WIN Semiconductors Corp.

2014 Annual General Shareholders' Meeting Minutes

(Translation)

Time: 9:00 a.m., June 20, Friday, 2014

Place: 2F, No. 68, Wuner 1st St., Gueishan Township, Taoyuan County
(Fullon Hotel Linkou)

Attending Shareholders: The total number of shares represented by shareholders attending the meeting in person or by proxy is 396,531,329 shares (including casted electronically 38,270,399 shares), representing 53.54% of the total number of issued shares of the Company (i.e. 740,637,928 shares)

Chairman: Dennis Chen Recorder: Joe Tsen

Attending Directors and Supervisors: Cheng-Hui Wang (Director), Yu-Chi Wang (Director), William Chang (Director), Steve Chen (Director), Chao-Shun Chang (Independent Director), Wei-Lin Wang (Independent Director), Shih-Chun Hsieh, Representative of International Fiber Technology Co., Ltd. (Supervisor), Mei-Lian Wang (Supervisor), Cheng-Li Huang (Supervisor)

Attendees: Grace Chen (CPA)

I. As the number of shares represented by attending shareholder has reached the required quorum for shareholders' meeting, the chairman declares the shareholders' meeting begins.

II. Chairman's Speech: (Omitted)

III. Report Items:

1. 2013 business report (see Attachment I)
2. 2013 supervisors' report (see Attachment II)

3. Share buyback execution report

Explanation:

The Board of Directors resolved to repurchase its common stocks for the cancellation of shares on October 3, 2013. The execution is reported as followings:

Number of Batches	1st Batch
Purpose of redemption	Preserving company good will and shareholders' equity
Timeframe of redemption	2013/10/04~2013/12/03
Price range	NT$26 to NT$40 per share
Type and number of shares redeemed	Common stock 20,000,000 shares
Total monetary amount of redeemed shares	NT$ 515,315,595
Shares cancelled	Common stock 20,000,000 shares
Accumulated number of shares held by the Company	0
Percentage of total shares held by the Company (%)	0%

4. Certificate of Corporate Governance System CG6008 General Assessment

Explanation:

The Company passed "Corporate Governance System CG6008 General Assessment" conducted by Taiwan Corporate Governance Association (TCGA) and get the CG6008 (General) certificate in September 2013.

IV. Proposed Items:

Proposal 1: Proposed by the Board

Adoption of the 2013 business report and financial statements.

Explanation:

(1) The Company's Financial Statements, including the balance sheets, statements of comprehensive income, statement of changes in equity, and statements of cash flows, were audited by independent auditors, Fion Chen and Mei-Yen Chen of KPMG. Also the Business Report and Financial Statements have been approved by the Board on March 07, 2014 and have been examined by the supervisors of the Company.

(2) The 2013 Business Report, independent auditors' audit report, and the above-mentioned Financial Statements are attached hereto as Attachments I, III and IV.

Voting Result:

Shares present at the time of voting was 396,531,329 votes. Voting in favor 388,287,566 votes (including votes casted electronically 35,091,896 votes), voting against 40,005 votes (including votes casted electronically 40,005 votes), voting abstained 8,203,758 votes (including votes casted electronically 3,138,498 votes). RESOLVED, that the 2013 business report and financial statements be and hereby were accepted as submitted.

Proposal 2: Proposed by the Board

Adoption of the proposal for distribution of 2013 profits.

Explanation:

(1) The Board has adopted a proposal for distribution of 2013 profits. The 2013 profit allocation proposal is attached hereto as Attachment V.

(2) The proposed dividend to shareholders is cash dividend of NT$1.5 per common share. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Chairman of the Board be authorized to resolve the ex-dividend date. The total amount of common shares outstanding may change and the ultimate cash dividend to be distributed to each common share may need to be adjusted accordingly should WIN subsequently redeem its common shares or issue new common shares to its employees as a result of their exercise of stock options. It is proposed that the Chairman of the Board of Directors of WIN be authorized to adjust the cash dividend to be distributed to each common share based on the total amount of profits resolved to be distributed and the number of actual common shares outstanding on the record date for distribution.

Voting Result:

Shares present at the time of voting was 396,531,329 votes. Voting in favor 388,288,101 votes (including votes casted electronically 35,083,431 votes), voting against 40,470 votes (including votes casted electronically 40,470 votes), voting abstained 8,202,758 votes (including votes casted electronically 3,137,498 votes). RESOLVED, that the above proposal be and hereby was approved as proposed.

V. Discussion Items:

Proposal 1: Proposed by the Board

Amendment to the Company’s “Procedures for Acquisition or Disposal of Assets”.

Explanation:

(1) The Financial Supervisory Commission amended its “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” on Dec. 30, 2013. Therefore, WIN's “Procedures for Acquisition or Disposal of Assets” should be amended to reflect the regulatory changes and operation need of the Company.

(2) The proposed amendments to the “Procedures for Acquisition or Disposal of Assets” is attached hereto as Attachment VI.

Voting Result:

Shares present at the time of voting was 396,531,329 votes. Voting in favor 388,279,101 votes (including votes casted electronically 35,083,431 votes), voting against 40,470 votes (including votes casted electronically 40,470 votes), voting abstained 8,211,758 votes (including votes casted electronically 3,146,498 votes). RESOLVED, that the above proposal be and hereby was approved as proposed.

Proposal:2: Proposed by the Board

Amendment to the Company's "Rules and Procedures of Shareholders' Meeting"

Explanation:

(1) WIN's "Rules and Procedures of Shareholders' Meeting" should be amended to reflect the related regulations and operation need of the Company.

(2) The proposed amendments to the "Rules and Procedures of Shareholders' Meeting" is attached hereto as Attachment VII.

Voting Result:

Shares present at the time of voting was 396,531,329 votes. Voting in favor 388,279,101 votes (including votes casted electronically 35,083,431 votes), voting against 40,470 votes (including votes casted electronically 40,470 votes), voting abstained 8,211,758 votes (including votes casted electronically 3,146,498 votes). RESOLVED, that the above proposal be and hereby was approved as proposed.

VI. Special Motions: None

VII. Adjournment: At 9:30a.m. of June 20, 2014.

ATTACHMENT I: 2013 BUSINESS REPORT

In 2013 the global economy continued moving away from the shadows of the financial crisis, however, the recovery remained somewhat slow and GDP has nearly returned to pre-crisis levels in developed countries such as the U.S., Japan and the Eurozone. Amidst continued accommodative monetary policy by many of the world's central banks, the U.S. Federal Reserve Board announced in mid 2013 a reduction in monthly bond purchases, known as Quantitative Easing, with the goal of exiting QE by the end of 2014. This policy shift sparked a rapid movement of global capital away from emerging market equities and bonds, leading to increased price volatility in commodity sectors such as oil and gold. This rapid movement of capital also impacted foreign exchange rates and capital markets in those regions. With these changes in central bank policy and the continued evolution of technology, global enterprises, including WIN, were faced with ever-greater challenges and business risks.

WIN has grown very fast over the past few years by enabling the proliferation and growth of 3G services and the increased popularity of high-end smartphones. For 2013 onwards, competition and market challenges were more severe than ever due to high-end smartphone saturation in developed countries and delayed deployment of 4G LTE services in many parts of the world. Fortunately, WIN can rely on its considerable technology advantages, manufacturing scale and close customer relation-ships to continually provide our markets with more cost-effective and value-added products, particularly in the high-frequency non-handset segment, to maintain our long-term competitiveness.

