endorsement/ guarantee shall be applied by the Accounting Department; customs endorsement/ guarantee shall be applied by the Purchasing Department; and construction project endorsement/ guarantee shall be applied by the business unit) shall review all application items listed on the submitted Endorsement and/or Guarantee Application, including necessity of and reasonableness of endorsements/guarantees; credit status and risk assessment of the entity for which the endorsement/guarantee is made; whether the amount of a loan is commensurate to the total amount of trading between the two companies; the impact on the company's business operations, financial condition, and shareholders' equity; and whether collateral must be obtained and appraisal of the value thereof for relevant records. The endorsement/ guarantee shall only be made after specified endorsement/ guarantee content, reasons and risk assessment are submitted to the Chairman of the board; the Chairman of the board has approved the application; <u>the application is reported to Audit Committee; and the board of directors has passed the deliberation</u>. If the endorsement/ guarantee amount is within the authorized limit, the Chairman of the board shall, according to the level of credit and financial status of the entity for which the endorsement/guarantee is made.</p> <p>6.2 The accounting unit shall prepare a memorandum book for its endorsement/ guarantee activities and, upon the endorsement/ guarantee is passed by board of directors or authorized by Chairman of the Board, record in detail the following information for record: endorsement/ guarantee activities, the entity for which the endorsement/ guarantee is made; risk assessment results; endorsement/ guarantee 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; matters to be carefully evaluated; content of received collaterals; and terms and data of removing endorsement/ guarantee liabilities. Relevant documents, including bills and contracts shall be copied and well-preserved.</p> <p>6.3 The accounting unit shall keep <u>the memorandum book</u> of occurred or cancelled guarantee activities for control, tracking or making announcement. It shall, according to IFRSs 9, evaluate or record the contingent loss for endorsements/guarantees, and shall adequately disclose</p>	<p>To satisfy the demand of actual operations; established the Audit Committee to replace supervisors.</p>

Article before the amendment	Article after the amendment	Explanations
<p>public accountants with relevant information for implementation of necessary audit procedures.</p> <p>6.4 If, as a result of a change in circumstances, an entity for which an endorsement/ guarantee is made does not meet the requirements of the Procedures or the loan balance exceeds the limit, the Company's management unit shall adopt rectification plans and submit the rectification plans to all the <u>supervisors</u>, and shall complete the rectification according to the timeframe set out in the plan.</p>	<p>information on endorsements/ guarantees in its financial statements and provide certified public accountants with relevant information for implementation of necessary audit procedures.</p> <p>6.4 If, as a result of a change in circumstances, an entity for which an endorsement/ guarantee is made does not meet the requirements of the Procedures or the loan balance exceeds the limit, the Company's management unit shall adopt rectification plans and submit the rectification plans to <u>the Audit Committee</u>, and shall complete the rectification according to the timeframe set out in the plan.</p>	
<p>7. Procedures for Use and Custody of Corporate Seals</p> <p>7.1 The Company shall use the company seal registered with the Ministry of Economic Affairs as the dedicated seal for endorsements/ guarantees. <u>The seal shall be kept in the custody of the accounting unit upon receipt of the approval of board of directors; any amendment to it shall be reported to and approved by the Board of Director</u>, and the seal shall be transferred to the newly designated person or unit accordingly.</p>	<p>7. Procedures for Use and Custody of Corporate Seals</p> <p>7.1 The Company shall use the company seal registered with the Ministry of Economic Affairs as the dedicated seal for endorsements/ guarantees. <u>The seal shall be kept in the custody of the accounting unit upon receipt of the approval of Audit Committee and board of directors; any amendment to it shall be reported to and approved by the Audit Committee and Board of Director</u>, and the seal shall be transferred to the newly designated person or unit accordingly.</p>	<p>Established the Audit Committee to replace supervisors.</p>
<p>8. Time Limit for and Content of Public Announcement</p> <p>8.2 In the event that the amount of endorsement/ guarantee meets one of the following standards, the Company shall enter the information into the information website designated by the Financial Supervisory Commission within two days after the date of occurrence:</p> <p>8.2.1. The aggregate balance of endorsements/ guarantees by the Company and its subsidiaries reaches 50% or more of the public company's net worth as stated in its latest financial statement.</p> <p>8.2.2. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net worth as stated in its latest financial statement.</p> <p>8.2.3. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 millions or more and the aggregate amount of all endorsements/guarantees for, <u>long-term investment</u>, and balance of loans to, such enterprise reaches 30% or more of the Company's net worth as stated in its latest financial statement.</p>	<p>8. Time Limit for and Content of Public Announcement</p> <p>8.2 In the event that the amount of endorsement/ guarantee meets one of the following standards, the Company shall enter the information into the information website designated by the Financial Supervisory Commission within two days after the date of occurrence:</p> <p>8.2.1. The aggregate balance of endorsements/ guarantees by the Company and its subsidiaries reaches 50% or more of the public company's net worth as stated in its latest financial statement.</p> <p>8.2.2. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net worth as stated in its latest financial statement.</p> <p>8.2.3. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 millions or more and the aggregate amount of all endorsements/guarantees for, <u>investment of a long-term nature in</u>, and balance of loans to, such enterprise reaches 30% or more of the Company's net worth as stated in its latest financial statement.</p>	<p>To satisfy the demand of actual operations.</p>
<p>9. Other Matters</p> <p>9.1 Procedures governing subsidiaries' endorsement/ guarantee activities.</p> <p>9.1.2 Subsidiaries shall list all endorsements/ guarantees provided to others in previous month and submit the report to the Company before the 5<sup>th</sup> of each month.</p> <p>9.1.3 The subsidiary's internal auditors shall audit the Operational Procedures for Endorsements/ Guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all of the Company's supervisors in writing of any material violation found. The Company's audit unit shall send the written documents to <u>all supervisors</u>.</p> <p>9.1.4 The Company's auditors shall, when carrying out the subsidiary audit according to the annual audit plan, understand the implementation of endorsements/ guarantees provided by the subsidiary to others. Any found deficiency shall be tracked continuously to ensure the rectification is made, a tracking reports shall be made and submitted to the General Manager accordingly.</p> <p>9.3 The Company's internal auditors shall audit the Operational Procedures for Endorsements/ Guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>all supervisors</u> in writing of any material violation found.</p> <p>9.6 <u>After passage by the board of directors, the Procedures shall be submitted to each supervisor and submit them for approval by the shareholders' meeting; where any director expresses dissent and it is contained in the</u></p>	<p>9. Other Matters</p> <p>9.1 Procedures governing subsidiaries' endorsement/ guarantee activities.</p> <p>9.1.2 Subsidiaries shall prepare the memorandum book and submit it to the Company before the 5<sup>th</sup> of each month.</p> <p>9.3 The Company's internal auditors shall audit the Operational Procedures for Endorsements/ Guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>the Audit Committee</u> in writing of any</p>	<p>To satisfy the demand of actual operations; established the Audit Committee to replace supervisors.</p>

