



2016 Annual Shareholders' Meeting Meeting Agenda

(Translation)

Time: 9:00 a.m., June 14th (Tue), 2016

Place: No.2, Zhanye 1st Rd., Hsinchu

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ASolid Technology Co., Ltd.
2016
Agenda of Annual Shareholders' Meeting

I. Meeting Agenda

1. Time: 9:00 a.m., June 14th (Tue), 2016
2. Place: 2F., No.2, Zhanye 1st Rd., Hsinchu
3. Call the Meeting to Order
4. Chairman Remarks
5. Discussion 1
 1. Amendments to the Articles of Incorporation
6. Report Items
 1. 2015 Business Report
 2. Audit Committee's Review Report on the 2015 Financial Statements
 3. Report on 2015 Directors' Compensation and Employees' Profit Sharing
7. Proposals
 1. Adoption of 2015 Business Report and Financial Statements
 2. Proposal for Distribution of 2015 Profits
8. Discussion 2
 1. Proposal for Issuance of New Shares through Capitalization of 2015 Earnings
 2. Amendments to the Operational Procedures for Acquisition and Disposal of Assets
9. Special Motions
10. Meeting Adjourned

II. Discussion 1

Item 1: Amendments to the Articles of Incorporation

Proposed by the Board of Directors

Explanatory Notes:

1. Amendments to the Articles of Incorporation are made in accordance with the Company's business needs and applicable regulations and laws.
2. The Comparison Table for the Amendments to the Articles of Incorporation Before and After Revision is attached hereto as Attachment 1.
3. Resolution is respectfully requested.

Resolution:

III. Report Items

Item 1: 2015 Business Report

Explanatory Notes:

Please refer to Attachment 2: 2015 Business Report.

Item 2: Audit Committee's Review Report on the 2015 Financial Statements

Explanatory Notes:

Please refer to Attachment 3: Audit Committee's Review Report on the 2015 Financial Statements.

Item 3: Report on 2015 Directors' Compensation and Employees' Profit Sharing

Explanatory Notes:

Please refer to Attachment 4: Report on 2015 Directors' Compensation and Employees' Profit Sharing.

IV. Proposals

Item 1: To approve 2015 Annual Business Report and Financial Statements

Proposed by the Board of Directors

Explanatory Notes:

1. The Company's 2015 Financial Statements, including Balance Sheets, Income Statements, Statements of Changes in Equity and Statements of Cash Flows, were audited by independent auditors, Mr. Jin-Jhang Chen and Ms. Mei-Jhen Cai, of Deloitte & Touche. Independent Auditor's Report was issued accordingly.
2. The aforementioned Financial Statements, Independent Auditor's Report and 2015 Annual Business Report had been approved by the Board of Directors, and audited by the Audit Committee. The Audit Committee's Review Report on the 2015 Financial Statements was issued accordingly.
3. Please refer to Attachment 2: 2015 Annual Business Report and Attachment 5: 2015 Independent Auditor's Report and Financial Statements.
4. Approval is respectfully requested.

Resolution:

Item 2: To approve Proposal for Distribution of 2015 Profits

Proposed by the Board of Directors

Explanatory Notes:

1. The Company's 2015 net profit after tax is NT\$ 126,096,069. After setting aside 10% of the aforementioned amount as legal reserve of NT\$ 12,609,607, and then adding beginning retained earnings of NT\$ 40,794,324, the distributable net profit is NT\$ 154,280,786. Out of the distributable net profit, the proposed cash dividend to shareholders is NT\$35,619,000 (with NT\$ 1.5 per share) and the proposed stock dividend to shareholders is NT\$ 59,365,000 (with NT\$ 2.5 per share). The unappropriated retained earnings are NT\$ 59,296,786.
2. 2015 cash dividend is NT\$ 1.5 per share, and stock dividend is NT\$ 2.5 per share. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date, ex-rights date, and other relevant issues. In the event that the total amount of the Company's outstanding shares, the proposed stock and cash distribution ratio to shareholders are affected by a buyback of shares or any transfer or retirement of treasury shares, exercising employee stock option certificates converted to issuance of new shares, it is proposed that the Chairman of the Board of Directors be authorized to adjust the cash and stock dividends to be distributed to each share and relevant issues.
3. The cash dividend will be paid in cash with calculation rounded down to the nearest one NTD (any amount under one NTD will be discarded). The remaining fraction will be incorporated into other incomes.
4. Please refer to the Profit Distribution Table as follows:

ASolid Technology Co., Ltd.
Profit Distribution Table
Year 2015

Unit: NT\$

Beginning Retained Earnings	40,794,324
Add: net profit after tax	126,096,069
Less: 10% legal reserve	12,609,607
Distributable net profit	154,280,786
Distributable items:	
Dividend to shareholders	
(Cash Dividend of NT\$1.5 per share)	35,619,000
(Stock Dividend of NT\$2.5 per share)	59,365,000
Unappropriated retained earnings	59,296,786

Chairman:

Kun-Wang Liu

Manager:

Kun-Wang Liu

FAD Director:

Mei-Jhih Chen

5. Approval is respectfully requested.

Resolution:

V. Discussion 2

Item 1: To discuss the issuance of new shares through capitalization of 2015 earnings

Proposed by the Board of Directors

Explanatory Notes:

1. Pursuant to Article 240 of the Company Act, the Company shall withdraw NT\$ 59,365,000 from 2015 unappropriated retained earnings to issue new shares through capitalization (with a total of 5,936,500 new shares, and NT\$ 2.5 per share).
2. After the proposal for capitalization has been approved by the competent authority, the new shares will be determined by the shareholding ratio of shareholders in the registry of shareholders on the record date. Each common share holder will be entitled to receive 250 stock dividends from retained earnings for each 1,000 shares owned. If the stock distribution includes any fractional shares, the shareholders concerned may arrange for pooling together their fractional shares to form one full share and register the same within 5 days after the record date. For the fractional share which cannot be pooled, the distribution will be made in the form of cash rounded to the nearest dollar amount calculated at par value. Such fractional shares will be purchased by persons arranged by the Chairman as authorized by the Board of Directors.
3. The rights and obligations of the news issued shares through capitalization shall be the same as existing shares.
4. After the resolution of record date for the issuance of new shares through capitalization and related issues have been approved in the Annual Shareholders' Meeting and the proposal for capitalization has been approved by the competent authority, the Board of Directors is authorized to determine the aforementioned matters. In the event that the total amount of the Company's outstanding shares, the proposed stock dividend distribution ratio to shareholders are affected by a buyback of shares or any transfer or retirement of treasury shares, exercising employee stock option certificates converted to issuance of new shares, it is proposed that the Chairman of the Board of Directors be authorized to adjust the stock dividends to be distributed to each share and relevant issues.
5. Resolution is respectfully requested.

Resolution:

Item 2: To discuss the amendments to the Operational Procedures for Acquisition and Disposal of Assets

Proposed by the Board of Directors

Explanatory Notes:

1. In order to comply with the Article 5-1 "OTC Commitment" of TPEX's letter no. 10401018931, it is proposed that some sections of the Company's "Operational Procedures for Acquisition and Disposal of Assets" shall be amended in accordance with the relevant Taiwan listing regulations and commitments.
2. The Comparison Table of the Amendments to the Operational Procedures for Acquisition and Disposal of Assets Before and After Revision is attached hereto as Attachment 6.
3. Resolution is respectfully requested.

