Viking Tech Corporation

2019 Annual Shareholders' Meeting Minutes

Time: 9:00 a.m., Monday June 24, 2019

Place: Hsinchu Industrial Park, 2F, No. 22, Chunghwa Road, Hukou Township, Hsinchu County, Taiwan.

Total Outstanding Brogent shares: 117,340,842 shares

Total shares represented by shareholders present in person or by proxy: 66,687,902 shares (among them 4,895,218 shares voted via electronic transmission.), accounting for 56.83% of the Company's total outstanding shares

Directors present: Tsai Kao-Ming(the Chairman of the Board of Directors)

Chen Li-Ming(Director) \cdot Liang Yao-Ming(Director) \cdot Li Mao-Sheng(Director) \cdot \cdot

Shen Bo-Ting(Director) \(\) Li Yi-Wen(Director) \(\) Huang Shi-Bing(Director)

Chairman: Hu Chuang-Bin

Recorder: Lo Jui-Peng

- I. Call Meeting to Order: The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.
- II. Chairman's Address (omitted)

III. Report Items

Report I: 2018 Business Report. (Please reference Attachment)

Report II: 2018 Audit Committee's Review Report. (Please reference Attachment)

Report III: 2018 Employees' and Directors' Compensation Report.

Explanatory Notes: In accordance with the provisions of Article 24-2 of the Articles of

Incorporation, the employees' and directors' compensation is approved by the board of directors of the Company, the distribution of the 2018 profit performance is NTD38,078,975 (10%) as the employees' compensation and is NTD19,039,488 (5%) as the directors' compensation. The said amounts are to be distributed in cash and be consistence with the estimated amounts recognized as the expense.

Proposed Adoptions

Proposal I: (Proposed by the Board of Directors)

Matters of Deliberation: 2018 Business Report and Financial Statements is proposed for adoption.

Explanatory Notes: 1.2018 Business Report and Financial Statements have been

prepared, and the financial statements have been reviewed and verified by the two independent auditors, Lin Yukuan and Zheng Yahui of KPMG Taiwan, and unqualified opinions were issued.

- 2.The aforesaid review report and the business report have been reviewed by the Audit Committee (Please reference Attachment).
- 3.Be proposed for adoption.

Resolution:

RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: Shares present at the time of voting: 66,687,902 (Including

4,895,218 shares from electronic voting).

Voting Results			% of the represented share present
Votes in favor (electronic votes)	62, 335, 133 votes (5	45, 998)	93. 47%
Votes against(electronic votes)	15, 642 votes(15, 642)	0.02%
Invalid Votes(electronic votes)	0 votes(0)	0%
Votes abstained / Not Voted (electronic votes)	4, 337, 127 votes (4, 3,	33, 578)	6. 50%

Report II: (Proposed by the Board of Directors)

Matters of Deliberation: 2018 Earnings Distribution Proposal, hereby propose to be adopted.

Explanatory Notes:

- 1. 2018 Earnings Distribution Table of the Company (Please reference Attachment).
- 2. The proposed earnings distribution is allocated from Earnings in 2018

 Available for Distribution. Each common share holder will entitled to receive a cash dividend of NTD1.2 per share. When distributing cash dividends, the dividend for individual shareholders will be distributed down to dollar, while the decimals will be rounded down to dollar. The decimal following the integer dollar will be rounded off, and the odd sum will also be included in the other income accounts of this Company. And after the approval of the shareholders' meeting, the board of directors is authorized to set the record date of dividend payout. If the shareholder's dividend rate is changed due to the number of shares outstanding that are affected by shares buyback, the transfer of treasury

shares, the cancellation thereof or cash capital increase, etc., hereby the proposal is made to the shareholders' meeting to authorize the board of directors to handle the matter with full authority.

3. Be proposed for adoption.

Resolution:

RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: Shares present at the time of voting: 66,687,902 (Including

4,895,218 shares from electronic voting).

			% of the
Voting Results			represented
_			share present
Votes in favor (electronic votes)	62, 319, 137 votes (530, 0	02)	93.44%
Votes against(electronic votes)	30, 643 votes (30, 6	43)	0.04%
Invalid Votes(electronic votes)	0 votes(0)	0%
Votes abstained / Not Voted (electronic votes)	4, 338, 122votes (4, 334, 5	73)	6. 50%

Election Items.