2013 operating results and 2014 outlook are reported as follows:

A. Operating Performance in 2013

1. Operating Performance

The Company's 2013 non-consolidated revenues totaled NT$10,340,949 thousand, representing a decrease of 6.55% compared to the year 2012. 2013 net income was NT$ 1,811,510 thousand, representing an increase of 16.55% compared to the prior year, and EPS for 2013 was NT$2.40.

2. Analysis of Receipts, Expenditures, and Profitability

Unit: NT$ thousands; %

<table>
<tr><th colspan="3">Items</th><th>2013</th><th>2012</th></tr>
<tr><td rowspan="2">Interest Income & Interest Expense</td><td colspan="2">Interest Income</td><td>16,789</td><td>4,570</td></tr>
<tr><td colspan="2">Interest Expense</td><td>80,678</td><td>102,946</td></tr>
<tr><td rowspan="6">Profitability</td><td colspan="2">Return on Total Assets (%)</td><td>8.41</td><td>7.74</td></tr>
<tr><td colspan="2">Return on Stockholders' Equity (%)</td><td>12.39</td><td>12.67</td></tr>
<tr><td rowspan="2">Ratio to Issued Capital (%)</td><td>Operating Income</td><td>27.68</td><td>31.75</td></tr>
<tr><td>Pre-tax Income</td><td>29.93</td><td>24.36</td></tr>
<tr><td colspan="2">Profit Ratio (%)</td><td>17.52</td><td>14.04</td></tr>
<tr><td colspan="2">Earnings per Share ($)</td><td>2.40</td><td>2.31</td></tr>
</table>

3. Budget Implementation

The Company is not required to make public its 2013 financial forecast information; however, the Board of Directors approved the budget plan and the overall operating plan is in good condition.

4. Research and Development Status

Since its inception, WIN has been at the forefront of GaAs manufacturing for RF, microwave and millimeter wave applications, providing our customers with monolithic microwave integrated circuit (MMIC) foundry services based on heterojunction bipolar transistor (HBT) and pseudomorphic high electron mobility transistor (pHEMT) processes. WIN's technology portfolio covers operating frequencies ranging from 0.1 to 100 GHz meeting the needs of virtually all wireless, optical and defense market segments, and provides a competitive advantage among our peers. For example, WIN's BiHEMT technology integrates both an HBT power amplifier and a pHEMT switch into one chip allowing the realization of both functionalities in one single piece of GaAs. The benefits of integrating the power amplifier and RF switch on a single chip not only reduces packaging costs but also improves product performance by eliminating the external connections required by separate functional modules. Addition-ally, BiHEMT can significantly enhance the our customers' ability to achieve competitive and highly differentiated RF products by integrating power amplifiers, low noise amplifiers, logic control and power switching in one single chip. Another example of WIN's technological breadth is our GaN HEMT platform, which has been developed to provide an excellent solution for high power base station applications, particularly in the fast-growing 4G LTE market.

Finally, WIN's copper back-metal process provides a low-cost alternative to the baseline gold process while providing the same product performance. This approach combined with WIN's unique backside process provides excellent thermal dissipation and design flexibility, and is especially important for high frequency, high performance components. In addition to use as a wafer backside metal, copper has also been employed to form bond-pad bump structures that are required for advanced flip chip assembly, which drastically reduces chip size and mitigates undesired parasitic effects at high frequency when compared to traditional wire bond assembly techniques. The reduction in die size achievable through the use of copper pillar bumps results in significant product cost advantages and provides our customers with a competitive advantage. These are just a few of the many R&D areas where WIN continues to invest for our long-term competitiveness.

B. Business Plan in 2014

Rapidly changing consumer preferences for handheld devices creates a fast evolving situation for the related supply chains, with intense competition amongst industry players and more challenging customer delivery schedules with diminished lead times. The key for survival is to keep abreast of market trends, customer needs and industry cycles, and continued diversification of our technologies, applications and markets. Through these actions WIN can maintain the role of market leader for many years.

The company's core operating principle is to adhere to industry trends and provide our global wireless communications customers with complete GaAs foundry solutions. The company sets the pursuit of excellence along with social responsibility as our mission. WIN adheres to the core values of integrity, accountability, a forward-looking perspective and innovation. To maintain and expand our market position, the company will continue to devote more resources to drive technology innovation, quality improvement, and manufacturing cost reduction. This intense focus provides significant added value for our customers, creating a differentiation in service instead of just price competition and maintains flexibility in operations. Concurrently, with the pursuit of revenue growth and production volume, WIN is tuning our business strategy with market trends to sustain the position of market leader.

C. Development Strategy

The global tech industry has been shifting focus away from PC and notebook related markets to mobile computing devices. Driving this shift is consumers' preference for slim mobile devices with fast connections accessing data-rich content and the ability to be connected anytime and anywhere. To reliably provide this user experience, future handheld device will come equipped with more computational power and seamless access to very high data rate wireless connections. These devices can be used to watch movies, search the Internet, and share or download cloud-based content from any location, without interruption or an unsatisfactory user experience due to insufficient bandwidth or low connection speed. A key element enabling constant access to these data intensive services is reliable RF technologies and components, especially those using GaAs, which provide wireless connectivity to the mobile device. Without these components this level of mobile access and user satisfaction will become impossible.

WIN's business strategy is to provide complete product solutions by offering access to leading edge GaAs technology and foundry services to meet customer demand. WIN has penetrated the handset market through strong partnerships with its customers. WIN is also very active in the "Blue Ocean Market" for non-handset products through its unique pHEMT and GaN technologies used in millimeter-wave and high power applications such as wireless base stations, fiber optic networks and satellite communications. Our expanding presence in these markets not only widens the performance gap with silicon-based solutions but also provides for higher margin and reduced operational volatility. In the long term, WIN is closely monitoring the evolution of new product applications, especially Internet of Things and 5G to be well-prepared for the next round of growth opportunities.

D. The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Environment

As market competition increases, the external economic environment rapidly changes. Although the overall economy appears to have stabilized, the business environment has not significantly improved. Therefore, WIN has to maintain its flexibility, under the laws and in line with the norms, continually innovating our technology and business model. No matter what the external changes are, WIN will maintain its footing in Taiwan with a global vision, and constantly challenge our employees to maintain long-term competitiveness.

Sincerely yours,

Dennis Chen	*Yu-Chi Wang*	*Linna Su*
Chairman	*CEO*	*Accounting Officer*

WIN Semiconductors Corp.

ATTACHMENT II: 2013 SUPERVISORS' REPORT

2013 SUPERVISORS' REPORT

The Board of Directors has prepared and submitted to us the Company's 2013 Business Report, Parent-company-only Financial Statements, Consolidated Financial Statements, and proposal for allocation of profits. The CPA firm of KPMG was retained to audited WIN's Parent-company-only Financial Statements and Consolidated Financial Statements and has issued an audit report relating to the Parent-company-only Financial Statements and Consolidated Financial Statements. The Business Report, Parent-company-only Financial Statements, Consolidated Financial Statements, and proposal for allocation of profits have been reviewed and determined to be correct and accurate by us, supervisors of WIN Semiconductors Corp. According to article 219 of the Company Law, we hereby submit this report.

WIN Semiconductors Corp.
Supervisors

Mei-Lan Wang

Cheng-Li Huang

International Fiber Technology Co, Ltd.
Representative: Shih-Chuan Hsieh

March 07, 2014

ATTACHMENT III: INDEPENDENT AUDITORS' REPORT AND 2013 PARENT-COMPANY-ONLY FINANCIAL STATEMENTS

Independent Auditors' Report

The Board of Directors
WIN Semiconductors Corp.