Resolution:

VI. Special Motions

VII. Meeting Adjourned

Attachment 1: Comparison Table for the Amendments to the Articles of Incorporation Before and After Revision

Amended Article	Current Article	Note
<p>Article 6: The total capital stock of the Company shall be in the amount of <u>500,000,000</u> New Taiwan Dollars, divided into <u>50,000,000</u> shares with a par value of ten New Taiwan Dollars. The Board of Directors is authorized to issue the un-issued shares in installments, of which <u>50,000,000</u> New Taiwan Dollars are reserved and divided into <u>5,000,000</u> shares with a par value of ten New Taiwan Dollars for the issuance of employee stock options in installments pursuant to the resolutions of the Board of Directors.</p>	<p>Article 6: The total capital stock of the Company shall be in the amount of 300,000,000 New Taiwan Dollars, divided into 30,000,000 shares with a par value of ten New Taiwan Dollars. The Board of Directors is authorized to issue the un-issued shares in installments, of which 30,000,000 New Taiwan Dollars are reserved and divided into 3,000,000 shares with a par value of ten New Taiwan Dollars for the issuance of employee stock options in installments pursuant to the resolutions of the Board of Directors.</p>	<p>In accordance with the Company's business needs.</p>
<p>Article 24: If the Company has <u>any profits (referring to as the balance profits which the earnings before tax minus the compensation distribution for employees and directors)</u> in the fiscal year, the Company shall set aside <u>7~17%</u> of the profit left over as the compensation to employees and <u>no higher than 5%</u> as the compensation to directors. Provided the Company has any accumulated losses (including the adjustment of unappropriated retained earnings), the Company shall retain the offset amount for losses in advance.</p> <p>Employee bonus may be distributed by way of stock or cash and the employees qualifying for such distribution may include the employees of subsidiaries of the Company who met certain specific requirements defined by the Board of Directors. The compensation to the directors may be distributed by way of cash only. The distribution proposal for employee bonus and directors' compensation shall be approved with a</p>	<p>Article 24: When allocating the net profits for each fiscal year, the Company shall first offset its losses in previous years and set aside a legal capital reserve at 10% of the profit left over; then set aside the special capital reserve which could be appropriated in accordance with the applicable laws or regulations by the competent authority. With the remaining profits, the Company shall set aside 10~20% of the remaining portion as the bonus to employees of the Company (in the event that the employee bonus is distributed in the form of stocks, the employees qualifying for such distribution may include the employees of subsidiaries of the Company who meet certain specific requirements) and 1~5% of the remaining portion as the compensation to the directors and supervisors, and the remaining portions of</p>	<p>In accordance with the requirements by the applicable laws.</p>

<p>resolution by a majority of the directors present at a meeting attending by two-thirds of the directors, and then appropriated according to a resolution adopted in the shareholders' meeting.</p> <p>When allocating the <u>net income</u> for each fiscal year, the Company shall first offset its accumulated losses (including the adjustment of unappropriated retained earnings) in the previous years and set aside a legal reserve at 10% of the profit left over, until the accumulated legal capital reserve has equaled the total paid-in capital of the Company, then set aside special capital reserve in accordance with relevant laws and regulations, and then set aside the special capital reserve which could be appropriated in accordance with the applicable laws or regulations by the competent authority. Any balance left over, along with the prior year unappropriated retained earnings (including adjustment of the unappropriated retained earnings), shall be allocated based on the proposal for distribution established by the Board of Directors and then submitted for distribution per resolution of the shareholders' meeting. The distribution policy of the Company is made in accordance with the factors, such as its current and future business plans, investment environments, capital needs and the foreign and domestic competition conditions and shareholders' benefits. Among the distribution of earnings, the cash dividends shall not be lower than 10% of total dividends to shareholders, provided the Company might adjust its distribution policy for cash and stock dividends pursuant to the factors, such as the economic conditions, industry development, capital needs, etc.</p>	<p>the profits, plus the prior year accumulated unappropriated retained earnings and the unappropriated retained earnings of this year may be adjusted as the distributable net profit and appropriated according to a resolution adopted in the shareholders' meeting. Among the distribution of earnings, the cash dividends shall not be lower than 10% of total dividends to shareholders, provided the Company might adjust its distribution policy for cash and stock dividends pursuant to the factors, such as the economic conditions, industry development and capital needs, etc.</p>	
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<p>These Articles of Incorporation were enacted on Jan. 21, 2008.</p> <p>The 6th amendment was on Jun 23, 2014.</p> <p>The 7th amendment was on Jun 14, 2016.</p>	<p>These Articles of Incorporation were enacted on Jan. 21, 2008.</p> <p>The 6th amendment was on Jun 23, 2014</p>	<p>Add the date for this amendment</p>
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Attachment 2: 2015 Business Report

2015 Business Report

1. 2015 Business Results

In the first half of 2015, the NAND Flash applications market faced an extended period of stagnant end-customer demands and continuous price drops in the NAND Flash inventory and memory application products, which had led downstream module houses to withdraw their demands for NAND Flash controllers. As a result of the external market adversities, ASolid's operating revenue in 2015 totaled NT\$1,090 million, which was a decrease of NT\$280 million compared to the same period of 2014. As SD3.0 controller products accounted for an increasing portion of ASolid's total shipments, the gross profit margin in 2015 was 35%, which was a 9% growth compared to 2014. The Company's net profit after tax in 2015 was NT\$126 million, with an EPS of NT\$5.83.

2. Business Guidelines and Practices

ASolid is dedicated to the research and development of NAND Flash controller solutions with premium quality and performance in response to the surging global demands for NAND Flash storage products. Our controller product family mainly consists of "SD memory card controllers" and "USB flash controllers". In terms of memory card controllers, our products have established well-received and trustworthy reputations among our customers and have been widely adopted and distributed throughout every region of the world, including Taiwan, Mainland China, Asia, the Americas, Europe, and even Africa. Besides our SD2.0 controller products with comprehensive supports for consumer devices (such as mobile phones and tablets), we have also launched high-performance SD3.0 controller products with enhanced supports for 4K2K UHD TV and video-recording features on other advanced devices, providing the best controller chip solutions for the rapid-growing multimedia memory storage card market. ASolid continues to aggressively extend the market reach of its SD controller products beyond the existing customer bases, and expects a steady market share growth in the coming years. In terms of USB flash controllers, our USB2.0 controller solutions have been

successfully certified and widely adopted by leading-brand manufacturers. While the standards of USB Flash Drives are gradually shifting from USB2.0 toward USB3.1, ASolid is actively engaging in USB3.1 projects with our customers, and plans to release USB3.1 controller chip solutions with enhanced support for SuperSpeed USB applications as well as USB Type-C applications, providing 10x data transfer rates with significantly shortened copy-read time, which is expected to drive another business growth for the Company. Additionally, ASolid continues to focus on the development of industrial grade products with its major customer base in Japan. For the coming years, ASolid plans to invest more resources in this product line to develop a diverse customer base from different regions. Furthermore, ASolid has already developed eMMC5.1 controller chip solutions which are deemed as one of the featured products of the Company, and expects to release customer samples in the first half of 2016.

Prospecting the future, ASolid will strive to enforce both internal control and audit systems, implement corporate governance, and continue its efforts in the development of new products, the expansion of market segments, as well as the dedication to operational cost reduction and pursuit of business excellence.

At last, we would like to take this opportunity to thank our shareholders for your continuous support.

Sincerely yours,

Chairman and President Kun-Wang Liu
FAD Director Mei-Jhih Chen

Attachment 3: Audit Committee's Review Report on the 2015 Financial Statements

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2015 Business Report, Financial Statements (including Consolidated and Individual Financial Statements) and proposal for allocation of profits. The independent auditors, Mr. Jin-Jhang Chen and Ms. Mei-Jhen Cai, of Deloitte & Touche, were retained to audit ASolid's Financial Statements and have issued an audit report relating to the Financial Statements. The Business Report, Financial Statements and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of ASolid Technology Co., Ltd. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

ASolid Technology Co., Ltd.
Chairman of the Audit Committee
Wen-Nan Zhan

March 7, 2016

Attachment 4: Report on 2015 Directors' Compensation and Employees' Profit Sharing

1. The Board of Directors adopted a proposal for 2015 compensation to Directors and employees' cash profit sharing on March 7, 2016. The proposal will be effected upon the approval of shareholders at the Annual Shareholders' Meeting on June 14, 2016.
 1. Employees' cash profit sharing: NT\$14,938,000.
 2. Directors' compensation: NT\$1,800,000.
2. Explanation on the amounts of the aforementioned items and the expenses recognized accrued for the year:
 1. Discrepancy: None.
 2. Cause: N/A.
 3. Treatment: N/A.