Matters of Deliberation: Re-election for all the ninth directors

Explanatory Notes:

- 1. The term of the eighth directors will be expired on August 22, 2019, and the re-election will be held at the shareholders' meeting and be handled in accordance with the laws.
- 2. This proposal for the election of 9 directors (including 3 independent directors) with a term of three years, from June 24, 2019 to June 23, 2022, the term of incumbent directors will be expired on the completion of this shareholders' meeting.
- 3. The elections of the Company are based on the candidates nomination system. The directors shall be be selected by shareholders from the list of candidates whose academic experience and other relevant information (Please reference Attachment).
- 4. Rules for Election of Directors (Please reference Attachment).
- 5. Voting by Poll.

Result of voting: The list of be elected is as follows:

Position	Account number or	Name	be elected
Title	identity document number	Name	votes
Director		Guangdong Fenghua Semiconductor Technology Co., Ltd. (China) Representative: Hu Chuang-Bin	92, 614, 121
Director	42420	Guangdong Fenghua	92, 462, 508

		Semiconductor Technology Co., Ltd. (China) Representative:	
		Liang Yao-Ming	
Director	42420	Guangdong Fenghua Semiconductor Technology Co., Ltd. (China) Representative: Liao Wei-Qiang	92, 363, 576
		Hua-Jie Investment Co. Ltd.	
Director	58225	Representative: Tsai Kao-Ming	93, 601, 822
Director	42418	Representative of Thai Wey Industrial Co., Ltd.: 92, 5 Chen Li-Ming	
Director	42418	Representative of Thai Wey Industrial Co., Ltd.: Li Mao-Sheng	92, 393, 947
Independent Director	R12027***	Shen Bo-Ting	1, 214, 354
Independent Director	F12343***	Li Yi-Wen	1, 214, 354
Independent Director	A12237****	Huang Shi-Bing	1, 214, 354

Proposed Resolutions

Proposal I: (Proposed by the Board of Directors)

Matters of Deliberation: Amendment to "Rules and Procedures of Shareholders'

Meeting" of the Company is submitted for discussion.

Explanatory Notes:

- 1. Propose to amend some provisions of "Rules and Procedures of Shareholders' Meeting" of the Company in response to the voting rights exercised by means of electronic transmission.
- 2. Comparison Table for Provisions Before and After Revision (Please reference Attachment).
- 3. Be submitted for discussion.

Resolution:

RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: Shares present at the time of voting: 66,687,902 (Including 4,895,218 shares from electronic voting).

		% of the
Voting Resu	ılts	represented
_		share present
Votes in favor (electronic votes)	62,317,703 votes (528,568)	93.44%
Votes against(electronic votes)	18,945 votes(18,945)	0.02%
Invalid Votes(electronic votes)	0 votes(0)	0%
Votes abstained / Not Voted (electronic votes)	4,351,254votes (4,347,705)	6.52%

Report II: (Proposed by the Board of Directors)

Matters of Deliberation: Amendment to "Regulations Governing Acquisition or

Disposal of Assets" of the Company to be submitted for discussion.

Explanatory Notes:

- Propose to amend the "Regulations Governing Acquisition or Disposal of Assets" of the Company in response to the Financial-Supervisory-Securities-Securities-Corporate-1070341072.
- 2. Comparison Table for Regulations Governing Acquisition or Disposal of Assets Before and After Revision (Please reference Attachment).
- 3. Be submitted for discussion.

Resolution:

RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: Shares present at the time of voting: 66,687,902 (Including

4,895,218 shares from electronic voting).

		% of the
Voting Resu	ılts	represented
_		share present
Votes in favor (electronic votes)	62,317,703 votes (528,568)	93.44%
Votes against(electronic votes)	19,940 votes(19,940)	0.02%
Invalid Votes(electronic votes)	0 votes(0)	0%
Votes abstained / Not Voted (electronic votes)	4,350,253votes(4,346,704)	6.52%

Report III: (Proposed by the Board of Directors)

Matters of Deliberation: Amendment to "Regulations Governing Loaning of Funds to Others" is submitted for discussion.