We have audited the accompanying balance sheets of WIN Semiconductors Corp. (the "Company") as of December 31, 2013 and 2012, and January 1, 2012, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2013 and 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the parent-company-only financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Company as of December 31, 2013 and 2012, and January 1, 2012, and the results of their operations and their cash flows for the years then ended, in conformity with the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers".

Taipei, Taiwan (the Republic of China)
March 7, 2014

WIN Semiconductors Corp.

Balance Sheets

December 31, 2013 and 2012, and January 1, 2012
(Expressed in Thousands of New Taiwan Dollars)

	2013.12.31	2012.12.31	2012.1.1
Assets			
Current assets：			
Cash and cash equivalents	$ 1,883,857	2,845,717	761,868
Current financial assets at fair value through profit or loss	1,162,001	1,501,172	1,623,860
Current available-for-sale financial assets	584,716	512,068	-
Notes and accounts receivable, net	323,228	466,496	237,887
Accounts receivable due from related parties, net	99,041	536,618	280,103
Inventories	1,126,775	2,101,205	1,893,835
Other current assets	197,751	353,805	255,825
Total current assets	5,377,369	8,317,081	5,053,378
Non-current assets：			
Non-current available-for-sale financial assets	370,928	422,345	648,182
Non-current bond investment without active market	190,000	534,783	344,783
Investments accounted for using equity method	804,304	637,386	836,288
Property, plant and equipment	12,636,187	11,617,640	9,594,108
Investment property	1,096,479	-	-
Intangible assets	64,248	82,708	117,652
Deferred tax assets	132,425	318,162	471,134
Prepayments for business facilities	384,446	1,610,700	1,672,429
Other non-current assets	43,257	42,867	42,942
Total non-current assets	15,722,274	15,266,591	13,727,518
Total assets	**$ 21,099,643**	**23,583,672**	**18,780,896**

	2013.12.31	2012.12.31	2012.1.1
Liabilities and Equity			
Current liabilities：			
Current financial liabilities at fair value through profit or loss	$ -	417	-
Accounts payable	635,119	1,121,867	1,090,011
Other payables	1,017,419	759,834	931,048
Long-term liabilities, current portion	545,444	1,650,185	1,007,672
Other current liabilities	117,605	76,090	52,940
Total current liabilities	2,315,587	3,608,393	3,081,671
Non-current liabilities：			
Long-term borrowings	3,721,466	5,558,677	5,483,622
Deferred tax liabilities	20,642	12,815	14,740
Other non-current liabilities	150,371	50,239	21,577
Total non-current liabilities	3,892,479	5,621,731	5,519,939
Total liabilities	6,208,066	9,230,124	8,601,610
Equity：			
Ordinary share	7,392,754	7,541,877	6,485,930
Capital surplus	3,728,358	3,763,045	1,707,122
Retained earnings	3,671,483	3,202,764	2,223,056
Other equity interest	98,982	(154,138)	(236,822)
Total equity	14,891,577	14,353,548	10,179,286
Total liabilities and equity	**$ 21,099,643**	**23,583,672**	**18,780,896**

WIN Semiconductors Corp.

Statements of Comprehensive Income

For the years ended December 31, 2013 and 2012

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2013	2012
Operating revenue	$	10,340,949	11,066,244
Operating costs		(7,249,118)	(7,602,018)
Gross profit from operations		3,091,831	3,464,226
Operating expenses：			
Selling expenses		(74,671)	(78,824)
Administrative expenses		(475,323)	(459,843)
Research and development expenses		(495,281)	(531,233)
Total operating expenses		(1,045,275)	(1,069,900)
Net operating income		2,046,556	2,394,326
Non-operating income and expenses：			
Other income		81,888	36,692
Other gains and losses		276,928	(434,319)
Finance costs		(80,678)	(102,946)
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method		(112,323)	(56,761)
Total non-operating income and expenses		165,815	(557,334)
Profit before tax		2,212,371	1,836,992
Total tax expense		(400,861)	(282,739)
Profit		1,811,510	1,554,253
Other comprehensive income (loss):			
Other comprehensive income, before tax, available-for-sale financial assets		196,273	88,779
Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans		11,768	(8,894)
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method		55,751	(5,840)
Income tax benefit (expense) related to components of other comprehensive income		(904)	1,257
Other comprehensive income, net		262,888	75,302
Comprehensive income	**$**	**2,074,398**	**1,629,555**
Earnings per common share (expressed in dollars)			
Basic earnings per share	**$**	**2.40**	**2.31**
Diluted earnings per share	**$**	**2.37**	**2.27**

WIN Semiconductors Corp.

Statements of Changes in Equity

For the years ended December 31, 2013 and 2012
(Expressed in Thousands of New Taiwan Dollars)

					Retained earnings		Other equity interest			
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total	Total equity
Balance on January 1, 2012	$ 6,485,930	1,707,122	130,842	-	2,092,214	2,223,056	(14,111)	(222,711)	(236,822)	10,179,286
Appropriation of 2011 earnings approved by stockholders during their meeting in 2012 (note 1)										
Legal reserve	-	-	127,861	-	(127,861)	-	-	-	-	-
Special reserve	-	-	-	221,662	(221,662)	-	-	-	-	-
Cash dividends	-	-	-	-	(518,874)	(518,874)	-	-	-	(518,874)
	-	-	127,861	221,662	(868,397)	(518,874)	-	-	-	(518,874)
Net income for the year ended December 31, 2012	-	-	-	-	1,554,253	1,554,253	-	-	-	1,554,253
Other comprehensive income for the year ended December 31, 2012	-	-	-	-	(7,382)	(7,382)	(10,630)	93,314	82,684	75,302
Total comprehensive income for the year ended December 31, 2012	-	-	-	-	1,546,871	1,546,871	(10,630)	93,314	82,684	1,629,555
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method	-	3,508	-	-	(48,289)	(48,289)	-	-	-	(44,781)
Disposal of investments accounted for using equity method	-	(28,445)	-	-	-	-	-	-	-	(28,445)
Exercise of employee stock options	55,947	(539)	-	-	-	-	-	-	-	55,408
Compensation cost arising from employee stock options	-	63,460	-	-	-	-	-	-	-	63,460
Issue of shares	1,000,000	2,017,939	-	-	-	-	-	-	-	3,017,939
Balance on December 31, 2012	7,541,877	3,763,045	258,703	221,662	2,722,399	3,202,764	(24,741)	(129,397)	(154,138)	14,353,548
Appropriation of 2012 earnings approved by stockholders during their meeting in 2013 (note 2)										
Legal reserve	-	-	164,753	-	(164,753)	-	-	-	-	-
Cash dividends	-	-	-	-	(1,136,245)	(1,136,245)	-	-	-	(1,136,245)
Reversal of special reserve	-	-	-	(187,647)	187,647	-	-	-	-	-
	-	-	164,753	(187,647)	(1,113,351)	(1,136,245)	-	-	-	(1,136,245)
Net income for the year ended December 31, 2013	-	-	-	-	1,811,510	1,811,510	-	-	-	1,811,510
Other comprehensive income for the year ended December 31, 2013	-	-	-	-	9,768	9,768	7,328	245,792	253,120	262,888
Total comprehensive income for the year ended December 31, 2013	-	-	-	-	1,821,278	1,821,278	7,328	245,792	253,120	2,074,398
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method	-	15,499	-	-	-	-	-	-	-	15,499
Exercise of employee stock options	50,877	45,040	-	-	-	-	-	-	-	95,917
Compensation cost arising from employee stock options	-	3,775	-	-	-	-	-	-	-	3,775
Retirement of treasury shares	(200,000)	(99,001)	-	-	(216,314)	(216,314)	-	-	-	(515,315)
Balance on December 31, 2013	$ 7,392,754	3,728,358	423,456	34,015	3,214,012	3,671,483	(17,413)	116,395	98,982	14,891,577

Note 1: The appropriations for 2011 employee's bonus, directors' and supervisors' remuneration amounting to NT$92,900 and NT$27,800, respectively, were recognized and accrued in the 2011 earnings.