Attachment 5: Independent Auditors' Report and Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
ASolid Technology Co., Ltd.

We have audited the accompanying consolidated balance sheets of ASolid Technology Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of December 31, 2015 and 2014 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2015 and 2014, and their consolidated financial performance and consolidated cash flows for the years ended 2015 and 2014 in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China.

We have also audited the parent company only financial statements of ASolid Technology Co., Ltd. as of and for the years ended December 31, 2015 and 2014 on which we have issued an unqualified report.

March 7, 2016

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance/results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)**

ASSETS	2015		2014		LIABILITIES AND EQUITY	2015		2014	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 4, 6, 25 and 28)	\$ 321,991	35	\$ 357,743	35	Trade payables (Notes 14, 25 and 28)	\$ 31,445	3	\$ 286,330	28
Debt investments with no active market - current (Notes 4, 7, 25 and 27)	2,034	-	65,518	7	Other payables (Notes 15 and 25)	74,927	8	52,849	6
Trade receivables, net (Notes 4, 5, 8, 25 and 28)	265,220	29	283,757	28	Current tax liabilities (Notes 4, 5 and 20)	14,516	2	22,249	2
Other receivables (Note 8)	3,832	-	2,707	-	Other current liabilities (Note 15)	402	-	241	-
Inventories (Notes 4, 5 and 9)	225,651	24	277,216	27	Total current liabilities	<u>121,290</u>	<u>13</u>	<u>361,669</u>	<u>36</u>
Prepayments	5,220	1	926	-	NON-CURRENT LIABILITIES				
Other current assets (Note 13)	80,096	9	885	-	Deferred tax liabilities (Notes 5 and 20)	1,198	-	2,168	-
Total current assets	<u>904,044</u>	<u>98</u>	<u>988,752</u>	<u>97</u>	Guarantee deposits received	114	-	114	-
NON-CURRENT ASSETS					Total non-current liabilities	<u>1,312</u>	<u>-</u>	<u>2,282</u>	<u>-</u>
Property, plant and equipment (Notes 4, 5 and 11)	9,008	1	7,390	1	Total liabilities	<u>122,602</u>	<u>13</u>	<u>363,951</u>	<u>36</u>
Other intangible assets (Notes 4 and 12)	4,485	-	12,268	1	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 17)				
Deferred tax assets (Notes 4, 5 and 20)	6,611	1	6,647	1	Ordinary shares	237,460	25	200,000	20
Prepayments for business facilities	-	-	1,669	-	Capital surplus				
Guarantee deposits paid	1,263	-	1,261	-	Additional paid-in capital	359,219	39	277,478	27
Total non-current assets	<u>21,367</u>	<u>2</u>	<u>29,235</u>	<u>3</u>	Employee share options	10,503	1	7,935	1
TOTAL ASSETS	<u>\$ 925,411</u>	<u>100</u>	<u>\$ 1,017,987</u>	<u>100</u>	Total capital surplus	<u>369,722</u>	<u>40</u>	<u>285,413</u>	<u>28</u>
					Retained earnings				
					Legal reserve	15,050	2	2,061	-
					Unappropriated retained earnings	166,890	18	133,783	13
					Total retained earnings	<u>181,940</u>	<u>20</u>	<u>135,844</u>	<u>13</u>
					Total equity attributable to owners of the Company	789,122	85	621,257	61
					NON-CONTROLLING INTERESTS	<u>13,687</u>	<u>2</u>	<u>32,779</u>	<u>3</u>
					Total equity	<u>802,809</u>	<u>87</u>	<u>654,036</u>	<u>64</u>
					TOTAL LIABILITIES AND EQUITY	<u>\$ 925,411</u>	<u>100</u>	<u>\$ 1,017,987</u>	<u>100</u>

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

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 18)	\$ 1,104,986	100	\$ 1,394,883	100
OPERATING COSTS (Note 9)	<u>(709,347)</u>	<u>(64)</u>	<u>(1,020,846)</u>	<u>(73)</u>
GROSS PROFIT	<u>395,639</u>	<u>36</u>	<u>374,037</u>	<u>27</u>
OPERATING EXPENSES (Notes 18 and 26)				
Selling and marketing expenses	(39,976)	(4)	(37,889)	(3)
General and administrative expenses	(57,415)	(5)	(42,570)	(3)
Research and development expenses	<u>(181,580)</u>	<u>(16)</u>	<u>(163,602)</u>	<u>(12)</u>
Total operating expenses	<u>(278,971)</u>	<u>(25)</u>	<u>(244,061)</u>	<u>(18)</u>
PROFIT FROM OPERATIONS	<u>116,668</u>	<u>11</u>	<u>129,976</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 19)	622	-	2,318	-
Other gains and losses (Note 19)	12,591	1	10,251	1
Finance costs (Notes 4 and 19)	<u>(1,043)</u>	<u>-</u>	<u>(672)</u>	<u>-</u>
Total non-operating income and expenses	<u>12,170</u>	<u>1</u>	<u>11,897</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	128,838	12	141,873	10
INCOME TAX EXPENSE (Notes 4 and 20)	<u>(21,834)</u>	<u>(2)</u>	<u>(23,704)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>107,004</u>	<u>10</u>	<u>118,169</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 107,004</u>	<u>10</u>	<u>\$ 118,169</u>	<u>8</u>
NET PROFIT ATTRIBUTABLE TO:				
Owner of the Company	\$ 126,096	12	\$ 129,890	9
Non-controlling interests	<u>(19,092)</u>	<u>(2)</u>	<u>(11,721)</u>	<u>(1)</u>
	<u>\$ 107,004</u>	<u>10</u>	<u>\$ 118,169</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the Company	\$ 126,096	12	\$ 129,890	9
Non-controlling interests	<u>(19,092)</u>	<u>(2)</u>	<u>(11,721)</u>	<u>(1)</u>
	<u>\$ 107,004</u>	<u>10</u>	<u>\$ 118,169</u>	<u>8</u>

(Continued)

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 21)				
Basic	\$ 5.83	-	\$ 7.25	-
Diluted	\$ 5.46	-	\$ 6.65	-

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

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**STATEMENTS OF CHANGES IN EQUITY
FOR YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company						Non-controlling Interests	Total Shareholders' Equity
	Share Capital		Capital Surplus		Retained Earnings			
	Shares	Capital Share	Additional Paid-in Capital	Employee Share Options (Note 23)	Legal Reserve	Unappropriated Earnings		
BALANCE, JANUARY 1, 2014	14,660	\$ 146,600	\$ 117,278	\$ -	\$ -	\$ 20,614	\$ -	\$ 284,492
Issue of ordinary shares for cash in July 2014	5,340	53,400	160,200	-	-	-	-	213,600
Appropriation of 2013 earnings								
Legal reserve	-	-	-	-	2,061	(2,061)	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(14,660)	-	(14,660)
Other changes in capital surplus								
Recognition of employee share options by the Company	-	-	-	7,935	-	-	-	7,935
Net profit for the year ended December 31, 2014	-	-	-	-	-	129,890	(11,721)	118,169
Total comprehensive income for the year ended December 31, 2014	-	-	-	-	-	129,890	(11,721)	118,169
Changes in non-controlling interests	-	-	-	-	-	-	44,500	44,500
BALANCE, DECEMBER 31, 2014	20,000	200,000	277,478	7,935	2,061	133,783	32,779	654,036
Issue of ordinary shares for cash in November 2015	2,300	23,000	73,820	-	-	-	-	96,820
Appropriation of 2014 earnings								
Legal reserve	-	-	-	-	12,989	(12,989)	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(70,000)	-	(70,000)
Share dividends distributed by the Company	1,000	10,000	-	-	-	(10,000)	-	-
Other changes in capital surplus								
Compensation cost of employee share options	-	-	-	5,137	-	-	-	5,137
Conversion of employee share options	446	4,460	7,921	(2,569)	-	-	-	9,812
Net profit for the year ended December 31, 2015	-	-	-	-	-	126,096	(19,092)	107,004
Total comprehensive income for the year ended December 31, 2015	-	-	-	-	-	126,096	(19,092)	107,004
BALANCE, DECEMBER 31, 2015	<u>23,746</u>	<u>\$ 237,460</u>	<u>\$ 359,219</u>	<u>\$ 10,503</u>	<u>\$ 15,050</u>	<u>\$ 166,890</u>	<u>\$ 13,687</u>	<u>\$ 802,809</u>