Explanatory Notes:

- Propose to amend the "Regulations Governing Loaning of Funds to Others" of the Company in response to the Financial-Supervisory-Securities-Auditing-1080304826.
- 2. Comparison Table for "Regulations Governing Loaning of Funds to

Others" Before and After Revision (Please reference Attachment).

3. Be submitted for discussion.

Resolution:

RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: Shares present at the time of voting: 66,687,902 (Including

4,895,218 shares from electronic voting).

Voting Results		% of the represented share present
Votes in favor (electronic votes)	62,317,708 votes (528,573)	93.44%
Votes against(electronic votes)	19,940 votes(19,940)	0.02%
Invalid Votes(electronic votes)	0 votes(0)	0%
Votes abstained / Not Voted (electronic votes)	4,350,254votes(4,346,705)	6.52%

Report IV: (Proposed by the Board of Directors)

Matters of Deliberation: Amendment to "Regulations Governing Making of

Endorsements/Guarantees" is submitted for discussion.

Explanatory Notes:

- i. Propose to amend the "Regulations Governing Making of Endorsements/Guarantees" in response to the Financial-Supervisory-Securities-Auditing-1080304826.
- ii. Comparison Table for "Regulations Governing Making of Endorsements/Guarantees" Before and After Revision (Please reference Attachment).
- iii. Be submitted for discussion.

Resolution:

RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: Shares present at the time of voting: 66,687,902 (Including

4,895,218 shares from electronic voting).

		% of the
Voting Resu	ılts	represented
_		share present
Votes in favor (electronic votes)	62,317,709 votes (528,574)	93.44%
Votes against(electronic votes)	19,940 votes(19,940)	0.02%
Invalid Votes(electronic votes)	0 votes(0)	0%
Votes abstained / Not Voted (electronic votes)	4,350,253votes(4,347,704)	6.52%

Report V: (Proposed by the Board of Directors)

Matters of Deliberation: Relief of 9th directors from non-competition restrictions is submitted for discussion.

Explanatory Notes:

- In accordance with Article 209 of the Company Act, "a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval".
- 2. Propose to invite the new directors and their representatives to explain their important contents at the shareholders' meeting and request the Shareholders' Meeting to relief them from non-competition restrictions.
- 3. Be submitted for discussion.

Resolution:

The names and titles of the directors who are permitted to engage in competitive activities are as follows:

Name	Company Name and Concurrent Position
Hua-Jie Investment Co. Ltd. Representative:Tsai Kao-Ming	Independent Director of United Radiant Technology Corp. Independent Director of Opto Tech Corporation
Guangdong Fenghua Semiconductor	Deputy director of Marketing Center, Guangdong Fenghua
Technology Co., Ltd. (China) Representative:Hu Chuang-Bin	Supervisor of Changchun Guanghua Microelectronics Equipment Engineering Center Co., Ltd.
Guangdong Fenghua Semiconductor Technology Co., Ltd. (China) Representative:Liang Yao-Ming	Senior Manager of Guangdong Fenghua Semiconductor Technology Co., Ltd.
Guangdong Fenghua Semiconductor Technology Co., Ltd. (China) Representative:Liao Wei-Qiang	Director of Operations Management, Guangdong Fenghua Semiconductor Technology Co., Ltd. Supervisor of Guangdong Fenghua Semiconductor Technology Co., Ltd. Director of Guangdong Fenghua Semiconductor Technology Co., Ltd. Director of Netron Soft-Tech (Zhuai) Co., Ltd. Executive Director of Guangdong Micro-Electronics Co., Ltd. (Legal Entity) Director of Siping City Jihua Gaoxin Tech Co., Ltd.

Other Business and Special Motion:

None



I. Business Policy

The Company is mainly engaged in the production of high-end and special-function passive components and actively promotes the Viking brand through local agents, distributors and branch offices around the world. The main sales are still high-margin thin film precision resistors, column resistors, current detection resistors that are high voltage, surge resistor, anti-sulfurated and that applies in various electronic products, especially the electronic components related to China electric meters, power management market, global equipment and instruments for industrial purpose, Internet of Things, automotive electronic control devices, etc.