Note 2: The appropriations for 2012 employee's bonus, directors' and supervisors' remuneration amounting to NT$167,000 and NT$50,100, respectively, were recognized and accrued in the 2012 earnings.

WIN Semiconductors Corp.

Statements of Cash Flows

For the years ended December 31, 2013 and 2012
(Expressed in Thousands of New Taiwan Dollars)

		2013	2012
Cash flows from (used in) operating activities：			
Profit before tax	$	2,212,371	1,836,992
Adjustments：			
Adjustments to reconcile profit (loss)：			
Depreciation expense		1,783,765	1,256,723
Amortization expense		38,142	50,206
Net loss (gain) on financial assets or liabilities at fair value through profit or loss		(409,837)	185,788
Interest expense		80,678	102,946
Interest income		(16,789)	(4,570)
Dividend income		(33,371)	(28,275)
Share-based payments		3,775	63,460
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method		112,323	56,761
Gain on disposal of property, plant and equipment		(306,531)	(210)
Insurance claim on damaged and donated property, plant and equipment		20,691	54,610
Loss on disposal of investments		398,190	68,081
Impairment loss on financial assets		-	155,550
Total adjustments to reconcile profit		1,671,036	1,961,070
Changes in operating assets and liabilities：			
Changes in operating assets：			
Notes and accounts receivable, net		143,268	(228,609)
Accounts receivable due from related parties, net		437,577	(256,515)
Inventories		953,617	(276,682)
Other current assets		155,757	(98,301)
Total changes in operating assets		1,690,219	(860,107)
Changes in operating liabilities：			
Accounts payable		(486,748)	31,856
Other payables		124,814	(2,152)
Other current liabilities		41,515	23,150
Other non-current liabilities		1,900	19,768
Total changes in operating liabilities		(318,519)	72,622
Total changes in operating assets and liabilities		1,371,700	(787,485)
Cash inflow generated from operations		5,255,107	3,010,577
Income taxes paid		(129,825)	(193,358)
Net cash flows from operating activities		5,125,282	2,817,219

WIN Semiconductors Corp.

Statements of Cash Flows (Continued)

For the years ended December 31, 2013 and 2012
(Expressed in Thousands of New Taiwan Dollars)

		2013	2012
Cash flows from (used in) investing activities：			
Acquisition of current financial assets at fair value through profit or loss		(2,033,000)	(1,802,093)
Proceeds from disposal of current financial assets at fair value through profit or loss		2,442,048	1,823,606
Acquisition of current available-for-sale financial assets		(190,705)	(413,296)
Proceeds from disposal of current available-for-sale financial assets		150,048	34,656
Acquisition of non-current available-for-sale financial assets		(25,000)	(35,193)
Proceeds from disposal of non-current available-for-sale financial assets		128,256	-
Proceeds from capital reduction of non-current available-for-sale financial assets		60,000	-
Acquisition of non-current bond investments without active market		-	(190,000)
Proceeds from disposal of non-current bond investments without active market		344,783	-
Acquisition of investments accounted for using equity method		(207,991)	(287,591)
Proceeds from disposal of investments accounted for using equity method		-	259,220
Acquisition of property, plant and equipment		(2,611,303)	(2,052,734)
Proceeds from disposal of property, plant and equipment		511,286	298
Acquisition of intangible assets		(18,929)	(18,307)
Decrease (increase) in other non-current assets		(390)	75
Increase in prepayments for business facilities		(204,078)	(1,264,550)
Interest received		15,488	3,958
Dividends received		33,371	28,275
Net cash flows used in investing activities		(1,606,116)	(3,913,676)
Cash flows from (used in) financing activities：			
Proceeds from long-term borrowings		1,050,000	1,899,000
Repayments of long-term borrowings		(3,995,840)	(1,185,544)
Increase in other non-current liabilities		110,000	-
Payment of cash dividends		(1,136,245)	(518,874)
Issue of shares (transaction cost)		(10,989)	3,028,928
Exercise of employee share options		95,917	55,408
Payments to acquire treasury shares		(515,315)	-
Interest paid		(78,554)	(98,612)
Net cash flows (used in) financing activities		(4,481,026)	3,180,306
Net increase (decrease) in cash and cash equivalents		(961,860)	2,083,849
Cash and cash equivalents at the beginning of period		2,845,717	761,868
Cash and cash equivalents at the end of period	$	1,883,857	2,845,717

ATTACHMENT IV: INDEPENDENT AUDITORS' REPORT AND 2013 CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

The Board of Directors
WIN Semiconductors Corp.

We have audited the accompanying consolidated balance sheets of WIN Semiconductors Corp. (the "Company") and subsidiaries as of December 31, 2013 and 2012, and January 1, 2012, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2013 and 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the generally accepted auditing standards and the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" in the Republic of China. Those standards and regulations 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 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 statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the consolidated financial position of WIN Semiconductors Corp. and subsidiaries as of December 31, 2013 and 2012, and January 1, 2012, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers".

We have audited the parent-company-only financial statements as of and for the years ended December 31, 2013 and 2012 on which we have expressed an unqualified opinion.

Taipei, Taiwan (the Republic of China)
March 7, 2014

Note to Readers

The accompanying consolidated financial statements are intended only to present the financial position, financial performance, and cash flows in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations approved by the Financial Supervisory Commission, R.O.C. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and financial statements, the Chinese version shall prevail.

WIN Semiconductors Corp. and Subsidiaries

Consolidated Balance Sheets

December 31, 2013 and 2012, and January 1, 2012

(Expressed in Thousands of New Taiwan Dollars)

	2013.12.31	2012.12.31	2012.12.1
Assets			
Current assets：			
Cash and cash equivalents	$ 1,966,881	3,025,657	799,376
Current financial assets at fair value through profit or loss	1,162,001	1,501,172	1,623,860
Current available-for-sale financial assets	584,716	512,068	-
Notes and accounts receivable, net	650,438	1,049,355	652,822
Inventories	1,126,775	2,101,205	1,893,835
Other current assets	198,153	376,873	259,098
Total current assets	5,688,964	8,566,330	5,228,991
Non-current assets：			
Non-current available-for-sale financial assets	489,152	491,281	713,723
Non-current bond investment without active market	190,000	534,783	344,783
Investments accounted for using equity method	386,229	324,861	600,717
Property, plant and equipment	12,636,304	11,617,771	9,594,313
Investment property	1,096,479	-	-
Intangible assets	64,248	82,708	117,652
Deferred tax assets	132,425	318,162	471,134
Prepayments for business facilities	384,446	1,610,700	1,672,429
Other non-current assets	43,257	42,867	42,942
Total non-current assets	15,422,540	15,023,133	13,557,693
Total assets	$ 21,111,504	23,589,463	18,786,684