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

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 128,838	\$ 141,873
Adjustments for:		
Depreciation expenses	3,240	2,895
Amortization expenses	10,421	6,718
Provision for bad debt expense	3,442	-
Net gain on financial assets at fair value through profit or loss	-	(164)
Finance costs	1,043	672
Interest income	(571)	(807)
Compensation cost of employee share options	5,137	7,935
Write-down of inventories	3,971	3,554
Unrealized foreign exchange gain	(2,844)	(3,365)
Changes in operating assets and liabilities:		
Decrease (increase) in trade receivables	22,301	(136,586)
(Increase) decrease in other receivables	(1,125)	2,259
Decrease (increase) in inventories	47,594	(206,893)
(Increase) decrease in prepayments	(4,294)	7,719
Increase in other current assets	(79,215)	(872)
(Decrease) increase in trade payables	(260,807)	152,453
Increase in other payables	22,078	26,671
Increase in accrued expenses	161	35
Cash generated from operations	(100,630)	4,097
Interest paid	(1,043)	(672)
Income tax paid	(30,497)	(6,927)
Net cash generated used in operating activities	<u>(132,170)</u>	<u>(3,502)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of debt investments with no active market	-	(49,513)
Proceeds on sale of debt investments with no active market	63,484	-
Payments for property, plant and equipment	(2,888)	(3,558)
Increase in refundable deposits	(2)	(815)
Payments for intangible assets	(2,638)	(15,367)
Increase in prepayments for business facilities	(301)	(3,832)
Interest received	571	807
Net cash generated from (used in) investing activities	<u>58,226</u>	<u>(72,278)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	373,377	313,051
Repayments of short-term borrowings	(373,377)	(323,051)
Proceeds from guarantee deposits received	-	114
Exercise employee share options	9,812	-
Dividends paid to owners of the Company	(70,000)	(14,660)
Proceeds from issuing shares	96,820	213,600

(Continued)

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars)

	2015	2014
Increase in non-controlling interests	<u>-</u>	<u>44,500</u>
Net cash generated from financing activities	<u>36,632</u>	<u>233,554</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>1,560</u>	<u>892</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(35,752)	158,666
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>357,743</u>	<u>199,077</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 321,991</u>	<u>\$ 357,743</u>

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The Company required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2015 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard NO.10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

ASOLID TECHNOLOGY CO., LTD.

Attachment 6: Comparison Table for the Amendments to the Operational Procedures for Acquisition and Disposal of Assets Before and After Revision

Amended Article	Current Article	Note
<p>6.4 <u>4. The Company shall not waive its rights in the capital increase of Broadway Semiconductor (below referred to as “Broadway”) in the fiscal years going forward. Provided that any of the aforementioned rights in capital increase is waived or the disposal of the shares of Broadway for the purpose of strategic alliance or other circumstances shall be approved by the GreTai Securities Market, and then proposed and approved through special resolution by the Company’s Board of Directors. Any amendment to this Article shall be posted as material information on the Market Observation System and reported to the GreTsai Securities Market for its reference.</u></p>	<p>None</p>	<p>Article added in accordance with TEPX’s letter no. 1040101632 to apply with the relevant Taiwan listing regulations and commitments.</p>
<p>9. Application and amendment Established date: June 23, 2014 The 1st amendment date: June 14, 2016</p>	<p>9. Application and amendment: Established date: June 23, 2014</p>	<p>Add record for this amendment.</p>

Appendix 1: Articles of Incorporation (Before Revision)
(Translation)

**Articles of Incorporation
of
ASolid Technology Co., Ltd.**

Section I General Provisions

- Article 1: The Company shall be incorporated as a company limited by shares under the Company Act and its name shall be “ASolid Technology Co., Ltd.”
- Article 2: The scope of business of the Company shall be as follows:
ZZ99999. Other than the business which requires special approval, the Company may conduct any business that is not prohibited or restricted by any law or regulations.
- Article 3: The Company shall have its head-office in Hsinchu City and, if necessary, may set up business offices in and out of this country upon a resolution of its Board of Directors.
- Article 4: Public notices of the Company shall be made in accordance with Article 28 of the Company Act.
- Article 5: The Company may provide endorsement and guarantee and act as a guarantor for the purpose of business needs pursuant to the regulations required by the Company’s Operational Procedures for Endorsements.

Section I Shares

- Article 6: The total capital stock of the Company shall be in the amount of 300,000,000 New Taiwan Dollars, divided into 30,000,000 shares with a par value of ten New Taiwan Dollars. The Board of Directors is authorized to issue the un-issued shares in installments, of which 30,000,000 New Taiwan Dollars are reserved and divided into 3,000,000 shares with a par value of ten New Taiwan Dollars for the issuance of employee stock options in installments pursuant to the resolutions of the Board of Directors.
- Article 7: All share certificates of this Company shall be issue in registered form. The Company may issue registered stock without printing share certificates provided that the paid-in capital of the Company does not achieve the standard amount for printing share certificates required by the Company Act and related regulations. Upon the publicly issuance of stocks, it is permitted not to print the share certificates for the issued shares of the Company, but it is required that these shares shall be recorded by a centralized securities custodian or placed under the custody of such custodian.
- Article 8: The entries in the shareholders’ roster shall not be altered within 30 days prior to the convening date of a regular shareholders’ meeting, or within 15 days prior to the convening date of a special shareholders’ meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits. The periods specified in the preceding paragraph shall commence from the applicable convening date of shareholders’ meeting or from the applicable target date, as the case may be.
- Provided the Company has its shares issued to the public, the entries in its shareholders’ roster shall

not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.

Section III Shareholders' Meeting

Article 9: Shareholders' meeting shall be of two types, namely general and extraordinary shareholders' meeting; the former shall be convened once a year by the Board of Directors in accordance with laws within six months after the close of each accounting fiscal year and the latter shall be convened in accordance with laws whenever necessary. When the Company holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means in accordance with related regulations and laws.

Article 11: Unless otherwise specified in the Article 157 Paragraph 3 and Article 179 of the Company Act, each shareholder shall be entitled to one vote for each share owned.

Article 12: Unless otherwise provided by the Company Act, a resolution of shareholders shall be adopted, if passed, a majority of the votes held by shareholders present at the meeting attended by shareholders representing a majority of the total issued and outstanding shares.

Article 12-1: The shareholders' meeting shall be convened by the Board of Directors and chaired by the Chairman of the Board of Directors. In the event the Chairman of the Board of Directors is absent, the Chairman shall designate one Director to act on his behalf. In the absence of such a designation, the Directors shall elect a director from among themselves to preside at the meeting. If the shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the meeting shall be chaired by the convening party. When there are two or more such convening parties, they shall mutually elect a chair from among themselves to preside at the meeting.

Article 13: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

Upon the public issuance of shares, the Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

Article 14: Provided the Company has its share certificates publically issued, a resolution for revoking the publically issued shares shall be adopted by a majority vote at a meeting of shareholders attended by shareholders representing two-thirds or more of the total number of the outstanding shares of the Company.

Section IV Directors and Supervisors

Article 15: The Company will have three (3) to five (5) Directors and one (1) to three (3) Supervisors to be elected at a shareholders' meeting from persons of legal capacity to serve a term of three years. A director or supervisor may be re-elected.

Provided the public issuance of the Company's shares, the Company shall have five (5) to seven (7)

Directors and two (2) to three (3) Supervisors to be elected at a shareholders' meeting from persons of legal capacity to serve a term of three years. A Director or Supervisor may be re-elected.