Article before the amendment	Article after the amendment	Explanations
<p>minutes or a written statement, <u>the Company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting.</u> The same shall apply to any amendments to the Procedures.</p> <p>When the Procedures are submitted to the board of directors for deliberation as described in the preceding paragraph, the Company shall take into full consideration of each independent director's opinion when making endorsements and guarantees to others and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the board of directors.</p>	<p>material violation found.</p> <p>9.6 <u>After passage by the Audit Committee and board of directors, the Procedures shall be submitted to each supervisor</u> and submit them for approval by the shareholders' meeting; where any director expresses dissent and it is contained in the minutes or a written statement, <u>the Company shall submit the dissenting opinion to the shareholders' meeting for discussion.</u> The same shall apply to any amendments to the Procedures.</p> <p>When the Procedures are submitted to the board of directors for deliberation as described in the preceding paragraph, the Company shall take into full consideration of each independent director's opinion when making endorsements and guarantees to others and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the board of directors.</p>	

## 【Annex 9: Comparison Table of Amendments to the “Procedures for Lending Funds to Other Parties”】

### Comparison Table of Amendments to the “Procedures for Lending Funds to Other Parties”

Article before the amendment	Article after the amendment	Explanations
<p>1. Objectives and Legislative Basis</p> <p>All matters concerning the loaning of funds provided by the Company to others shall comply with the Procedures. The Procedures are stipulated pursuant to Article 36-1 of Securities and Exchange Act and “<u>Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies</u>” of Letter of Jin-Guan-Zheng-Shen-Zi No. 1010029874 issued by Financial Supervisory Commission on July 6, 2012.</p> <p>The Company shall follow provisions of the Procedures when providing loaning of funds to others for business requirements, unless otherwise specified by law.</p>	<p>1. Objectives and Legislative Basis</p> <p>All matters concerning the loaning of funds provided by the Company to others shall comply with the Procedures. The Procedures are stipulated pursuant to Article 36-1 of Securities and Exchange Act and “<u>Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies</u>”.</p> <p>The Company shall follow provisions of the Procedures when providing loaning of funds to others for business requirements, unless otherwise specified by law.</p>	To comply with provisions of regulations.
<p>2.2 Loan Limit:</p> <p>2.2.1 The inter-company loans of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares and the cumulative balance thereof <u>shall not exceed 60% of the Company's net worth as stated in its latest financial statement, and shall not be restricted by Paragraph 2.2.2 and 2.2.3.</u></p>	<p>2.2 Loan Limit:</p> <p>2.2.1 The inter-company loans of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares and the cumulative balance thereof <u>shall not exceed 80% of the Company's net worth as stated in its latest financial statement, and shall not be restricted by Paragraph 2.2.3 and 2.2.4.</u></p>	To satisfy the demand of actual operations.
<p>3. Definition: <u>The Company's financial statements are prepared according to the International Financial Reporting Standards.</u> The "net worth" in the Procedures refer to the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p>	<p>3. Definition: The "net worth" in the Procedures refer to the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p>	To satisfy the demand of actual operations.
<p>4.1 Loan Application:</p> <p>Those who apply for loaning of funds shall submit the application form to the Company's relevant business unit and shall specify the amount, duration and use of loan and the guarantee status. Upon completion of the countersigning work, the business unit will transfer the application to the management unit for the credit-checking process.</p>	<p>4.1 Loan Application:</p> <p>Those who apply for loaning of funds shall submit the application form to the Company's relevant business unit and shall specify the amount, duration and use of loan and the guarantee status. Upon completion of the countersigning work, the business unit will transfer the application to the management unit for the credit-checking process.</p>	To satisfy the demand of actual operations.
<p>4.3 Loan Approval:</p> <p>4.3.4 After the credit check or assessment, if the applicant reaches a good score and has justifiable reasons for loaning, the management unit shall prepare the credit-check report with opinions specified, draft the the loaning terms and conditions, and submit relevant documents up to the chairman of the board for approval. <u>The case shall also be reported to the board of directors for a resolution.</u></p> <p>Loans of funds between the Company and its parent company or subsidiaries, or between its subsidiaries, <u>shall be submitted for a resolution by the board of directors pursuant to the preceding paragraph</u>, and the chairperson of the board may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.</p> <p>Regarding the "certain monetary limit" mentioned in the preceding paragraph, the authorized limit on loans extended by the public company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending company.</p> <p>When the Company loans funds to others, it shall take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.</p>	<p>4.3 Loan Approval:</p> <p>4.3.4 After the credit check or assessment, if the applicant reaches a good score and has justifiable reasons for loaning, the management unit shall prepare the credit-check report with opinions specified, draft the the loaning terms and conditions, and submit relevant documents up to the chairman of the board for approval. <u>The case shall also be reported to the board of directors for resolution upon receipt of the Audit Committee's approval.</u></p> <p>Loans of funds between the Company and its parent company or subsidiaries, or between its subsidiaries, <u>shall be processed according to the preceding paragraph (subsidiaries that do not have Audit Committee may not submit the application to the Audit Committee)</u>, and the chairperson of the board may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.</p> <p>Regarding the "certain monetary limit" mentioned in the preceding paragraph, the authorized limit on loans extended by the public company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending company.</p> <p>When the Company loans funds to others, it shall take into full consideration each</p>	Established the Audit Committee to replace supervisors.

Article before the amendment	Article after the amendment	Explanations
	independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.	
<p>4. Operating Procedures</p> <p>4.12 Subsequent Measures for Control and Management of Loans</p> <p>4.12.1 Registration and Custody of the Case</p> <p>(1) The Company shall prepare a memorandum book for its fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending/borrowing date, and matters to be carefully evaluated under the Procedures</p> <p>(2) The person in charge of the loaning case shall, after the disbursement, put the contract, promissory note, other over-the-counter certificates, collateral certificates, insurance policy and correspondence documents together in order and then into a custody bag. After the bag content and customer's name is marked on the bag, the said person shall submit the bag to the accounting head for checking. Both parties shall sign or affix their seals on the custody book after checked the bag content.</p> <p>(3) The Company's internal auditors shall audit the Operational Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>all the supervisors</u> in writing of any material violation found.</p> <p>(4) If, as a result of a change in circumstances, an entity with whom the loaning of funds is provided does not meet the requirements of the Procedures or the loan balance exceeds the limit, the Company's audit unit shall push the management unit to adopt rectification plans and submit the rectification plans to <u>all the supervisors</u>, and shall complete the rectification according to the timeframe set out in the plan.</p> <p>(5) <u>The person in charge of the case shall list the loaned funds provided to others in the previous month, and submit the report up to the management before the 5th of each month for approval.</u></p>	<p>4. Operating Procedures</p> <p>4.12 Subsequent Measures for Control and Management of Loans</p> <p>4.12.1 Registration and Custody of the Case</p> <p>(1) The Company shall prepare a memorandum book for its fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending/borrowing date, and matters to be carefully evaluated under the Procedures</p> <p>(2) The person in charge of the loaning case shall, after the disbursement, put the contract, promissory note, other over-the-counter certificates, collateral certificates, insurance policy and correspondence documents together in order and then into a custody bag. After the bag content and customer's name is marked on the bag, the said person shall submit the bag to the accounting head for checking. Both parties shall sign or affix their seals on the custody book after checked the bag content.</p> <p>(3) The Company's internal auditors shall audit the Operational Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>the Audit Committee</u> in writing of any material violation found.</p> <p>(4) If, as a result of a change in circumstances, an entity with whom the loaning of funds is provided does not meet the requirements of the Procedures or the loan balance exceeds the limit, the Company's audit unit shall push the management unit to adopt rectification plans and submit the rectification plans to <u>the Audit Committee</u>, and shall complete the rectification according to the timeframe set out in the plan.</p>	Established the Audit Committee to replace supervisors; to satisfy the demand of actual operations.
<p>7. Procedures governing loaning of funds provided by the subsidiaries to others</p> <p>7.1 Where the Company's subsidiary desires to provide loaning of funds to others, it shall stipulate "Operating Procedures for Loaning of Funds to Others" according to "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies", and follow the said procedures for relevant activities. However, the net worth shall be based on the subsidiary's net worth.</p> <p>7.2 Subsidiaries shall list the loaning of funds provided to others in the previous month and submit it to the Company before the 5<sup>th</sup> of each month.</p> <p>7.3 The subsidiary's internal auditors shall audit the Operational Procedures for Loaning of Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all of the Company's audit unit in writing of any material violation found. The Company's audit unit shall send the written documents to <u>all supervisors</u>.</p> <p>7.4 The Company's auditors shall, when carrying out the subsidiary audit according to the annual audit plan, understand the implementation of funds loaned by the subsidiary to others. Any found deficiency shall be tracked continuously to ensure the rectification is made, a tracking reports shall be made and submitted to the General Manager accordingly.</p>	<p>7. Procedures governing loaning of funds provided by the subsidiaries to others</p> <p>7.1 Where the Company's subsidiary desires to provide loaning of funds to others, it shall stipulate "Operating Procedures for Loaning of Funds to Others" according to "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies", and follow the said procedures for relevant activities. However, the net worth shall be based on the subsidiary's net worth.</p> <p>7.2 Subsidiaries shall prepare <u>the memorandum book</u> and submit it to the Company before the 5<sup>th</sup> of each month.</p>	Established the Audit Committee to replace supervisors; to satisfy the demand of actual operations.
<p>9. Implementation and Amendments</p> <p><u>The Procedures will be implemented after being passed by directors, submitted to all supervisors and approved by the shareholders' meeting; where any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting.</u></p>	<p>9. Implementation and Amendments</p> <p><u>The Procedures will be implemented after being approved by the Audit Committee, passed the resolution of board of directors and approved by the shareholders' meeting; 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</u></p>	Established the Audit Committee to replace supervisors.