	2013.12.31	2012.12.31	2012.1.1
Liabilities and Equity			
Current liabilities：			
Current financial liabilities at fair value through profit or loss	$ -	417	-
Accounts payable	635,119	1,121,867	1,090,011
Other payables	1,028,229	763,376	932,349
Long-term liabilities, current portion	545,444	1,650,185	1,007,672
Other current liabilities	118,656	78,339	57,427
Total current liabilities	2,327,448	3,614,184	3,087,459
Non-current liabilities：			
Long-term borrowings	3,721,466	5,558,677	5,483,622
Deferred tax liabilities	20,642	12,815	14,740
Other non-current liabilities	150,371	50,239	21,577
Total non-current liabilities	3,892,479	5,621,731	5,519,939
Total liabilities	6,219,927	9,235,915	8,607,398
Equity：			
Ordinary share	7,392,754	7,541,877	6,485,930
Capital surplus	3,728,358	3,763,045	1,707,122
Retained earnings	3,671,483	3,202,764	2,223,056
Other equity interest	98,982	(154,138)	(236,822)
Total equity	14,891,577	14,353,548	10,179,286
Total liabilities and equity	$ 21,111,504	23,589,463	18,786,684

WIN Semiconductors Corp. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2013 and 2012

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2013	2012
Operating revenue	$	10,481,303	11,237,964
Operating costs		(7,249,118)	(7,602,018)
Gross profit from operations		3,232,185	3,635,946
Operating expenses：			
Selling expenses		(128,220)	(177,360)
Administrative expenses		(499,069)	(479,217)
Research and development expenses		(495,281)	(531,233)
Total operating expenses		(1,122,570)	(1,187,810)
Net operating income		2,109,615	2,448,136
Non-operating income and expenses：			
Other income		83,876	38,065
Other gains and losses		259,647	(467,900)
Finance costs		(80,678)	(102,946)
Share of loss of associates and joint ventures accounted for using equity method		(160,065)	(78,339)
Total non-operating income and expenses		102,780	(611,120)
Profit before tax		2,212,395	1,837,016
Total tax expense		(400,885)	(282,763)
Profit		1,811,510	1,554,253
Other comprehensive income (loss):			
Other comprehensive income, before tax, exchange differences on translation		7,328	(10,716)
Other comprehensive income, before tax, available-for-sale financial assets		244,696	93,569
Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans		11,768	(8,894)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		-	86
Income tax benefit (expense) related to components of other comprehensive income		(904)	1,257
Other comprehensive income, net		262,888	75,302
Comprehensive income	**$**	**2,074,398**	**1,629,555**
Profit , attributable to：			
Profit, attributable to owners of parent	**$**	**1,811,510**	**1,554,253**
Comprehensive income attributable to：			
Comprehensive income, attributable to owners of parent	**$**	**2,074,398**	**1,629,555**
Earnings per common share (expressed in dollars)			
Basic earnings per share	**$**	**2.40**	**2.31**
Diluted earnings per share	**$**	**2.37**	**2.27**

WIN Semiconductors Corp. and Subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2013 and 2012

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Other equity interest					
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total	Total equity attributable to owners of parent	Non - controlling interests	Total equity
Balance on January 1, 2012	$ 6,485,930	1,707,122	130,842	-	2,092,214	2,223,056	(14,111)	(222,711)	(236,822)	10,179,286	-	10,179,286
Appropriation of 2011 earnings approved by stockholders during their meeting in 2012												
Legal reserve	-	-	127,861	-	(127,861)	-	-	-	-	-	-	-
Special reserve	-	-	-	221,662	(221,662)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(518,874)	(518,874)	-	-	-	(518,874)	-	(518,874)
	-	-	127,861	221,662	(868,397)	(518,874)	-	-	-	(518,874)	-	(518,874)
Net income for the year ended December 31, 2012	-	-	-	-	1,554,253	1,554,253	-	-	-	1,554,253	-	1,554,253
Other comprehensive income for the year ended December 31, 2012	-	-	-	-	(7,382)	(7,382)	(10,630)	93,314	82,684	75,302	-	75,302
Total comprehensive income for the year ended December 31, 2012	-	-	-	-	1,546,871	1,546,871	(10,630)	93,314	82,684	1,629,555	-	1,629,555
Changes in equity of associates and joint ventures accounted for using equity method	-	(24)	-	-	(48,289)	(48,289)	-	-	-	(48,313)	-	(48,313)
Disposal of investments accounted for using equity method	-	(28,445)	-	-	-	-	-	-	-	(28,445)	-	(28,445)
Exercise of employee stock options	55,947	(539)	-	-	-	-	-	-	-	55,408	-	55,408
Compensation cost arising from employee stock options	-	66,992	-	-	-	-	-	-	-	66,992	-	66,992
Issue of shares	1,000,000	2,017,939	-	-	-	-	-	-	-	3,017,939	-	3,017,939
Balance on December 31, 2012	7,541,877	3,763,045	258,703	221,662	2,722,399	3,202,764	(24,741)	(129,397)	(154,138)	14,353,548	-	14,353,548
Appropriation of 2012 earnings approved by stockholders during their meeting in 2013												
Legal reserve	-	-	164,753	-	(164,753)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,136,245)	(1,136,245)	-	-	-	(1,136,245)	-	(1,136,245)
Reversal of special reserve	-	-	-	(187,647)	187,647	-	-	-	-	-	-	-
	-	-	164,753	(187,647)	(1,113,351)	(1,136,245)	-	-	-	(1,136,245)	-	(1,136,245)
Net income for the year ended December 31, 2013	-	-	-	-	1,811,510	1,811,510	-	-	-	1,811,510	-	1,811,510
Other comprehensive income for the year ended December 31, 2013	-	-	-	-	9,768	9,768	7,328	245,792	253,120	262,888	-	262,888
Total comprehensive income for the year ended December 31, 2013	-	-	-	-	1,821,278	1,821,278	7,328	245,792	253,120	2,074,398	-	2,074,398
Changes in equity of associates and joint ventures accounted for using equity method	-	13,442	-	-	-	-	-	-	-	13,442	-	13,442
Exercise of employee stock options	50,877	45,040	-	-	-	-	-	-	-	95,917	-	95,917
Compensation cost arising from employee stock options	-	5,832	-	-	-	-	-	-	-	5,832	-	5,832
Retirement of treasury shares	(200,000)	(99,001)	-	-	(216,314)	(216,314)	-	-	-	(515,315)	-	(515,315)
Balance on December 31, 2013	$ 7,392,754	3,728,358	423,456	34,015	3,214,012	3,671,483	(17,413)	116,395	98,982	14,891,577	-	14,891,577

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WIN Semiconductors Corp. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2013 and 2012

(Expressed in Thousands of New Taiwan Dollars)