The Company shall purchase liability insurance for the Directors and Supervisors based on their operational business scopes during their terms.

Article 16: When the posts of one-third or more of the Directors have been vacated or all of the Supervisors have been discharged, an extraordinary meeting of shareholders shall be convened by the Board of Directors to elect Directors or Supervisors to fill the vacancies within thirty (30) days. Provided the public issuance of the Company's shares, an extraordinary meeting of shareholders shall be convened by the Board of Directors to elect Directors or Supervisors to fill the vacancies within sixty (60) days.

Article 17: In the event that no new Directors or Supervisors can be elected immediately after the expiration of a term of office, the current Directors or Supervisors shall continue to perform their duties until the new Directors or Supervisors are elected and assume their office. However, the competent authority may order the Company to elect new Directors or Supervisors within a given time limit; and if no re-election is effected after expiry of the given time limit, the out-going Directors and Supervisors shall be discharged ipso facto from such expiration date.

Article 18: Provided the Company has its share certificates issued publically, the Company shall appoint independent directors in accordance with Article 14-2 of the Securities and Exchange Law. The positions held by Independent Directors shall be no less than two in number and no less than one-fifth of the total number of Directors. The candidates for Independent Directors are nominated and then elected by the shareholders' meeting from among the nominees listed in the roster of director candidates. The professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination and appointment and other matters for compliance with respect to Independent Directors shall be handled in accordance with the Company Act, Securities and Exchange Act and relevant regulations.

Article 18-1: Provided the Company has its share certificates issued publically, the Company shall comply with Article 14-4 of the Securities and Exchange Law and establish an Audit Committee, which shall consist of all Independent Directors. The Audit Committee or the members of Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Act, Securities and Exchange Law and other relevant regulations.

Article 19: The Board of Directors shall be organized by the Directors. The Chairman of the Board of Directors shall be elected by a majority of the Directors present at a meeting attending by two-thirds of the Directors. The Chairman of the Board of Directors shall be the authorized representative of the Company.

Article 20: In the event that the Chairman of the Board of Directors is on leave or cannot exercise his/her duties for any reasons, his/her proxy shall act in accordance with Article 208 of the Company Act. Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors. Directors shall be present at the Board of Directors meeting in person. If a video conference is held, a Director attends such conference through visual means shall be deemed present at the conference as if the director were there in person. Where a Director is unable to attend the Board of Directors

meeting, he/she may issue proxy setting forth the scope of authorization by signing or affixing his/her seal on the proxy form for another director to present on his/her behalf. The representative shall serve as the proxy for one Director only.

In calling a meeting of the Board of Directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each director and supervisor no later than 7 days prior to the scheduled meeting date. However, in the case of emergency, the meeting may be convened at any time. The notice of Board of Directors meeting may be made to each Director and Supervisor by correspondence or electronic or facsimile means.

Article 21: The Board of Directors is authorized to determine the compensation payable to the Chairman, Directors and Supervisors of the Company, taking into account their contributions to the Company and also with reference to the industry payout standard.

Section V Managers

Article 22: The Company may have Managers, whose appointments, discharge and compensations shall be subject to provisions in Article 29 of the Company Act.

Section VI Accounting

Article 23: The Board of Directors shall prepare at the close of each accounting fiscal year for the Company (1) Business Report, (2) Financial Statements, (3) Proposal of Distribution of Earnings or Making Up of Loss, etc. and forward them to the Auditor for examination thirty days prior to the regular meeting of Shareholders, and submit them to the regular meeting of Shareholders for approval pursuant to the applicable laws.

Article 24: When allocating the net profits for each fiscal year, the Company shall first offset its losses in previous years and set aside a legal capital reserve at 10% of the profit left over; then set aside the special capital reserve which could be appropriated in accordance with the applicable laws or regulations by the competent authority. With the remaining profits, the Company shall set aside 10~20% of the remaining portion as the bonus to employees of the Company (in the event that the employee bonus is distributed in the form of stocks, the employees qualifying for such distribution may include the employees of subsidiaries of the Company who meet certain specific requirements) and 1~5% of the remaining portion as the compensation to the directors and supervisors, and the remaining portions of the profits, plus the prior year accumulated unappropriated retained earnings and the unappropriated retained earnings of this year may be adjusted as the distributable net profit and appropriated according to a resolution adopted in the shareholders' meeting. Among the distribution of earnings, the cash dividends shall not be lower than 10% of total dividends to shareholders, provided the Company might adjust its distribution policy for cash and stock dividends pursuant to the factors, such as the economic conditions, industry development and capital needs, etc.

Section VII Additional Rules

Article 25: The Company may invest in other companies based on its business needs and such investment by the Company and the position as the shareholder of other companies shall be made in accordance with a resolution adopted by the Board of Directors. The total amount of such investment shall exceed 40% of the amount of the Company's paid-in capital.

Article 26: In regard to all matters not provided for in these Articles of Incorporation, the Company Act shall govern.

Article 27: These Articles of Incorporation were enacted on Jan. 21, 2008

The 1st amendment was on Feb. 29, 2008

The 2nd amendment was on Mar. 2, 2009

The 3rd amendment was on Jan. 4, 2010

The 4th amendment was on Sep. 15, 2011

The 5th amendment was on Dec. 31, 2013

The 6th amendment was on Jun. 23, 2014

ASolid Technology Co., Ltd.

Kun-Wang Liu

Appendix 2: Rules of Procedures for Shareholders' Meetings

1. Revision History: 01

2. Purpose:

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these rules are adopted pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.

3. Scope:

The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.

4. Responsibility: N/A

5. Definition: N/A

6. Operation Content

6.1. Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.

6.2. The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of Directors or Supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place. The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of Directors or Supervisors, amendments to the Articles of Incorporation, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion. A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion

at a regular shareholders' meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publically announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals that conform to the provisions of this Article. At the shareholders' meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

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

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

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

6.4. The venue for a shareholders' meeting shall be the premises of this Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the Independent Directors with respect to the place and time of the meeting.

6.5. The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or

attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors or Supervisors, pre-printed ballots shall also be furnished. When the government or a justice person is a shareholder, it may be presented by more than one representative at a shareholders' meeting. When a justice person is appointed to attend as proxy, it may designate only one person to present it in the meeting.

- 6.6. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the Managing Directors to act as chair, or, if there are no Managing Directors, one of the Directors shall be appointed as chair. Where the Chairman does not make such designation, the Managing Directors or the Directors shall select from among themselves one person to serve as chair.**

When a Managing Director or a Director serves as chair, as referred to in the preceding paragraph, the Managing Director or Director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a justice person director that serves as chair. It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman of the Board and attended by a majority of the Directors, and at least one Independent Director in person. The attendees shall be recorded in the meeting minutes. If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

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

- 6.7. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.**

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

- 6.8. Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements**

and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

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

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

- 6.9. If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.**

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting. The chair shall allow ample opportunity during the meeting for explanation and discussion for proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

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

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation. When a justice person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

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

- 6.11. Voting at a shareholders' meeting shall be calculated based on the number of shares.**

With respect to resolutions of shareholders' meetings, the numbers of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. When a shareholder is an interested party in relation to an agenda item, and there is the

likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

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

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

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

When the Company holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voted after solicitation by the Chairman. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended in the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

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

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

The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voted after solicitation by the Chairman.

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

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

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the number of votes, shall be announced

on-site at the meeting, and a record made of the vote.

- 6.13. The election of Directors or Supervisors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as Directors and Supervisors and the numbers of votes with which they were elected.**

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

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

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

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

- 6.15. On the day of a shareholders' meeting, the Company shall compile in the prescribed format at a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.**

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws and regulation or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed period.

- 6.16. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.**

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

- 6.17. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting**

temporarily suspended and announce a time when, in view of circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

7. Reference: N/A

8. Application Form: N/A

9. Announcement (Implementation and Amendments)

The establishment and amendment of these Rules of Procedures shall be approved by the Board of Directors and submitted for approval by the shareholders' meeting before entering into effect.