Article before the amendment	Article after the amendment	Explanations
<p>The same shall apply to any amendments to the Procedures. When the Procedures are submitted to the board of directors for deliberation as described in the preceding paragraph, the Company shall take into full consideration of each independent director's opinion when making endorsements and guarantees to others and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the board of directors.</p>	<p><del>shareholders' meeting for discussion.</del> The same shall apply to any amendments to the Procedures. When the Procedures are submitted to the board of directors for deliberation as described in the preceding paragraph, the Company shall take into full consideration of each independent director's opinion when making endorsements and guarantees to others and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the board of directors.</p>	

## 【Annex 10: Comparison Table of Amendments to the “Procedures for Acquisition or Disposal of Assets”】

### Comparison Table of Amendments to the “Procedures for Acquisition or Disposal of Assets”

Article before the amendment	Article after the amendment	Explanations
<p>2. Basis</p> <p>The Procedures are stipulated pursuant to Article 36-1 of Securities and Exchange Act; amendment to “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” <u>according to Letter of Jin-Guan-Zheng-Fa-Zi No. 1020053073 issued by Financial Supervisory Commission on December 30, 2013; and provisions stipulated according to the Announcement of Tai-Gui-Zi No. 1010134960 issued by Executive Yuan on June 25, 2012.</u></p>	<p>2. Basis</p> <p>The Procedures are stipulated pursuant to Article 36-1 of Securities and Exchange Act; amendment to “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.</p>	To comply with amendments to regulations.
<p>5. Procedures for Handling Acquisition or Disposal of Real Estates and Equipment</p> <p>5.1 Evaluation and Operational Procedures</p> <p>The Company's acquisition or disposal of real estates and equipment are conducted according to the Company's internal control mechanism, asset and general affair management cycle.</p> <p>5.2 Procedures for The Determination of the Trade Terms and Authorized Limit</p> <p>5.2.1 When acquiring real estate and equipment, the Company shall take a reference of assessed present value; assessed value; actual transaction price of surrounding real assets; price inquiry, price comparison, price negotiation or bidding procedures to make trade term, transaction price and analysis reports. The said reports shall, according to the transaction price, be submitted to and approved by:</p> <p>(1) General manager, if the amount is below (including) NT\$20 million;</p> <p>(2) The Company's chief supervisor, if the amount is above (excluding) NT\$20 million and below NT\$40 million.</p> <p>(3) Board of directors, if the amount is above (excluding) NT\$40 million.</p> <p>5.2.2 When acquiring real estate and equipment, the Company shall take a reference of assessed present value; assessed value; actual transaction price of surrounding real assets; price inquiry, price comparison, price negotiation or bidding procedures to make trade term, transaction price and analysis reports. The said reports shall, according to the transaction or acquisition price (depending on which is higher), submitted to:</p> <p>(1) General manager, if the amount is below (including) NT\$20 million;</p> <p>(2) The Company's chief supervisor, if the amount is above (excluding) NT\$20 million and below NT\$40 million;</p> <p>(3) Board of directors, if the amount is above (excluding) NT\$40 million.</p>	<p>5. Procedures for Handling Acquisition or Disposal of Real Estates and Equipment</p> <p>5.1 Evaluation and Operational Procedures</p> <p>The Company's acquisition or disposal of real estates and equipment are conducted according to the Company's internal control system, asset and general affair management cycle.</p> <p>5.2 Procedures for The Determination of the Trading Terms and Authorized Limit</p> <p>5.2.1 When acquiring real estate and equipment, the Company shall take a reference of assessed present value; assessed value; actual transaction price of surrounding real assets; price inquiry, price comparison, price negotiation or bidding procedures to make trade term, transaction price and analysis reports. The said reports shall be, according to the transaction price, submitted to and approved by:</p> <p>(1) General manager, if the amount is below (including) NT\$20 million;</p> <p>(2) The Company's chief supervisor, if the amount is above (excluding) NT\$20 million and below NT\$40 million.</p> <p>(3) <u>Audit Committee and board of directors for their approval</u>, if the amount is above (excluding) NT\$40 million.</p> <p>5.2.2 When acquiring real estate and equipment, the Company shall take a reference of assessed present value; assessed value; actual transaction price of surrounding real assets; price inquiry, price comparison, price negotiation or bidding procedures to make trade term, transaction price and analysis reports. The said reports shall, according to the transaction or acquisition price (depending on which is higher), submitted to:</p> <p>(1) General manager, if the amount is below (including) NT\$20 million;</p> <p>(2) The Company's chief supervisor, if the amount is above (excluding) NT\$20 million and below NT\$40 million;</p> <p>(3) <u>Audit Committee and Board of directors for their approval</u>, if the amount is above (excluding) NT\$40 million.</p>	Established the Audit Committee to replace supervisors.
<p>5.4 Real Estate or Equipment Appraisal Report</p> <p>In acquiring or disposing of real property or equipment where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government organization, engaging others to</p>	<p>5.4 Real Estate or Equipment Appraisal Report</p> <p>In acquiring or disposing of real property or equipment where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government agency,</p>	To comply with amendments to regulations.