		2011	2012
Cash flows from operating activities:			
Net income	$	1,278,610	1,647,529
Adjustments to reconcile consolidated net income to net cash provided by operating activities:			
Depreciation		975,969	1,256,812
Amortization		57,613	50,206
Amortization of cost of long-term borrowings		3,947	4,112
Loss on valuation of inventories and obsolescence		37,115	64,519
Investment loss recognized under equity method		114,698	78,339
Compensation cost arising from employee stock options		160,569	66,992
Deferred income tax (benefit) expense		(300,103)	150,351
Unrealized exchange loss on long-term borrowings		26,563	-
Loss (gain) on disposal of property, plant and equipment		14,688	(210)
Insurance claim on damaged and donated property, plant and equipment		-	54,610
Gain on disposal of investments		(183)	(22,461)
Impairment loss		-	190,129
Change in operating assets:			
Financial assets at fair value through profit or loss		1,873	183,016
Notes and accounts receivable		(171,806)	(396,533)
Other financial assets－current		(39,948)	(79,596)
Inventories		(627,472)	(341,201)
Other current assets		(23,554)	(17,486)
Change in operating liabilities:			
Financial liabilities at fair value through profit or loss		-	417
Accounts payable		218,532	31,856
Accrued expenses		145,191	(62,613)
Other current liabilities		(8,640)	14,857
Accrued pension liabilities		1,779	16,661
Net cash provided by operating activities		1,865,441	2,890,306
Cash flows from investing activities:			
Increase in available-for-sale financial assets－current		-	(367,034)
Payment for purchase of investment in bonds with no active market－noncurrent		-	(190,000)
Payment for purchase of available-for-sale financial assets－noncurrent		-	(25,192)
Proceeds from disposal of long-term investments under equity method		-	259,220
Payment for purchase of long-term investments under equity method		(123,764)	(287,591)
Payment for purchase of financial assets carried at cost－noncurrent		-	(10,000)
Payment for purchase of property, plant and equipment		(3,335,544)	(3,317,300)
Proceeds from disposal of property, plant and equipment		2,607	298
(Increase) decrease in refundable deposit		(1,451)	214
Increase in restricted assets－noncurrent		(156)	(139)
Payment for purchase of intangible assets		(49,319)	(18,307)
Net cash used in investing activities		(3,507,627)	(3,955,831)

ATTACHMENT V: PROFIT ALLOCATION PROPOSAL

WIN Semiconductors Corp.
2013 Profit Allocation Proposal

Unit: NT$

Net profit of 2013 (Note)	**1,811,510,498**
Less: 10% legal reserve	(181,151,050)
Add: special reserve	34,015,288
Retained earnings in 2013 available for distribution	**1,664,674,736**
Distributable item:	
Cash dividends to common share holders (NT$1.5 per share)	(1,109,797,572)
Unappropriated retained earnings of 2013	**554,577,164**
Unappropriated retained earnings, Dec. 31, 2012 (ROC GAAP)	1,560,392,810
Add: the effects on conversion date for the first of First-time Adoption of IFRS	149,313,211
Less: reconciliation of net income of 2012 from ROC GAAP into IFRS	(93,275,902)
Less: changes in actuarial gains (losses) of 2012	(7,382,020)
Unappropriated retained earnings, Dec. 31, 2012 (IFRS)	**1,609,048,099**
Add: changes in actuarial gains (losses) of 2013	9,767,440
Less: Cancellation of treasury stocks	(216,314,481)
Unappropriated retained earnings after adjustment, Dec. 31, 2012	**1,402,501,058**
Unappropriated retained earnings, Dec. 31, 2013	**1,957,078,222**

Note: After expensing the following and to be distributed after 2014 Annual General Shareholders' Meeting:

(1) Directors' and supervisors' remuneration 49,900,000

(2) Employees' cash bonus 166,400,000

If there is any net profit after closing of a fiscal year, the Company shall first pay business income tax, offset losses in previous years, set aside a legal capital reserve at 10% of the profits left over, provided that no allocation of legal reserve is required if the accumulated legal reserve is equal to the total capital amount of the Company; and then set aside or rotate special reserve according to the rule set out by the government authority in charge. Any balance left over shall be allocated according to the following principles:

1. Employee bonus: not less than 5% but no more than 10%.
2. Compensation of Directors and Supervisors: not less than 1% but no more than 3%.
3. The balance is shareholders' dividend, in which cash dividend shall not be lower than 10% of entire dividend.

As the Company is a high-tech firm with intensive capital expenditure, conditions, timing, amount and kinds of the above-stated dividend policy may be adjusted, taking into account economic cycles, industry change and the Company's growth and cash demand.

Dennis Chen	*Yu-Chi Wang*	*Linna Su*
Chairman	*CEO*	*Accounting Officer*

ATTACHMENT VI: REVISIONS TO PROCEDURES FOR ACQUISITION OR DISPOSAL OF ASSETS

Mark-up and Clean Revisions

MARK-UP VERSION	CLEAN VERSION
Article 2: The term "assets" as used in these Procedures includes the following: 1. Securities (including 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). 2. Real property ~~and other fixed assets~~ (including land, houses and buildings, investment property, rights to use land, and construction enterprise inventory) and equipment. 3. Memberships. 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5. Derivatives. 6. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law. 7. Other major assets.	Article 2: The term "assets" as used in these Procedures includes the following: 1. Securities (including 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). 2. Real property (including land, houses and buildings, investment property, rights to use land, and construction enterprise inventory) and equipment. 3. Memberships. 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5. Derivatives. 6. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law. 7. Other major assets.
Article 3:Terms used in this Procedure are defined as follows: 1. Derivatives: refer to 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-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements. 2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: refer 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 therefore (hereinafter "transfer of shares") under the ~~sixth~~ eighth paragraph of Article 156of the Company Act. 3. Related party~~: refers to "related parties" as defined in Statement of Financial Accounting Standards No. 6 published by the ROC Accounting Research and Development Foundation (ARDF)~~ or	Article 3:Terms used in this Procedure are defined as follows: 1. Derivatives: refer to 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-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements. 2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: refer 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 therefore (hereinafter "transfer of shares") under the eighth paragraph of Article 156of the Company Act. 3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

MARK-UP VERSION	CLEAN VERSION
subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. ~~4. Subsidiary: refers to "subsidiary" as defined in Statements of Financial Accounting Standards Nos. 5 and 7 published by the ARDF.~~ ~~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 ~~other fixed assets~~ equipment. ~~6~~5. Date of occurrence: refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of the Boards 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. ~~7~~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. ~~8~~7. Net worth: refers to the value calculated according to the latest financial reports audited or reviewed by the certified public accountants (CPAs).	4. Professional appraiser: refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment. 5. Date of occurrence: refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of the Boards 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. 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. 7. Net worth: refers to the value calculated according to the latest financial reports audited or reviewed by the certified public accountants (CPAs).
Article 6: The Company specifies the following items in the procedures: 1. The scope of assets: refer to Article 2 of the Procedure. 2. Appraisal procedures: (1) The units responsible for implementation should report the reasons for acquisition or disposition of assets, subject matter, transaction counterparties, transaction price, terms of payment, and appraisal results or evaluation reports etc. to the level in-charge for decision making. (2) The means of price determination: i. In acquiring or disposing real estate and ~~other fixed assets~~ equipment: refer to Article 8 in Section 2 of the Procedure. ii. In acquiring or disposing securities: (i) The price of securities trading at a centralized securities exchange market or at the place of business of a securities firm is determined by its listed price or market price. (ii) The price of securities not trading at a centralized securities exchange market, at the place of business of a securities firm or at a private place-	Article 6: The Company specifies the following items in the procedures: 1. The scope of assets: refer to Article 2 of the Procedure. 2. Appraisal procedures: (1) The units responsible for implementation should report the reasons for acquisition or disposition of assets, subject matter, transaction counterparties, transaction price, terms of payment, and appraisal results or evaluation reports etc. to the level in-charge for decision making. (2) The means of price determination: i. In acquiring or disposing real estate and equipment: refer to Article 8 in Section 2 of the Procedure. ii. In acquiring or disposing securities: (i) The price of securities trading at a centralized securities exchange market or at the place of business of a securities firm is determined by its listed price or market price. (ii) The price of securities not trading at a centralized securities exchange market, at the place of business of a securities firm or at a private place-