Passed by the Board of Directors: May, 19, 2014

Passed by the shareholders' meeting: June 23, 2014

The 1st amendment was passed by the Board of Directors: March 16, 2015

The 1st amendment was passed by the shareholders' meeting: June 22, 2015

Appendix 3: Operational Procedures for Acquisition or Disposal of Assets (Before Revision)

1. **Revision History: 02**

2. **Purpose:**

For the purpose of asset management enforcement and full disclosure of information, the “Operational Procedures for Acquisition and Disposal of Assets” are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act.

3. **Scope:**

- 3.1 Investment in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- 3.2 Real property (including land, houses and buildings, investment property, rights to use land, and construction enterprise inventory) and equipment.
- 3.3 Memberships.
- 3.4 Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- 3.5 Claims of financial institutions (including receivables, bills purchased and discounted, loan, and overdue receivables).
- 3.6 Derivatives.
- 3.7 Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- 3.8 Other major assets.

4. **Responsibility:**

- 4.1 The operating procedures are established by the Finance and Accounting Department of the Company in accordance with the provisions of the regulations required by the competent authority and based on the actual conditions of the Company. After the procedures have been approved by the Board of Directors, they shall be submitted to each supervisor, and then to a shareholders’ meeting for approval; the same applies when the procedures are adopted or amended. If any Directors express dissent and it is contained in the minutes or a written statement, the Company shall submit the Director’s dissenting opinion to each supervisor or the audit committee.
- 4.2 Where an Audit Committee has been established in accordance with the provisions of the related regulations of the competent authority, when the “Operational Procedures for Acquisition and Disposal of Assets” are adopted or amended, they shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution.
- 4.3 If approval of more than half of all Audit Committee members as required in Article 4.2 is not obtained, the procedures may be implemented if approved by more than two-thirds of all

Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

- 4.4 Where the position of Independent Director has been created, when the “Operational Procedures Acquisition and Disposal of Assets” are submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each Independent Director’s opinions. If an Independent Director objects to or express reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.
- 4.5 The terms “all Audit Committee members” in Article 4.3 and “all Directors” in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

5. Definition:

- 5.1 Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term “forward contracts” does not include insurance contracts, performance contracts, after-sale service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.
- 5.2 Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration (hereinafter “transfer of shares”) under Article 156, paragraph 8 of the Company Act.
- 5.3 Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- 5.4 Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- 5.5 Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of Board of Directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- 5.6 Mainland China area investment: Refers to investments in the Mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

6. Operation Content

6.1. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.

6.2. The investment scopes and limits of the Company and subsidiaries are as follows:

1. Investments in Securities:

The total amount of investment in securities shall not exceed 40% of each company's (herein referred to as the Company and its subsidiaries) shareholder equity (excluding the allowances for the falling price loss); the amount of investment in any single security shall not exceed 20% of each company's (herein referred to as the Company and its subsidiaries) shareholder equity (excluding the allowance for the falling price loss).

2. Investments in Non-Business Use Real Property:

The total amount of investment in non-business use real property shall not exceed 20% of each company's shareholder equity (excluding the allowances for the falling price loss). Unless the trading is made by investment professionals, or otherwise specified in the Articles of Incorporation, or has obtained approval of the shareholders or resolved by the shareholders' meeting pursuant to Article 13 of the Company, the aforementioned total amount of investment shall not exceed 40% of each company's (herein referred to as the Company and its subsidiaries) shareholder equity (excluding the allowances for the falling price loss).

6.3. Acquisition or Disposal of Real Property or Other Fixed Assets

1. Evaluation and operational procedures: Acquisition or disposals of real property or other fixed assets shall be subject to the Company's Procedures for Fixed Assets Circulation under the Internal Control Systems.

2. Determination Procedures for Transaction Terms and Authorized Limits

(1) The transaction terms and prices for the acquisition or disposal of real property shall be based on the publically announced value, appraised value (including appraisal reports), and actual closing prices for nearby real properties compiled in a report for submission to the President and Chairman. The authorization of price limits shall be proceeded in accordance with the Company's level of authorization.

(2) Acquisition or disposal of other fixed assets shall be based either on price solicitation, price comparison, price negotiation or tender, for which the authorization of price limits shall be proceeded in accordance with the Company's level of authorization.

(3) Level of Delegation and Authorization

Acquisition and disposal of assets shall be proceeded in accordance with the Company's level of authorization.

(4) Execution Unit

Acquisition and disposal of assets shall be executed by the finance department.

- (5) Where the Company's acquisition or disposal of assets that is subject to the approval of the Board of Directors under the Company's procedures or other laws and regulations, if a Director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to each supervisor or the Audit Committee. Where the position of Independent Director has been created, when a transaction involving in the acquisition or disposal of assets is submitted for discussion by the Board of Directors pursuant to the related regulations, the Board of Directors shall take into full consideration of each Independent Directors' opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. Where an Audit Committee has been established, any transaction involving in major assets or derivatives shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution, and shall be subject to mutatis mutandis application of Article 4.3 and 4.5.

3. In acquiring or disposing of real property or other fixed assets where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- (1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed by any future changes to the terms and conditions of the transaction.
- (2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)

and render a specific opinion regarding the reason for the discrepancy and appropriateness of the transaction price:

- A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
 5. Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph, shall be obtained within 2 weeks commencing immediately from the date of occurrence.

6.4. Acquisition or Disposal of Securities

1. Evaluation and operational procedures: The securities transactions of the Company shall be subject to the Company's Procedures for Investment Circulation under the Internal Control System.
2. Determination Procedures for Transaction Terms and Authorized Limits
 - (1) For the securities transactions conducted in stock exchange or over the counter, the latest financial statement of the Company issued the shares concerned, which has been made public and reviewed and signed by the accountant, shall be referenced for evaluation of the transaction price and be determined by the responsible unit based on the market conditions. The authorization of price limits shall be proceeded in accordance with the Company's level of authorization.
 - (2) For the securities transactions not conducted in stock exchange or over the counter, the latest financial statement of the Company issued the shares concerned, which has been made public and reviewed and signed by the accountant, shall be referenced for evaluation of net value of per share, profit making capability and the potentials thereof, etc. The authorization of price limits shall be proceeded in accordance with the Company's level of authorization.
3. When acquiring or disposing of securities, 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, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statements of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

6.5. Acquisition or Disposal of Memberships or Intangible Assets

1. Evaluation and operational procedures: Where the Company acquires or disposes of memberships or intangible assets, the application shall be submitted with an evaluation report, and handled based on the Company's delegation of authorization and in accordance with below procedures.
2. Determination Procedures for Transaction Terms and Authorized Limits
 - (1) The transaction terms and prices for the acquisition or disposal of memberships shall be resolved based on the market fair and complied on an analysis report for submission to the Chairman. Transaction amount less than the 1% of paid-in capital or less than NT\$3 million shall be subject to the approval of the Chairman and reported in the board meeting which is held most recently; transaction amount higher than NT\$3 million shall be submitted for approval in advance by the Board of Directors.
 - (2) The transaction terms and prices for the acquisition or disposal of intangible assets shall be resolved based on the expert's review report or the market fair value and complied on an analysis report for submission to the Chairman. Transaction amount less than 10% of the paid-in capital or less than NT\$20 million shall subject to the approval of the Chairman and reported in the board meeting which is held most recently; transaction amount higher than NT\$20 million shall be submitted for approval in advance by the Board of Directors.
3. Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a government agency, 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.

6.6. The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 6.14, paragraph 1, subparagraph 5 herein, and "within the

preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA’s opinion has been obtained need not be counted toward the transaction amount.

6.7. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

6.8. Acquisition or Disposal of Assets from a Related Party

1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company’s total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA’s opinion in compliance with the provisions of the preceding section.

The calculation of transaction amount referred to in the preceding paragraph shall be made in accordance with Article 6.6 herein.

2. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

3. Evaluation and Operational Procedures: When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company’s total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and supervisors, or recognized by the Audit Committee:

(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.

(2) The reason for choosing the related party as a trading counterparty.