Article before the amendment	Article after the amendment	Explanations
<p>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>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>6. Procedures for Handling Acquisition or Disposal of Securities</p> <p>6.1 Evaluation and Operational Procedures</p> <p>The Company's acquisition or disposal of securities are conducted according to the Company's internal control mechanism, and investment cycle.</p> <p>6.2 Procedures for The Determination of the Trade Terms and Authorized Limit</p> <p>6.2.1 Where the trading of securities is carried out on centralized securities exchange or over-the-counter market, the responsible unit shall make the evaluation and determination according to the market status.</p> <p>6.2.2 Where the trading of securities is carried outside the centralized securities exchange or over-the-counter market, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price. The determination shall then be made based on the net worth per share, profitability and future potential</p> <p>6.2.3 The purchase and sell of securities shall be submitted to and approved by:</p> <ol style="list-style-type: none"> <li>(1) General manager, if the amount is below (including) NT\$15 million;</li> <li>(2) The Company's chief supervisor, if the amount is above (excluding) NT\$15 million and below NT\$30 million;</li> <li>(3) Board of directors, if the amount is above (excluding) NT\$30 million.</li> </ol> <p>6.2.4 The purchase and sell of securities that are bonds, certificates of deposit or bond funds shall be submitted to and approved by:</p> <ol style="list-style-type: none"> <li>(1) General manager, if the amount is below (including) NT\$100 million;</li> <li>(2) The Company's chief supervisor, if the amount is above (excluding) NT\$100 million and below NT\$300 million;</li> <li>(3) Board of directors, if the amount is above (excluding) NT\$300 million.</li> </ol>	<p>6. Procedures for Handling Acquisition or Disposal of Securities</p> <p>6.1 Evaluation and Operational Procedures</p> <p>The Company's acquisition or disposal of securities are conducted according to the Company's internal control mechanism, and investment cycle.</p> <p>6.2 Procedures for The Determination of the Trade Terms and Authorized Limit</p> <p>6.2.1 Where the trading of securities is carried out on centralized securities exchange or over-the-counter market, the responsible unit shall make the evaluation and determination according to the market status.</p> <p>6.2.2 Where the trading of securities is carried outside the centralized securities exchange or over-the-counter market, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price. The determination shall then be made based on the net worth per share, profitability and future potential</p> <p>6.2.3 The purchase and sell of securities shall be submitted to and approved by:</p> <ol style="list-style-type: none"> <li>(1) General manager, if the amount is below (including) NT\$15 million;</li> <li>(2) The Company's chief supervisor, if the amount is above (excluding) NT\$15 million and below NT\$30 million;</li> <li>(3) <u>Audit Committee and board of directors</u>, if the amount is above (excluding) NT\$30 million.</li> </ol> <p>6.2.4 The purchase and sell of securities that are bonds, certificates of deposit or bond funds shall be submitted to and approved by:</p> <ol style="list-style-type: none"> <li>(1) General manager, if the amount is below (including) NT\$100 million;</li> <li>(2) The Company's chief supervisor, if the amount is above (excluding) NT\$100 million and below NT\$300 million;</li> <li>(3) <u>Audit Committee and board of directors</u>, if the amount is above (excluding) NT\$300 million.</li> </ol>	<p>Established the Audit Committee to replace supervisors.</p>
<p>7.2 Evaluation and Operational Procedures</p> <p>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 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more, it shall not proceed to enter into a transaction contract or make a payment until the following matters <u>have been approved by the board of directors and recognized by the supervisors</u>, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription <u>or redemption of domestic money market funds</u>:</p>	<p>7.2 Evaluation and Operational Procedures</p> <p>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 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more, it shall not proceed to enter into a transaction contract or make a payment until the following matters <u>have been approved by Audit Committee and board of directors</u>, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription <u>or redemption of domestic money market funds issued by domestic</u></p>	<p>Establishment of the Audit Committee as a replacement of the function of supervisors; based on amendment(s) to the Regulations.</p>

Article before the amendment	Article after the amendment	Explanations
<p>7.2.8 The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with 12.1.5 herein. Items that <u>have been approved by the board of directors and recognized by the supervisors</u> need not be counted toward the transaction amount.</p> <p>7.2.9 The acquisition or disposal of business-use equipment from the related parties shall be conducted according to 5.2. The Company's board of directors may delegate the Company's chief supervisor to decide such matters when the transaction is within NT\$50 million and have the decisions subsequently submitted to and <u>ratified by the next board of directors meeting</u>.</p>	<p><u>securities investment and trust enterprises:</u></p> <p>7.2.8 The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with 12.1.5 herein. Items that <u>have been approved by the board of directors and recognized by the supervisors</u> need not be counted toward the transaction amount.</p> <p>7.2.9 The acquisition or disposal of business-use equipment from the related parties shall be conducted according to 5.2. The Company's board of directors may delegate the Company's chief supervisor to decide such matters when the transaction is within NT\$50 million and have the decisions subsequently submitted to and <u>ratified by the next audit committee and board of directors meeting</u>.</p>	
<p>7.3.5 Regarding the real estates acquired from related parties, when the results of the Company's appraisal conducted in accordance with 7.3.1 and 7.3.4 of the preceding Article are uniformly lower than the transaction price, the following matters shall be conducted:</p> <p>(1) A special reserve shall be set aside in accordance with Paragraph 1 of Article 41 of the 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. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Paragraph 1 of Article 41 of the Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company.</p> <p>(2) <u>Supervisors</u> shall comply with Article 218 of the Company Act.</p>	<p>7.3.5 Regarding the real estates acquired from related parties, when the results of the Company's appraisal conducted in accordance with 7.3.1 and 7.3.4 of the preceding Article are uniformly lower than the transaction price, the following matters shall be conducted:</p> <p>(1) A special reserve shall be set aside in accordance with Paragraph 1 of Article 41 of the 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. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Paragraph 1 of Article 41 of the Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company.</p> <p>(2) Independent directors of Audit Committee shall comply with Article 218 of the Company Act as applied mutatis mutandis under Paragraph 3 of Article 14-4 of Securities and Exchange Act.</p>	<p>Established the Audit Committee to replace supervisors.</p>
<p>8. Procedures for Handling Acquisition or Disposal of Memberships or Intangible Assets:</p> <p>8.1 Evaluation and Operational Procedures</p> <p>The Company's acquisition or disposal of memberships or intangible are conducted according to the Company's internal control mechanism, asset and general affair management cycle.</p> <p>8.2 Procedures for The Determination of the Trade Terms and Authorized Limit</p> <p>The Company's acquisition or disposal of memberships or intangible assets shall be handled according to 5, the procedures for handling the acquisition or disposal of real estates and equipment. <u>When the case is submitted to board of directors for discussion as prescribed and any of the directors express dissent and such dissent is recorded or in writing, the Company shall submit dissent relevant documents to all supervisors.</u> (shall take into full consideration of each independent director's opinion and record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes</p> <p>8.3 Implementation Unit</p> <p>When the Company acquires or disposes memberships or intangible assets, the application unit and accounting unit or administrative unit shall be responsible for the</p>	<p>8. Procedures for Handling Acquisition or Disposal of Memberships or Intangible Assets:</p> <p>8.1 Evaluation and Operational Procedures</p> <p>The Company's acquisition or disposal of memberships or intangible are conducted according to the Company's internal control mechanism, asset and general affair management cycle.</p> <p>8.2 Procedures for The Determination of the Trade Terms and Authorized Limit</p> <p>The Company's acquisition or disposal of memberships or intangible assets shall be handled according to 5, the procedures for handling the acquisition or disposal of real estates and equipment. <u>When the case is approved by the audit committee and submitted to board of directors for discussion as prescribed,</u> the Company shall take into full consideration of each independent director's opinion and record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes</p> <p>8.3 Implementation Unit</p> <p>When the Company acquires or disposes memberships or intangible assets, the application unit and accounting unit or administrative unit shall be responsible for the implementation, after the case is approved by parties with the authority as described in the preceding</p>	<p>Establishment of the Audit Committee as a replacement of the function of supervisors; based on amendment(s) to the Regulations.</p>