MARK-UP VERSION	CLEAN VERSION
ment: refer to Article 9 in Section 2 of the Procedure.	ment: refer to Article 9 in Section 2 of the Procedure.
iii. In acquiring or disposing memberships or intangible assets: refer to Article 10 in Section 2 of the Procedure.	iii. In acquiring or disposing memberships or intangible assets: refer to Article 10 in Section 2 of the Procedure.
iv. Related party transactions: refer to Section 3 of the Procedure.	iv. Related party transactions: refer to Section 3 of the Procedure.
v. Engaging in derivatives trading: refer to Section 4 of the Procedure.	v. Engaging in derivatives trading: refer to Section 4 of the Procedure.
vi. Assets acquired or disposed of through mergers and consolidations, splits, acquisitions and assignment of shares: refer to Section 5 of the Procedure.	vi. Assets acquired or disposed of through mergers and consolidations, splits, acquisitions and assignment of shares: refer to Section 5 of the Procedure.
3. Operating procedures:	3. Operating procedures:
(1) Degree of authority delegated and the levels to which authority is delegated The acquisition and disposition of assets should be decided in accordance with the Company's delegation of authorization and in the following situations, provided, however, the matters shall be approved by the Board of Directors in advance:	(1) Degree of authority delegated and the levels to which authority is delegated The acquisition and disposition of assets should be decided in accordance with the Company's delegation of authorization and in the following situations, provided, however, the matters shall be approved by the Board of Directors in advance:
i. In acquiring or disposing real estate.	i. In acquiring or disposing real estate.
ii. In acquiring or disposing of securities for any individual transaction, where the transaction amount reaches 10 percent or more of the Company’s net worth.	ii. In acquiring or disposing of securities for any individual transaction, where the transaction amount reaches 10 percent or more of the Company’s net worth.
iii. Assets acquired or disposed of through mergers and consolidations, splits, acquisitions, and assignment of shares.	iii. Assets acquired or disposed of through mergers and consolidations, splits, acquisitions, and assignment of shares.
iv. In acquiring of securities (excluding balancing funds, bond funds and money market funds), where the accumulated original costs of securities (excluding balancing funds, bond funds and money market funds) reaches 60 percent or more of the Company’s net worth.	iv. In acquiring of securities (excluding balancing funds, bond funds and money market funds), where the accumulated original costs of securities (excluding balancing funds, bond funds and money market funds) reaches 60 percent or more of the Company’s net worth.
v. In acquiring of individual security (excluding balancing funds, bond funds and money market funds), where the accumulated original costs of the security reaches 10 percent or more of the Company’s net worth.	v. In acquiring of individual security (excluding balancing funds, bond funds and money market funds), where the accumulated original costs of the security reaches 10 percent or more of the Company’s net worth.
vi. In acquiring or disposing 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.	vi. In acquiring or disposing 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.
(2) The units responsible for implementation	(2) The units responsible for implementation
i. Securities: the finance department.	i. Securities: the finance department.
ii. Real estate, ~~other fixed assets~~ equipment, memberships, intangible assets: the using department	ii. Real estate, equipment, memberships, intangible assets: the using department or the relevant de-

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or the relevant department in-charge of assets management. iii. Derivatives: the finance department. iv. Assets acquired or disposed of through mergers and consolidations, splits, acquisitions, and assignment of shares: the project team assembled by the relevant departments. 4. Public announcement and regulatory filing procedures: refer to Chapter III of the Procedure. 5. Total amounts of real estate and securities acquired by the Company and each subsidiary not for business use in, and limits on individual securities. (1) The total amount of any real estate purchased by the Company not for business use may not exceed 50 percent of the Company's net worth; the total amount of any real estate purchased by each subsidiary of the Company not for business use may not exceed 50 percent of the Company's net worth. (2) The total amount of all security investments by the Company and all of its subsidiaries may not exceed 100 percent of the Company's net worth. (3) The amount of security investment by the Company in each individual security may not exceed 50 percent of the Company's net worth; the amount of security investment by the Company and all of its subsidiaries in each individual security may not exceed 100 percent of the Company's net worth. The amount of security investment by each subsidiary of the Company in each individual security may not exceed 20 percent of the Company's net worth. 6. Control procedures for the acquisition and disposal of assets by subsidiaries (1) The Company shall urge its subsidiaries to enact the "Procedures for Acquisition or Disposal of Assets" and implement the procedures in accordance with proper authorizations of the organizations. (2) The Company shall supervise its subsidiaries to assure the latter's acquisition or disposal of assets are in compliance with the "Procedures for Acquisition or Disposal of Assets". 7. The Company's persons-in-charge engages in any acquisition or disposal of assets shall follow the Procedures in order to prevent the Company from incurring any losses. Should there be any violation of related regulations or the Procedures. Subsequent castigation is subject to the related personnel guidelines and procedures of the Company.	partment in-charge of assets management. iii. Derivatives: the finance department. iv. Assets acquired or disposed of through mergers and consolidations, splits, acquisitions, and assignment of shares: the project team assembled by the relevant departments. 4. Public announcement and regulatory filing procedures: refer to Chapter III of the Procedure. 5. Total amounts of real estate and securities acquired by the Company and each subsidiary not for business use in, and limits on individual securities. (1) The total amount of any real estate purchased by the Company not for business use may not exceed 50 percent of the Company's net worth; the total amount of any real estate purchased by each subsidiary of the Company not for business use may not exceed 50 percent of the Company's net worth. (2) The total amount of all security investments by the Company and all of its subsidiaries may not exceed 100 percent of the Company's net worth. (3) The amount of security investment by the Company in each individual security may not exceed 50 percent of the Company's net worth; the amount of security investment by the Company and all of its subsidiaries in each individual security may not exceed 100 percent of the Company's net worth. The amount of security investment by each subsidiary of the Company in each individual security may not exceed 20 percent of the Company's net worth. 6. Control procedures for the acquisition and disposal of assets by subsidiaries (1) The Company shall urge its subsidiaries to enact the "Procedures for Acquisition or Disposal of Assets" and implement the procedures in accordance with proper authorizations of the organizations. (2) The Company shall supervise its subsidiaries to assure the latter's acquisition or disposal of assets are in compliance with the "Procedures for Acquisition or Disposal of Assets". 7. The Company's persons-in-charge engages in any acquisition or disposal of assets shall follow the Procedures in order to prevent the Company from incurring any losses. Should there be any violation of related regulations or the Procedures. Subsequent castigation is subject to the related personnel guidelines and procedures of the Company.
Article 8: In acquiring or disposing of real property or ~~other fixed assets~~ <u>equipment</u> where the transaction	Article 8: In acquiring or disposing of real property or equipment where the transaction amount reaches

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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 ~~machinery and~~ equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for 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 CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the <u>ROC Accounting Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. (2) 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 the 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.	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 an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for 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 CPA 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 the appropriateness of the transaction price: (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. (2) 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 the 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.
Article 10: 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, <u>except in transactions with a government agency,</u> the Company shall engage a CPA prior to the date of occurrence of	Article 10: 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 CPA prior to the date of occurrence of

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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.	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.
Article 13: 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, <u>except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds,</u> 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 recognized by the supervisors: 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a trading counterparty. 3. With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 14 and Article 15. 4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party. 5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding Article. 7. Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with second paragraph Article 29 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 need not be counted toward the transaction amount. With respect to the acquisition or disposal of business-use machinery and equipment between the Company and its subsidiaries, the Company's Board	Article 13: 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 recognized by the supervisors: 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a trading counterparty. 3. With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 14 and Article 15. 4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party. 5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding Article. 7. Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with second paragraph Article 29 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 need not be counted toward the transaction amount. With respect to the acquisition or disposal of business-use machinery and equipment between the Company and its subsidiaries, the Company's Board