(3) With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Paragraph 7 subparagraph 1-5.

(4) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty’s relationship to the Company and the related party.

- (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
 - (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
 - (7) Restrictive covenants and other important stipulations associated with the transaction.
4. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 6.14, paragraph 1, subparagraph 5 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and recognized by the supervisors or the Audit Committee need not be counted toward the transaction amount.
5. With respect to the acquisition or disposal of business-use equipment between the Company and its subsidiaries, the Company's Board of Directors may pursuant to Article 6.3, paragraph 2 delegated the board chairman to decide such matters when the transaction is within a certain amount and have the decision subsequently submitted to and ratified by the next Board of Directors meeting.
6. Where the position of Independent Director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. Where an Audit Committee has been established in accordance with the provisions of the Act, the matters for which paragraph 3 requires recognition by the supervisors or the Audit Committee shall first approved by more than half of all Audit Committee members and then submitted to the Board of Directors for a resolution, and shall be subject to mutatis mutandis application of Article 4.3 and 4.5.
7. Evaluation of the transaction cost
 - (1) The Company that requires real property from a related party shall evaluate the reasonableness of the transaction cost by the following means:
 - A. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.

- B. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.
- (2) Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
- (3) Where the Company acquires real property from a related party and appraises the cost of the real property in accordance with paragraph 1 and paragraph 2, the Company shall also engage a CPA to check the appraisal and render a specific opinion.
- (4) Where the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with paragraph 3 and the preceding three paragraphs of Article 7 do not apply:
- A. The related party acquired the real property through inheritance or as a gift.
- B. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.
- C. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.
- (5) When the results of appraisal conducted in accordance with Article 7 paragraph 1 and paragraph 3 are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 7 paragraph 6. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA has been obtained, this restriction shall not apply:
- A. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
- (i) Where undeveloped land is appraised in accordance with the means in the preceding paragraph, the structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction

industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

- (ii) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.
 - (iii) Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.
- B. Where the Company acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of similar size by unrelated parties within the preceding year.
- C. Completed transactions for neighboring or closely valued parcels of land in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.
- (6) Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with the first five paragraphs of Article 7 are uniformly lower than the transaction price, the following steps shall be taken:
- A. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
 - B. Supervisors shall comply with Article 218 of the Company Act.
 - C. Actions taken pursuant to the preceding subparagraphs shall be reported to a

shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

Where the Company has set aside a special reserve under the preceding paragraph, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent. The appropriated retained earnings reserved according to the preceding paragraph shall be used to compensate appropriately or recover or dispose the assets with the losses due to price reduction, which was purchased at high price, or the same may be used for the purpose with proven reasonableness after being approved by the Financial Supervisory Commission.

When the Company obtains real property from a related party, it shall also comply with Paragraph 7, subparagraph 6 if there is other evidence indicating that the acquisition was not an arms-length transaction.

6.9. Operational procedures for acquisition or disposal of claims of financial institutions: In principle, the Company shall not engage in transactions involving acquisition or disposal of claims of financial institutions. If subsequently the Company intends to engage in transaction involving acquisition or disposal of claims of financial institutions, upon obtaining the approval of the Board of Directors, the evaluation and operational procedures shall be adopted.

6.10. Trading Principles and Strategies

1. Categories of transaction

The term "derivatives" as used herein refers to the derivatives defined in Article 5.1 in this operational procedure.

2. Operating and hedging strategies

Engagement in financial derivatives transaction is for the purpose of risk management and hedging for the Company; therefore, it is required to choose the trading goods which can mainly be used to hedge the risks arising from the business operations of the Company.

3. Segregation of duties

(1) Financial Unit

A. Develop trading strategies.

B. Collect market information and determine market trends and risks.

C. Engage in the execution and settlement of the trading of derivatives.

D. Evaluate the effectiveness of hedging.

- E. Evaluate the fair value of financial products.
- F. Measure the effectiveness of hedging tools.
- G. Evaluate the hedging items.

(2) Accounting Unit

- A. Confirm the usage of official seals for transactions, and confirm if the transactions and accounting management comply with the requirements of Financial Accounting Standards Board (FASB) Statements.
- B. Establish detailed statements about the foreign exchange positions.
- C. Verify the transaction positions with the banks on a regular basis.
- D. Establish detailed statements to provide the information about the exposed positions on a regular basis.

(3) Auditing Unit

Audit and monitor the transactions of financial derivatives and submit the audit report to the Chairman, the Board of Directors, supervisors or the Audit Committee.

4. Transaction Type

(1) Hedging transactions

- A. Complying with hedge accounting criteria: Transactions complying with the hedge accounting criteria required by the competent authority shall be handled in accordance with hedge accounting principles.
- B. Non-complying with hedge accounting criteria: In order to achieve the purpose of hedging, transactions non-complying with hedge accounting criteria shall be reviewed by its fair values. The profits and losses of such transactions shall be listed into the current profit and loss by its fair value.

(2) Non-hedging transactions

Operations for trading purposes; the Company shall not engage in operations for trading purposes.

5. Principles of Performance Evaluation

- (1) Effectiveness evaluation: If hedge accounting criteria applies, it is required that the fair values or cash flow changes shall be offset with highly effectiveness (80%~125%).
- (2) The finance unit shall evaluate and review the operational performances on a daily basis, establish the evaluation reports and submit to the finance unit manager, with the copy of the report submitted to the audit unit manager.
- (3) Non-hedging transactions: The Company shall not engage in non-hedging transactions.

6. Transaction Amount

The total amount of contract shall not exceed 50% of the net amount of the Company. The

current net amount is based on the most recent financial statements certified or audited by the certified public accountant.

7. The Upper Limit of Losses for All and Individual Contracts

- (1) For foreign currency hedging exchange forward contract transactions, the upper limit for all and individual contracts is 15% of the transaction amount.
- (2) For interest rate swap hedging transactions, the upper limit for all and individual contract is 10% of the transaction amount.
- (3) For other financial derivatives transactions, the upper limit for all and individual contracts is 10% of the transaction amount.

6.11. Internal Control Systems

1. The internal control systems shall follow the principle of responsibility separation for trading, closing, auditing, supervision and management operations to achieve the effects of work specialization and balancing.
2. Measures of Risk Management
 - A. Credit Risk Management: The trading counterparts shall be confined to internationally renowned, creditable banks.
 - B. Market Price Risk Management: Verify the held positions and market values on a daily basis. Evaluate the market risks on a daily basis and compare with risk limitations.
 - C. Liquidity Risk Control Management: Avoid centering the transactions on the same market and specific products. Trading personnel shall report the market liquidity from time to time.
 - D. Cash Flow Risk Management: Keep regular monitoring of the cash flow of the Company to ensure the abundant cash ready for delivery. Besides, it is required to keep regular monitoring of the credit status of its trading counterparts (financial institutions). The trading amount shall be determined based on the capital requirements reported in the forecasted statements for cash deposit and withdrawal in the upcoming three months.
 - E. Operating Risk Management: Strictly comply with the operational procedures and flows and abide by responsibility assignments.
 - F. Legal Risk Management: Any legal documents signed with the trading counterparts shall be confined to the contracts popularly used in the market. Any unique contracts shall not be put into use until viewed and recommended by the attorney.
3. Internal Control
 - A. The respective functions of trading, settlement (finance) and confirmation (accounting) should not be performed by different personnel.