Article before the amendment	Article after the amendment	Explanations
<p>implementation, after the case is approved by parties with the authority as described in the preceding paragraph.</p> <p>8.4 Evaluation Report of the Membership or Intangible Asset Experts</p> <p>Where Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more, except in transactions with <u>a government organization</u>, the Company shall engage a certified public accountant 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 Statement of Auditing Standards No. 20 published by the ARDF.</p>	<p>paragraph.</p> <p>8.4 Evaluation Report of the Membership or Intangible Asset Experts</p> <p>Where Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more, except in transactions with <u>a government agency</u>, the Company shall engage a certified public accountant 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 Statement of Auditing Standards No. 20 published by the ARDF.</p>	
<p>10.3 Interior Audit Mechanism</p> <p>10.3.1 Internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives; conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading; analyze transaction cycle; and prepare an audit report. If any material violation is discovered, <u>all supervisors</u> shall be notified in writing.</p> <p>10.3.2 Internal audit personnel shall submit the audit report and annual review of internal audit operations to <u>Securities and Futures Institute</u> before the end of next February. Rectification concerning unusual matters shall be reported to <u>Securities and Futures Institute</u> before the end of next May.</p>	<p>10.3 Interior Audit Mechanism</p> <p>10.3.1 Internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives; conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading; analyze transaction cycle; and prepare an audit report. If any material violation is discovered, the Audit Committee shall be notified in writing</p>	<p>Established the Audit Committee to replace supervisors.</p>
<p>11. Procedures for Handling <u>Practices</u> of Mergers, Demergers, Acquisitions or Transfer of Shares</p> <p>11.1 Evaluation and Operational Procedures.</p> <p>11.1.1 When the Company conducts a merger, demerger, acquisition, or transfer of shares, the Company may invite an attorney, CPA and underwriter to deliberate the schedule draft and create a project team to implement relevant works according to legal procedures. Besides, prior to convening the board of directors to resolve on the matter, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to <u>the board of directors</u> for deliberation and passage.</p>	<p>11. Procedures for Handling Corporate Mergers, Demergers, Acquisitions or Transfer of Shares</p> <p>11.1 Evaluation and Operational Procedures.</p> <p>11.1.1 When the Company conducts a merger, demerger, acquisition, or transfer of shares, the Company may invite an attorney, CPA and underwriter to deliberate the schedule draft and create a project team to implement relevant works according to legal procedures. Besides, prior to convening the board of directors to resolve on the matter, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to <u>the Audit Committee and board of directors for deliberation and passage. However, merger with a subsidiary in which the Company holds, directly or indirectly, 100% of issued shares or total capital; or merger among subsidiaries in which the Company holds, directly or indirectly, 100% of issued shares or total capital may be exempted from providing the said expert's opinions on the reasonableness.</u></p>	<p>Establishment of the Audit Committee as a replacement of the function of supervisors; based on amendment(s) to the Regulations.</p>
<p>12. Public Disclosure of Information</p> <p>12.1 Standards for items to be or shall be announced or reported:</p> <p>12.1.1 Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of</p>	<p>12. Public Disclosure of Information</p> <p>12.1 Standards for items to be or shall be announced or reported:</p> <p>12.1.1 Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's</p>	<p>To comply with amendments to regulations.</p>

Article before the amendment	Article after the amendment	Explanations
<p>government bond, bonds under repurchase and resale agreements, or <u>subscription or redemption of domestic money market funds</u>.</p> <p>12.1.2 Merger, demerger, acquisition, or transfer of shares.</p> <p>12.1.3 Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p><u>12.1.4 The assets acquisition or disposal other than those mentioned in 12.1.1, 12.1.2 and 12.1.3; a disposal of receivables by a financial institution; or execution of investments in Mainland China of which one of the following amounts reaches 20% of the Company's paid-in capital or exceeds NT\$300 million. However, those who are in the following circumstances shall not be included:</u></p> <p>(1) <u>Trading of government bonds.</u></p> <p>(2) <u>Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, or subscription of securities by a securities firm, either in the primary market or in accordance with relevant regulations.</u></p> <p>(3) <u>Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds.</u></p> <p>(4) <u>Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</u></p> <p>(5) <u>Acquisition or disposal by the Company in the construction business of real property for construction use, where the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</u></p> <p>(6) <u>Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is less than NT\$500 million.</u></p> <p>12.1.5 The amount of transactions above shall be calculated as follows. "Within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Those who already obtain an appraisal report from a professional appraiser or a certified public accountant's opinion in accordance with the Procedures will not be counted toward the transaction amount.</p> <p>(1) The amount of any individual transaction.</p> <p>(2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the</p>	<p>total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bond, bonds under repurchase and resale agreements, or <u>subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</u></p> <p>12.1.2 Merger, demerger, acquisition, or transfer of shares.</p> <p>12.1.3 Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Procedures adopted by the company.</p> <p><u>12.1.4 Where the type of asset acquired or disposed is equipment/ machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</u></p> <p><u>12.1.5 Acquisition or disposal by the Company in the construction business of real property for construction use, where the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</u></p> <p><u>12.1.6 Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is less than NT\$500 million.</u></p> <p>12.1.7 <u>The assets acquisition or disposal other than those mentioned in 12.1.1 to 12.1.6; a disposal of receivables by a financial institution; or execution of investments in Mainland China of which one of the following amounts reaches 20% of the Company's paid-in capital or exceeds NT\$300 million. However, those who are in the following circumstances shall not be included:</u></p> <p>(1) <u>Trading of government bonds.</u></p> <p>(2) <u>Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets; subscription, public offering or issuance of straight corporate bonds in the domestic primary market and general financial bonds without equity characteristics; or subscription of securities by securities firms for business needs, Emerging Stock Board guided or recommended securities firms accordance with regulations of Taipei Exchange of the Republic of China (TPEX)</u></p> <p>(3) <u>Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</u></p> <p>12.1.8 The amount of transactions above shall be</p>	