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of Directors delegate the Chairman of Board of Directors to decide such matters when the transaction is within 10 percent of the Company's net value and subsequently submitted to and ratified by the next Board of Directors meeting. When a matter is submitted for discussion by the Board of Directors pursuant to the ~~preceding~~ <u>first</u> 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.	of Directors delegate the Chairman of Board of Directors to decide such matters when the transaction is within 10 percent of the Company's net value and subsequently submitted to and ratified by the next Board of Directors meeting. When a matter is submitted for discussion by the Board of Directors pursuant to the first 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.
Article 14: The Company that acquires real property from a related party shall evaluate the reasonableness of the transaction costs by the following means: 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted-average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance. 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 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. 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 the means listed in the preceding paragraph. The Company that acquires real property from a related party and appraises the cost of the real property in accordance with first and second paragraphs of this Article shall also engage a CPA to check the appraisal and render a specific opinion. When the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 13 and the preceding three paragraphs do not apply: 1. The related party acquired the real property through inheritance or as a gift. 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the	Article 14: The Company that acquires real property from a related party shall evaluate the reasonableness of the transaction costs by the following means: 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted-average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance. 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 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. 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 the means listed in the preceding paragraph. The Company that acquires real property from a related party and appraises the cost of the real property in accordance with first and second paragraphs of this Article shall also engage a CPA to check the appraisal and render a specific opinion. When the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 13 and the preceding three paragraphs do not apply: 1. The related party acquired the real property through inheritance or as a gift. 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the

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real property to the signing date for the current transaction. 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.	real property to the signing date for the current transaction. 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
Article 18: Risk management: 1. Risk management measures are as below: (1) Credit risk management: Credit risk is controlled by restricting the counterparties that the Company deals with to those who either have banking relationship with the Company or are internationally renowned and can provide sufficient information. (2) Market risk management: Market risk arising from the fluctuations of foreign exchange rates or from other factors shall be closely monitored and controlled. (3) Liquidity risk management: Liquidity risk should be controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets. (4) Cash flow risk management: The Company shall maintain adequate level of quick assets and credit facilities to meet the cash settlement requirement. (5) Operating risk management: Delegation systems and operating procedures set forth herein are employed to control operating risk. (6) Legal risk management: Any legal documents in respect of financial derivative transactions shall first be reviewed by legal department before being executed to control legal risk. 2. Different personnel shall be assigned for trading, confirmation and settlement. 3. Personnel who are in charge of risk evaluation, monitoring and controlling shall not be in same department as those described in the preceding paragraph, and reporting shall be made to the Board of Directors. 4. The transaction associated with hedging purpose for business requirements shall be evaluated twice per month by finance department, and the evaluation reports shall be submitted to ~~CEO~~ the chairman of the board or the person designated by the chairman of the board. 5. The authorized trader will need to submit hedging objects, types of transaction and details to au-	Article 18: Risk management: 1. Risk management measures are as below: (1) Credit risk management: Credit risk is controlled by restricting the counterparties that the Company deals with to those who either have banking relationship with the Company or are internationally renowned and can provide sufficient information. (2) Market risk management: Market risk arising from the fluctuations of foreign exchange rates or from other factors shall be closely monitored and controlled. (3) Liquidity risk management: Liquidity risk should be controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets. (4) Cash flow risk management: The Company shall maintain adequate level of quick assets and credit facilities to meet the cash settlement requirement. (5) Operating risk management: Delegation systems and operating procedures set forth herein are employed to control operating risk. (6) Legal risk management: Any legal documents in respect of financial derivative transactions shall first be reviewed by legal department before being executed to control legal risk. 2. Different personnel shall be assigned for trading, confirmation and settlement. 3. Personnel who are in charge of risk evaluation, monitoring and controlling shall not be in same department as those described in the preceding paragraph, and reporting shall be made to the Board of Directors. 4. The transaction associated with hedging purpose for business requirements shall be evaluated twice per month by finance department, and the evaluation reports shall be submitted to the chairman of the board or the person designated by the chairman of the board. 5. The authorized trader will need to submit hedging objects, types of transaction and details to au-

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thorized manager for approval before derivatives trading, and shall report to the most recent Board of Directors meeting.	thorized manager for approval before derivatives trading, and shall report to the most recent Board of Directors meeting.
Article 19: Management principles by the Board of Directors: 1. The Board of Directors shall appoint ~~CEO~~ the chairman of the board or the person designated by the chairman of the board to monitor and control the trading risk of derivatives at all times and periodically assesses whether the result of trading is consistent with the management policy and whether the risk undertaking is within the ambit permitted. 2. Appointed by the Board, the ~~CEO~~ chairman of the board or the person designated by the chairman of the board should be responsible for regularly reviewing the adequacy of the current risk management measures are consistency with the principles and procedures set forth herein. Once having identified unusual transactions and performances, the ~~CEO~~ chairman of the board or the person designated by the chairman of the board needs undertake any actions deemed necessary to correct the situation and report to the Board immediately.	Article 19: Management principles by the Board of Directors: 1. The Board of Directors shall appoint the chairman of the board or the person designated by the chairman of the board to monitor and control the trading risk of derivatives at all times and periodically assesses whether the result of trading is consistent with the management policy and whether the risk undertaking is within the ambit permitted. 2. Appointed by the Board, the chairman of the board or the person designated by the chairman of the board should be responsible for regularly reviewing the adequacy of the current risk management measures are consistency with the principles and procedures set forth herein. Once having identified unusual transactions and performances, the chairman of the board or the person designated by the chairman of the board needs undertake any actions deemed necessary to correct the situation and report to the Board immediately.
Article 29: Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format 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 repurchase 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	Article 29: Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format 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 repurchase 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

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NT$300 million; provided, this shall not apply to the following circumstances: (1) Trading of government bonds. (2) Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds. (3) 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. (4) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is less than NT$500 million. The amount of transactions above shall be calculated as follows: 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year. 3. The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year. 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. 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. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log	NT$300 million; provided, this shall not apply to the following circumstances: (1) Trading of government bonds. (2) Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds. (3) 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. (4) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is less than NT$500 million. The amount of transactions above shall be calculated as follows: 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year. 3. The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year. 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. 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. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log

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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.	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.
Article 31-1: 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 a foreign subsidiary 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 Articles 8 to 10 and 13, 10 percent of ~~shareholders'~~ equity attributable to owners of the parent shall be substituted.	Article 31-1: 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 a foreign subsidiary 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 Articles 8 to 10 and 13, 10 percent of equity attributable to owners of the parent shall be substituted.

ATTACHMENT VII: REVISIONS TO RULES AND PROCEDURES OF SHAREHOLDERS' MEETING

Mark-up and Clean Revisions

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13. Except otherwise specified in the Company Law or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the attending shareholders. An agenda item shall be deemed approved and shall have the same effect as if it was voted by casting ballots if no objection is voiced by all the attending shareholders after solicitation by the chairman. ~~If there is any objection, the chairman may request the shareholder making objection or waiving right raise his/her hand or stand up to count the voting rights. If the voting rights do not constitute the number required by the law or the Articles of Incorporation, the agenda item shall be deemed passed and no voting will be necessary.~~ ~~Other items than the items listed the agenda of the Meeting, or any amendment to, or alternative to the original agenda items shall be seconded by another shareholder.~~	13. Except otherwise specified in the Company Law or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the attending shareholders. An agenda item shall be deemed approved and shall have the same effect as if it was voted by casting ballots if no objection is voiced by all the attending shareholders after solicitation by the chairman.