- B. Trading personnel shall handle the trading based on the authorized amount approved by the manager. Once the transaction is completed and audited by the manager, the transaction certificates or contracts shall be submitted to the accounting unit for recording.
 - C. The trading and accounting personnel shall check and verify the transaction details and total transaction amounts with the correspondent banks on a periodic basis.
 - D. The trading personnel shall keep monitoring and verify if the total amount of transaction exceeds the total amount of contract required in this procedure.
 - E. The accounting unit shall be responsible to evaluate the gains and losses based on currency of the trading day's closing price, interest rate, etc. in the end of every month, and then establish financial statements and send to the financial unit manager, with the copy sent to the audit unit manager. The positions held by the derivatives trading shall be evaluated for its gains and losses at least once a week, except that hedging financial derivatives trading needed in the business operation shall be evaluated at least twice a month. The evaluation reports thereof shall be submitted to the senior executives authorized by the Board of Directors.
 - F. President of the Company shall pay continuous attention to the risk management, monitoring and control of derivate products, and require the related personnel to report to the Board of Directors.
 - G. Where the Company engages in derivative trading, such transactions shall be handled by the finance department head duly authorized in accordance with these procedures and then reported to the board meeting.
 - H. The related units of the Company engaging in trading shall establish a log book in which details of the types and amounts of derivative trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated shall be recorded thoroughly in the log book.
 - I. If the Company's authorized signature at the bank has changed, it is required to notify the bank for change immediately and obtain the facsimiles of the authorized signature or the copy of the specimen signature card once the bank had made the changes accordingly. In the meantime, it is required to submit the application for archival of amended documents thereof.
4. The Board of Directors shall do monitoring and control on the following principles:
- A. Assign senior executives to supervise on the monitoring and control of derivative product transactions from time to time.
 - B. Evaluate whether the performance of derivative product transactions complies with the

business operation policy and whether the risks to be taken are within the allowable scope.

5. Senior executives duly authorized by the Board of Directors shall control the transaction of derivative products on the following principles:
 - A. Evaluate periodically whether the prevailing risk control measures are proper and whether they are complying with these procedures.
 - B. Monitor the status of transactions and gain/loss periodically. In case any abnormality is found, necessary actions must be taken to deal with promptly, and a report thereof be made to the Board of Directors. Where the position of Independent Director has been created, the Independent Director shall be invited to present at the board meeting to express their opinions.

6.12. Internal Audit Systems

The internal audit personnel shall evaluate the suitability of the internal control system in connection with financial derivative transactions on a regular basis, conduct a monthly audit of how well the trading department adheres to the procedures of engaging in derivatives trading, and prepare an audit report accordingly. Should there be any violation found, a written report is required to notify each supervisor or the Audit Committee.

6.13. Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares

1. Evaluation and Operational Procedures

- (1) Where the Company conducts a merger, demerger, acquisition, or transfer of shares, 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 the Board of Directors for deliberation and passage.
- (2) The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting and include it along with the expert opinion referred to in the preceding paragraph when sending shareholders notification of shareholders' meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders' meeting of any one of the companies participating in a

merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders' meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders' meeting.

2. A company participating in a merger, demerger, or acquisition shall convene a Board of Directors meeting and shareholders' meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

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

- (1) Basic identification data for the personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 - (2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.
 - (3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.
3. When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days commencing immediately from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.
 4. Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of paragraph 2 and 3.
 5. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose

- the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
6. Where the Company participates in a merger, demerger, acquisition, or transfer of shares, it may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alternation in the contract for the merger, demerger, acquisition, or transfer of shares:
 - (1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
 - (2) An action, such as a disposal of major assets, which affects the Company's financial operations.
 - (3) An event, such as a major disaster or major change in technology, which affects shareholder equity or share price.
 - (4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 - (5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 - (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
 7. The contract for participation by the Company in a merger, demerger, acquisition, or transfer of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:
 - (1) Handling of breach of contract.
 - (2) Principles for handling the equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 - (3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
 - (4) The manner of handling changes in the number of participating entities or companies.
 - (5) Preliminary progress schedule for plan execution, and anticipated completion date.
 - (6) Scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion, and relevant procedures.
 8. After public disclosures of information, if any company participating in the merger,

demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and participating Company's shareholders' meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from calling another shareholders' meeting to resolve on the matter anew.

9. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of subparagraph 2 to 5, and subparagraph 8.

6.14. Under any of the following circumstances, where the Company acquires or disposes of assets, it shall follow the Company's related procedures for handling, and publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:

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 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under purchase and resale agreements, or subscription or redemption of domestic money market funds.
2. Merger, demerger, acquisition, or transfer of shares.
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.
4. Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - (1) Trading of government bonds.
 - (2) 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..
 - (3) Trading of bonds under repurchase/resale agreements, or subscription or redemption of

domestic money market funds.

- (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.
 - (5) Acquisition or disposal by a public 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.
 - (6) Where land is acquired under an arrangement on engaging others to build on the Company's won land, engaging others to build on rented land, joint construction and allocation of ownership percentages, or 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.
5. The amount of transaction above shall be calculated as follows:
- (1) The amount of individual transaction.
 - (2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
 - (3) The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.
 - (4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
6. "Within the preceding year" as used in paragraph 1, subparagraph 5 refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need to be counted toward the transaction amount.
7. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of 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 FSC by the 10th day of each month.
8. 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, all the items shall be again publicly announced and reported in their entirety.
9. Where the Company acquires or disposes of assets, it shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company headquarters, where they shall be retained for 5 years except where another act provides otherwise.

10. After the disclosure of transaction in accordance with the first nine subparagraphs of paragraph 1, if any of the following events occur, the relevant information shall be disclosed and reported to the website assigned by FSC within 2 days commencing immediately from the date of occurrence of the event:

- (1) Change, termination, or rescission of a contract signed in regard to the original transaction.
- (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
- (3) Change to the originally publicly announced and reported information.

6.15. Control Procedures for the Company's Subsidiary

1. The Company's subsidiary governed under the operational procedures shall establish its "Operational Procedures for Acquisition and Disposal of Assets" as required and then submit for approval by the Board of Directors, and then present them to the shareholders' meeting of the subsidiary; the same applies when the procedures are amended.
2. Information required to be publicly announced and reported in accordance with the provisions of Article 6.13 on acquisitions and disposals of assets by a subsidiary of the Company that is not itself a public company in Taiwan shall be reported by the parent company.
3. The paid-in capital or total assets of the Company shall be the standard for determining whether or not a subsidiary referred to in the preceding paragraph is subject to the paragraph 1 of the preceding article, requiring a public announcement and regulatory filing in the event the type of transaction specified therein reaches 20 percent of paid-in capital or 10 percent of the total assets.

6.16. Any personnel of the Company who violates Regulations Governing the Acquisition and Disposal of Assets by Public Companies issued by the Securities and Futures Bureau or these operational procedures is subject to the Company's Code of Conduct Regulations and Personnel Management Measures for regular review, and shall be subsequently punished depending on the severity of the infringement.

6.17. For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used

In the case of the Company whose shares have no par value or a par value other than NT\$10, for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10

percent of equity attributable to owners of the parent company shall be substituted.

Any other matters not set for the in these procedures shall be dealt with in accordance with the applicable laws, rules and regulations.

6.18 The Operational Procedures for Acquisition or Disposal of Assets was established on May 19, 2014.

The 1st amendment was passed by the Board of Directors on December 21, 2015.

7. Reference: N/A

8. Application Form: N/A

9. Application Form: N/A

The procedures shall be passed by the Board of Directors, and submitted to each supervisor or the Audit Committee, and then to a shareholders' meeting for approval. If any Director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to each supervisor or the Audit Committee, and then submit it for discussion in a shareholders' meeting; the same applies when the procedures are amended. When the Company submits the procedures for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or express reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

Established date: June 23, 2015

Appendix 4: Shareholding of All Directors

ASolid Technology Co., Ltd. Shareholding of All Directors

Unit: Share

Position	Name	Record date: April 16, 2016	
		Shares	Shareholding Ratio
Chairman	Kun-Wang Liu	2,355,937	9.61%
Director	Wen-Hong Yen	516,264	2.11%
Director	Wei-Zhe Lin	562,818	2.30%
Director	Wen-Kuan Chen	220,270	0.90%
Independent Director	Wen-Nan Zhan	-	-
Independent Director	Song-Ren Fang	-	-
Independent Director	Xin-He Zheng	-	-

Note:

1. The minimum required combined shareholding of all Directors by law is 2,941,080 shares.
2. The Company has set up an Audit Committee, so the requirement on minimum shareholdings of Supervisors is not applicable.