Article before the amendment	Article after the amendment	Explanations
<p>preceding year.</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 disposals, respectively) of the same security within the preceding year.</p> <p><u>12.1.6</u> Those of <u>12.1.5</u> and complied with announcements made according to the Procedures will not be counted toward the transaction amount.</p>	<p>calculated as follows. "Within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Those who already obtain an appraisal report from a professional appraiser or a certified public accountant's opinion in accordance with the Procedures will not be counted toward the transaction amount.</p> <p>(1) The amount of any individual transaction.</p> <p>(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.</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 disposals, respectively) of the same security within the preceding year.</p> <p><u>12.1.9</u> Those of <u>12.1.8</u> and complied with announcements made according to the Procedures will not be counted toward the transaction amount.</p>	
<p>12.3 Announcement and Reporting Procedures</p> <p>12.3.1 The Company shall publicly announce and report the relevant information on <u>Financial Supervisory Commission</u> designated website.</p> <p>12.3.2 The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the <u>Financial Supervisory Commission</u> by the 10th day of each month.</p> <p>12.3.3 When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, <u>all the items shall be again publicly announced and reported in their entirety.</u></p>	<p>12.3 Announcement and Reporting Procedures</p> <p>12.3.1 The Company shall publicly announce and report the relevant information on <u>Securities and Futures Commission</u> designated website.</p> <p>12.3.2 The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the <u>Securities and Futures Commission</u> by the 10th day of each month.</p> <p>12.3.3 When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, <u>all the items shall be again publicly announced and reported in their entirety within two days upon the acknowledgement of such error or omission.</u></p>	<p>To comply with amendments to regulations.</p>
<p>15. Implementation and Amendments</p> <p><u>After being approved by the board of directors, the Company's "Operational Procedures for Acquisition or Disposal of Assets" shall be submitted to all supervisors and be approved by shareholders' meeting; likewise when there is an amendment. If any of the directors express dissent and such dissent is recorded or in writing, the Company shall submit dissent relevant documents to all supervisors. Where there is any independent director as prescribed in Article 14-3 of Securities and Exchange Act, the Company shall, when the Procedures are submitted to board of directors for discussion as described in the preceding Paragraph, take full condieration of each</u></p>	<p>15. Implementation and Amendments</p> <p><u>After being approved by more than half of all audit committee members and board of directors, the Company's "Operational Procedures for Acquisition or Disposal of Assets" shall be submitted to shareholders' meeting for approval; likewise when there is an amendment. If any of the directors express dissent and such dissent is recorded or in writing, the Company shall submit dissent relevant documents to all supervisors. Where there is any independent director as prescribed in Article 14-3 of Securities and Exchange Act, the Company shall, when the Procedures are submitted to board of directors for</u></p>	<p>Established the Audit Committee to replace supervisors.</p>

Article before the amendment	Article after the amendment	Explanations
independent director's opinion and record his or her dissent or qualified opinions in the meeting minutes.	discussion as described in the preceding Paragraph, take full condieration of each independent director's opinion and record his or her dissent or qualified opinions in the meeting minutes.	

## **【 Appendix 1: Article of Incorporation 】**

### **Marketch International Corp. Articles of Incorporation (Before the Amendment)**

Passed by the Shareholders' Meeting on May 31, 2016

#### **CHAPTER I GENERAL PRINCIPLES**

Article 1 The Corporation is incorporated as a company limited by shares under the Company Act of the Republic of China and is named "Marketch International Corp."

Article 2 The Company is engaged in the following businesses:

1. F107170 Wholesale of Industrial Catalyst
2. F207170 Retail Sale of Industrial Catalyst
3. C801010 Basic Industrial Chemical Manufacturing
4. F107200 Wholesale of Chemistry Raw Material
5. F207200 Retail sale of Chemistry Raw Material
6. F113050 Wholesale of Computing and Business Machinery Equipment
7. F213030 Retail sale of Computing and Business Machinery Equipment
8. F119010 Wholesale of Electronic Materials
9. F219010 Retail Sale of Electronic Materials
10. F207060 Retail Sale of Virulence Chemical Materials
11. F107060 Wholesale of Virulence Chemical Substance
12. F207990 Retail Sale of Other Chemical Products
13. F113070 Wholesale of Telecom Instruments
14. F213060 Retail Sale of Telecom Instruments
15. F114030 Wholesale of Motor Vehicle Parts and Supplies
16. F214030 Retail Sale of Motor Vehicle Parts and Supplies
17. F213080 Retail Sale of Machinery and Equipment
18. F113020 Wholesale of Household Appliance
19. F213010 Retail Sale of Household Appliance
20. F110010 Wholesale of Clocks and Watches
21. F210010 Retail Sale of Watches and Clocks
22. F105050 Wholesale of Furniture, Bedclothes Kitchen Equipment and Fixtures
23. F205040 Retail sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures
24. F104110 Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
25. F204110 Retail sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
26. F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
27. F209060 Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles

28. F102170 Wholesale of Food and Grocery
29. F203010 Retail sale of Food and Grocery
30. F108040 Wholesale of Cosmetics
31. F208040 Retail Sale of Cosmetics
32. F201010 Retail sale of Agricultural Products
33. EZ99990 Other Construction
34. IG03010 Energy Technical Services
35. CE01010 Precision Instruments Manufacturing
36. CB01010 Machinery and Equipment Manufacturing
37. F113010 Wholesale of Machinery
38. F113030 Wholesale of Precision Instruments
39. E602011 Frozen and Air-conditioning Engineering
40. I301010 Software Design Services
41. J101040 Waste Disposing
42. E599010 Pipe Lines Construction
43. E603010 Cables Construction
44. E603040 Fire Fighting Equipments Construction
45. E603050 Cybernation Equipments Construction
46. E603090 Illumination Equipments Construction
47. E603100 Electric Welding Construction
48. E604010 Machinery Installation Construction
49. E801030 Interior Light Rigid Frame Construction
50. EZ05010 Apparatus Installation Construction
51. F107990 Wholesale of Other Chemical Products
52. E502010 Fuel Pipe Construction
53. E603020 Elevator Construction
54. E605010 Computing Equipments Installation Construction
55. E701010 Telecommunications Construction
56. EZ02010 Derrick Construction
57. EZ06010 Traffic Labels Construction
58. EZ07010 Drilling Construction
59. F401010 International Trade
60. G801010 Warehousing and Storage
61. H701050 Public Works Construction and Investment
62. I103060 Management Consulting Services
63. JD01010 Industry and Commerce Credit Bureau Services
64. IF01010 Fire Fighting Equipments Overhauling
65. IZ06010 Cargoes Packaging
66. IZ12010 Manpower Services
67. J101030 Waste Clearing

68. J101050 Sanitary and Pollution Controlling Services
69. J101060 Wastewater (Sewage) Treatment
70. J101070 Radwaste Disposing Service
71. E501011 Water Pipe Construction
72. E601010 Electric Appliance Construction
73. E103101 Environmental Protection Construction
74. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
75. E103071 Underground Utilities Project Construction
76. H701010 Residence and Buildings Lease Construction and Development
77. H701020 Industrial Factory Buildings Lease Construction and Development
78. H701040 Specialized Field Construction and Development
79. H701060 New County and Community Construction and Investment
80. H701070 Land Levy and Delimit
81. H701080 Reconstruction within the renewal area
82. H701090 Renovation, or maintenance within the renewal area
83. CB01990 Other Machinery Manufacturing Not Elsewhere Classified
84. E603080 Traffic Signals Construction
85. E903010 Eroding and Rusting Construction
86. EZ09010 Static Electricity Protecting and Clearing Construction
87. E402010 Ballast and Mud Construction on Sea
88. E401010 Dredge Engineering
89. E503011 User's Drainage Facility Installation Contractor of Sewer System
90. CF01011 Medical Materials and Equipment Manufacturing
91. F108031 Wholesale of Drugs, Medical Goods
92. F208031 Retail sale of Medical Equipments
93. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 The Company has its headquarter established in Taipei City and may set up branch offices inside the country whenever the Board of Directors deem necessary.

Article 4 The Company shall make public announcement according to Article 28 of the Company Act.