In 2018, the passive components market continued to be desperately short of stock. In addition to MLCC, thick film resistors will be desperately short of stock. The Company relies on the advantages of the market subsegment of precision passive components, and actively adjusts the customer structure and product structure by using the industry economic cycle. First, the production expansion for the Automotive-grade resistor, Thin film resistor, and Metal alloy resistor expansion in response to high demand, especially the expansion for MELF precision columnar resistor to meet market demand; Second, focusing on consolidating and expanding the market share on automobile industry, industrial control and high-end consumer electronics, to take the opportunity to introduce more international companies to enhance the market position of the Company; Third, rationally planning the layout of Wuxi, Taiwan Hsinchu and Kaohsiung production lines, to strengthen the construction of supporting infrastructure, and to lay the foundation for the subsequent development of the Company; Fourth, expanding the industry synergy with major shareholders, Guangdong Fenghua Advanced Technology Holding CO.,LTD, and other industry players, and actively introducing new types of precision passive components to provide customers with subdivided category of product integration services.

The Company is also committed to research and development of various high-end, high-reliability and high-power components to meet the special needs of customers and to continue to develop products based on

competitive advantages in niche markets, and to improve product yield rate and reduce costs to improve competitiveness in response to the intensive business environment.

II. General Condition of Implementation

After the implementation of the original 2018 business policy, he annual achievement rate against the annual forecast revenue figures for 2018 is 121%, the revenue growth is 44% higher compared with that of the previous period. In the second half of the year, the passive components are desperately short of stock globally. After the Company actively invested in expanding the production, the revenue also continues to reach a record high, indicating that the current business policy is in line with market demand.

III. Result of Implementation of Business Plan

The revenue under 2018 business plan is NTD 2,200,000 thousand and net income before tax is NTD 275,000 thousand, and after actual execution, the revenue is NTD 2,653,960 thousand, and net income before tax is NTD 342,849 thousand.

IV. Execution of the Budget Derivative of Operating Revenue and Expenditure:

Unit: In Thousands of New Taiwan Dollars

Item	BUDGET	FINAL	Achievement Rate%
Operating Revenue	2,200,000	2,653,960	121%
Operating Costs	(1,615,279)	(1,808,824)	112%
Gross Profit	584,721	845,136	145%
Operating Expenses	(312,812)	(344,695)	110%
Income from Operations	271,909	500,441	184%
Non-Operating Income and Expenses	3,091	(157,592)	(5098%)
Net Income Before Tax	275,000	342,849	125%

Note: The aforesaid financial information is in adoption of the consolidated financial statements.

V. Profitability Analysis

Financial	Debt Ratio (%)	24.57
Structure	Long-term Fund to Property, Plant and Equipment Ratio (%)	236.17
Solvency	Liquidity Ratio (%)	313.52
	Quick Ratio (%)	222.21
	Interest Coverage Ratio	95.16
Operating	Accounts Receivable Turnover (times)	5.01
Performance	Average Collection Days	73
	Inventory Turnover (times)	3.12
	Accounts Payable Turnover(times)	6.89
	Average Inventory Turnover Days	118
	Property, Plant and Equipment Turnover (Times)	2.19
	Total Assets Turnover (times)	0.83
Profitability	Return on total assets (%)	8.79
	Return on Equity (%)	11.48
	Pre-tax Income to Paid-in Capital Ratio (%)	29.22
	Net Margin (%)	10.48
	Earnings per share (in one of New Taiwan Dollar)	2.36

Note: The aforesaid financial information is in adoption of the consolidated financial statements.

VI. Research and Development

- 1. Successfully developed the jumper resistor LRJ 0603 1/4W model.
- 2. Successfully developed the jumper resistor LRJ 0805 1/2W model.
- 3. Successfully developed current detection high power resistor CSM 1206 $69m\Omega\sim100m\Omega$ 1W.
- 4. Successfully developed 4-wire current-sensing chip resistor 4T 1206 $10m\Omega\sim20m\Omega$ 1/2W.
- 5. Successfully developed 4-wire current sensing chip resistor 4T 2010 $10m\Omega\sim20m\Omega$ 3/4W.
- 6. Power development current detection high power resistance CS 1206 101~1000mR 1W.
- 7. Successfully developed anti-pulse and surge-resistant high power thick film resistor PWR/SWR 0402 1/5W.
- 8. Successfully developed anti-pulse and surge-resistant ultra high power thick film resistor PWR/SWR 0805 1/2W.
- 9. Successfully developed anti-pulse and surge-resistant ultra high power thick film resistor PWR/SWR 1206 3/4W.
- 10. Successfully developed a miniaturized, fully lead-free thick film resistor CRG 0201.
- 11. Successfully developed a large current and low resistance thick film Jumper resistor PWR 0R (0603<8mR, 0805/1206<5mR).
- 12. Successfully developed high-power alloy resistor LRP12 120-200mR 3W.