Article 4-1 The Company may provide endorsement and guarantee and act as a guarantor

Article 4-2 The total amount of the Company's reinvestment shall not be subject to the restriction of not exceeding forty percent of the amount of its own paid-up capital as provided in Article 13 of the Company Act.

## **CHAPTER 2 SHARES**

Article 5 The total capital stock of the Company is in the amount of NT\$2,500,000,000, divided into 250,000,000 shares, at ten New Taiwan Dollars each, and may be paid-up in installments. A total of NT\$98,000,000 among the above total capital stock, which equals to 9,800,000 shares, should reserved for issuing employee stock options from time to time upon the resolutions of Board of Directors.

Article 6 Deleted.

Article 7 The Company's share certificates shall be in registered form, shall be affixed with the signatures / personal seals of three or more directors of the Company, and shall be duly certified / authenticated according to law before issuance.

The shares of the Company may be made without physical certificates. Nevertheless, the stock of the Company shall be registered with Taiwan Depository and Clearing Corporation.

Article 8 The transfer of share certificates shall be carried out in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies.

### **CHAPTER 3 SHAREHOLDERS' MEETING**

Article 9 Shareholders' meeting shall be of two kinds: (1) Regular meetings, to be held at least once every year and within six months after close of each fiscal year; (2) Special meetings, to be held whenever necessary and according to law.

Article 10 Shareholder who is unable to attend shareholders' meeting for any cause may appoint a proxy to attend the meeting in his/her/its behalf by executing a power of attorney printed by the company stating therein the scope of power authorized to the proxy and affixed with the signatures / personal seals.

Article 11 A shareholder shall have one voting power in respect of each share in his/her/its possession except in the circumstances set forth in Item 3 of Article 157 and Paragraph 2 of Article 179, where the shares shall have no voting power or have such power limited.

Article 12 A resolution at the meeting of shareholders shall be adopted only by a majority of the shareholders present who represent half of the total number of its outstanding shares by the company, unless otherwise provided for by law.

### **CHAPTER 4 DIRECTORS AND SUPERVISORS**

Article 13 The Company has 5 to 9 directors, whose term of office shall be 3 years and are eligible for re-election. The shareholders shall elect the directors from among the nominees listed in the roster of director candidates as the Company has adopted the candidates nomination system. The quota of directors stated in preceding Paragraph shall include no less than three independent directors. Independent directors' professional qualifications, shareholdings and concurrent serving restrictions, recognition of independence, nomination and election methods, and other governing rules shall be carried out in accordance with the Company Act and relevant regulations.

Article 13-1 The Company has established an audit committee, which is constituted by the entire number of independent directors. The power and authority of audit committee, rules governing the proceedings of meetings and other governing rules shall be carried in accordance with Securities and Exchange Act, Company Act, other relevant regulations and Articles of Incorporation.

Article 14 The Board of Directors is constituted by directors. The directors shall, with the concurrence of a majority of the directors present who represent two-thirds or more of all the directors, elect from among them a chairman. The chairman shall represent the Company externally

Article 15 In case the chairman of the board of directors is on leave or absent or cannot exercise his / her power and authority for any cause, his / her proxy shall be appointed in accordance with Article 208 of the Company Act.

Article 16 Chairman's remuneration shall not exceed the doubled amount of general manager's remuneration and shall be determined by the Board of Directors upon the deliberation of remuneration committee.

Director who takes a position at the functional committee under the Board of Directors concurrently shall have his/her income from professional practice paid according to the number of meetings held by the functional committee. The said fees shall be determined by the Board of Directors according to the standard generally adhered by other firms of the same trade.

Article 16-1 The notice of Board of Directors meetings may be delivered by methods like fax and e-mail. Each director shall attend the meeting of the board of directors in person. In case a director is unable to attend the meeting for any cause and appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

## **CHAPTER 5 MANAGEMENT**

Article 17 The Company has one general manager, whose appointment, discharge and remuneration shall be carried out in accordance with Article 29 of the Company Act.

## **CHAPTER 6 ACCOUNTING**

Article 18 The Board of Directors shall prepare and submit below statements and books at the end of each fiscal year:

1. Business report
2. Financial statements
3. Earnings distribution or offsetting of deficit relevant books and statements, which shall be submitted to regular shareholders' meeting and request for ratification

Article 19 Deleted

Article 20 If there is any surplus profit of the year, the Company shall firstly pay directors' remuneration, which shall not exceed 3%. Then 1% to 15% of the remaining amount shall then be paid as employees' remuneration. However, if the Company has any left-over deficit, the amount to make up the deficit shall be reserved in advance.

Upon closing of accounts, if there is surplus profit, the Company shall firstly pay the business income tax, make up the losses for preceding years and then set aside a legal reserve and special capital reserve of 10% of the net profit. Then the remaining profit shall be added with the remaining profit of precedent year. The Board of Directors shall draft a surplus distribution proposal, in which will be submitted to shareholders' meeting to decide whether to distribute or reserve the surplus profit.

However, if cumulative legal reserve already reached the total amount of the Company's capital, shall not be limited by the regulation

Article 20-1 To respond to the development of the overall environment and industry's growth drivers, the Company's objective is to firstly satisfy the demand of future development and to maintain a sound financial structure. Therefore, the Company distributes no more than 50% of its total dividend of the year.

## **CHAPTER 7 SUPPLEMENTARY PROVISIONS**

Article 21 Other unspecified matters of the Company's Articles of Incorporation shall be carried in accordance with the Company Act and other relevant regulations.

Article 22 The Articles of Incorporation was established on December 22, 1988. The 1<sup>st</sup> amendment was made on February 2, 1990. The 2<sup>nd</sup> amendment was made on June 29, 1991. The 3<sup>rd</sup> amendment was made on June 20, 1992. The 4<sup>th</sup> amendment was made on November 11, 1992. The 5<sup>th</sup> amendment was made on June 21, 1994. The 6<sup>th</sup> amendment was made on July 20, 1995. The 7<sup>th</sup> amendment was made on October 9, 1996. The 8<sup>th</sup> amendment was made on June 6, 1998. The 9<sup>th</sup> amendment was made on July 31, 2000. The 10<sup>th</sup> amendment was made on October 13, 2000. The 11<sup>th</sup> amendment was made on April 26, 2001. The 12<sup>th</sup> amendment was made on October 22, 2001. The 13<sup>th</sup> amendment was made on May 22, 2002. The 14<sup>th</sup> amendment was made on May 22, 2002. The 15<sup>th</sup> amendment was made on June 6, 2003. The 16<sup>th</sup> amendment was made on June 11, 2004. The 17<sup>th</sup> amendment was made on June 14, 2005. The 18<sup>th</sup> amendment was made on June 9, 2006. The 19<sup>th</sup> amendment was made on April 10, 2007. The 20<sup>th</sup> amendment was made on June 15, 2007. The 21<sup>st</sup> amendment was made on June 19, 2009. The 22<sup>nd</sup> amendment was made on June 17, 2010. The 23<sup>rd</sup> amendment was made on June 10, 2011. The 24<sup>th</sup> amendment was made on June 12, 2012. The 25<sup>th</sup> amendment was made on June 12, 2014. The 26<sup>th</sup> amendment was made on May 28, 2015. The 27<sup>th</sup> amendment was made on May 31, 2016.

Marketch International Corp.  
Chairman: Margaret Kao

## **【Appendix 2: Rules of Shareholders' Meeting】**

### **Marketch International Corp. Rules of Shareholders' Meeting**

Passed by the Shareholders' Meeting on June 15, 2007

1. The Company's shareholders' meeting (hereinafter shortened as "the Meeting") shall be conducted in accordance with these Rules and Procedures, unless otherwise provided for by law.
2. The Company shall provide an attendance list bearing the signatures of shareholders present at the meeting, or the shareholders attending the Meeting shall submit the attendance card for the purpose of signing in.  
The attendance and votes of the Meeting shall be counted based on the shares. The shares represented by shareholders attending the Meeting shall be calculated according to the attendance list or submitted attendance cards.
3. The term "shareholder" in these Rules and Procedures refers to the shareholder in person or proxy appointed by the shareholder.
4. The Meeting shall be held at the headquarters of the Company or at any other appropriate place that is convenient for shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.
5. For a shareholders' meeting convened by the Board of Directors, the chairman of the meeting shall be the chairman of the Board of Directors. If the chairman of the Board of Directors is on leave or absent or cannot exercise his / her power and authority for any cause, he / she shall designate one of the directors to act on his / her behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors. For a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.
6. The Company may appoint designated counsel, CPA or other related persons to attend the Meeting. Persons handling affairs of the Meeting shall wear identification cards or badges.
7. The process of the Meeting shall be tape-recorded or videotaped and these tapes shall be preserved for at least one year.
8. Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one-third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Act of the Republic of China..  
If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Act of the Republic of China.
9. The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.  
The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting. However, in the event that the chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may

designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting. Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved.

The shareholders cannot designate any other person as chairman or continue the Meeting in the same or other place after the Meeting is adjourned.

10. When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman. If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail. Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.
11. Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes). In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder
12. Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the meeting. If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.
13. After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond
14. The chairman may announce to end the discussion of any resolution and go into voting if the Chairman deems it appropriate.
15. The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s). The result of voting shall be announced at the Meeting and placed on record.
16. During the Meeting, the chairman may, at his discretion, set time for intermission.
17. Except otherwise specified in the Company Law of the Republic of China or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chairman during the voting.  
The Company's shareholders shall be entitled to one vote per share of stock, except those whose shares have no voting power or have such power limited according to Article 157 and Section 2 of Article 179 of the Company Act.
18. If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.
19. The chairman may conduct the disciplinary officers (or the security guard) to assist in keeping order of the Meeting place. Such disciplinary officers (or security guards) shall wear badges marked "Disciplinary Officers" for identification purpose.
20. Other unspecified matters in these Rules and Procedures shall be carried in accordance with the Company Act and other relevant regulations.
21. These Rules and Procedures shall be effective from the date it is approved by the shareholders' meeting. The Board of Directors is also authorized to make amendments depending on actual situations.

## 【Appendix 3: Shareholdings of Directors and Supervisors】

### Marketech International Corp. Shareholdings of Directors

1. The Company's actual paid-in capital is NT\$1,715,018,660 with 171,501,866 issued shares and share types.
2. The company has elected three independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors other than the independent directors shall be decreased by 20 percent. The actual collective shareholding of directors is 10,290,111 common shares. As the company has established the audit committee that satisfies the requirements of the Securities and Exchange Act, the minimum shareholding requirements for supervisors do not apply.
3. Until the book closure date for the 2017 shareholders' meeting, the status of shareholdings of individual and all directors and supervisors are shown below:

Shareholder Account	Job Title	Name	Appointment Date	No. of Shares at the Time of Appointment			Until March 28, 2017 (Note)	
				Appointment Term	No. of Shares	Holding Percentage	No. of Shares	Holding Percentage
4	Director	Ji Shuan Investment Co. representative: Kao Hsin-Ming	May 31, 2016	3 years	19,005,795	11.51%	19,005,795	11.08%
4	Director	Ji Shuan Investment Co. representative: Chuang Yen-Shan	May 31, 2016	3 years	19,005,795	11.51%	19,005,795	11.08%
12	Director	Yi Wei Investment Co. representative: Lin Yue-Yeh	May 31, 2016	3 years	12,647,112	7.66%	12,647,112	7.37%
22	Director	Ma Kuo-Peng	May 31, 2016	3 years	1,674,422	1.01%	1,674,422	0.92%
—	Director	Cheng Jin-Chuan	May 31, 2016	3 years	-	-	-	-
—	Director	Hsiao Ming-Chih	May 31, 2016	3 years	-	-	-	-
—	Independent Director	Wu Chung-Pao	May 31, 2016	3 years	-	-	-	-
8007	Independent Director	Lu Zong-Jenn	May 31, 2016	3 years	365,286	0.22%	365,286	0.21%
—	Independent Director	Lin Hsiao-Ming	May 31, 2016	3 years	-	-	-	-
<b>Total number of shares held by all directors</b>					<b>33,692,615</b>	<b>20.40%</b>	<b>33,593,615</b>	<b>19.58%</b>

Note: Refers to the number of shares stated in shareholder register until the book closure date for the 2017 shareholders' meeting (March 28, 2017).

4. The total shares held by the Company's directors and supervisors already reached the statutory standard.

**【Appendix 4: The Impact of Stock Dividend Issuance proposed in this Annual General Meeting of Shareholders on the Company's Business Performance, Earnings Per Share, and Return on Shareholders' Investment】**

As the Company's shareholders' meeting in 2017 does not have any proposal regarding the stock dividend distribution, it makes no effect upon the Company's business performance, earnings per share and return on shareholders' investment.

## 【Appendix 5: Information on Employees' Compensation and Directors' and Supervisors' Remuneration

### Information on Employees' Compensation and Directors' and Supervisors' Remuneration

The distribution of employee compensation and director and supervisor remuneration of 2016 is passed by the 7<sup>th</sup> Board of Directors at the 10<sup>rd</sup> meeting on February 20, 2017.

1. The amount of any employee compensation and director and supervisor compensation distributed in cash or stocks. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed:

- (1) Proposed employee compensation and director and supervisor remuneration:  
The distribution of employee compensation amounted NT\$75,452,319 and director and supervisor remuneration amounted NT\$7,545,232 of 2016 is passed by the 6<sup>th</sup> Board of Directors.

Unit: NT\$

Items / Amount	Proposed Distribution Amount
Employees' Compensation– in Cash	75,452,319
Employees' Compensation– in Stocks	0
Remuneration of Directors and Supervisors	7,545,232

- (2) If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed:

Above proposed amount of employees' compensation and directors' and supervisors' remuneration is consistent with the figure estimated in 2016 Financial Statement (NT\$75,452,319 for employees' compensation and NT\$7,545,232 for directors' and supervisors' remuneration).

2. The amount of any employees' compensation distributed in stocks as a percentage of the sum of the current after-tax net income and total employees' compensation in individual financial statement:

Not applicable as the employees' compensation passed by the Board of Directors this year does not involve stock distribution relevant matters.

## **Additional Information**

Processing of proposals submitted by this shareholders' meeting:

- Explanations:
1. According to Article 172-1 of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal be limited to not more than three hundred (300) words
  2. Shareholders may submit proposals regarding the 2017 regular shareholders' meeting to the Company from March 21, 2017 to March 30, 2017. The information is already announced on a market observation post system.
  3. The Company has not received any proposal from the shareholders.

*Thank you for coming to Annual Meeting of Shareholders!  
We welcome any comments or suggestions!*