Responsible person: Managerial Personnel: Accountant in charge of

Tsai Kao-Ming Zhang Yuan-Sheng the Company

Li Shun-He

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

PWCR18000442

To the Board of Directors and Shareholders of VIKING TECH CORPORATION

Opinion

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

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

Basis for opinion

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

Key audit matters

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

The key audit matters in relation to the consolidated financial statements for the year ended December 31, 2018 are outlined as follows:

Cut-off risk error of revenue recognistion

Description

Please refer to Note 4(24) for accounting policy on revenue recognition. The Company is primarily engaged in export and offers different credit terms to their customers. The credit terms for some customers are delivered at place and the timing for transferring the control of goods is based on the customer confirmation documents. Given the revenue recognition process relies on manual processes and the large amounts of daily sales transactions are to be material to the financial statements, we thus consider sales cut-off as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- 1. Assessed the reasonableness of the sales recognistion accounting policy.
- 2.Understood and tested the design and effectiveness of implement of relevant internal control when recognising the sales revenues.
- 3.Sampled delivery orders and customer confirmation documents in a certain period before and after the balance sheet date to ensure the accuracy of cut-off of sales revenue.

Assessment of allowance for inventory valuation losses

Description

Please refer to Note 4(12) for accounting policies on inventory, Note 5 for significant accounting estimates and assumptions of inventory, and Note 6(6) for details of allowance for inventory valuation losses.

The Company manufactures and sells thick and thin film passive components products. Due to the competitive market in the industry and the fluctuating prices, there is a higher risk of inventory losing value or becoming obsolete. The inventories are stated at the lower of cost and net realisable value and the possible losses arising from aged and obsolete inventories are also assessed. Given the evaluation on the aged and obsolete inventories involves subjective judgement which results in estimation uncertainty and the impact of aged inventories and allowance for inventory valuation losses are to be material to the financial statements, we thus consider assessment of allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- 1. Understood and assessed the reasonableness of allowance for inventory valuation losses policy including the historical sources of inventory clearance process.
- 2. Obtained the inventory assessment report prepared by the authority and checked the completeness of the information on the inventory aging report.
- 3. Verified the accuracy of the intervals and relevant information used on the inventory aging report, ensured the allowance loss valuation and the provision policy are consistently applied and further assessed the reasonableness of the estimations of allowance for inventory valuation losses.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Viking Tech Corporation, as at and for the years ended December 31, 2018 and 2017.

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

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

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

Those charged with governance, including audit committee, are responsible for

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

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

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

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

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

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

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

Lin, Yu-Kuan

Cheng, Ya-Huei

For and on behalf of PricewaterhouseCoopers, Taiwan March 13, 2019

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

the Republic of China, and their applications in practice.

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

VIKING TECH CORPORATION AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes		December 31, 201 AMOUNT		8 December 31, 20 AMOUNT			
	Current assets	Notes		AWOUNT	70	AMO	ONI		
1100	Cash and cash equivalents	6(1)	\$	612,806	18	\$	669,909	22	
1110	Financial assets at fair value	6(2)	Ψ	012,000	10	Ψ	007,707	22	
1110	through profit or loss - current			49,656	2		40,856	1	
1120	Current financial assets at fair			17,020	_		10,050	1	
1120	value through other	0(3)							
	comprehensive income			59,096	2		_	_	
1125	Available-for-sale financial	12(4)		25,050	_				
	assets - current	(-)		_	_		58,901	2	
1136	Current financial assets at	6(4)							
	amortised cost, net			63,416	2		-	_	
1147	Bond investments without	12(4)		,					
	active markets - current	. ,		-	_		4,565	_	
1150	Notes receivable, net	6(5)		14,929	_		9,737	_	
1170	Accounts receivable, net	6(5)		615,166	18		405,421	13	
1180	Accounts receivable - related	6(5) and 7							
	parties			9	-		130	_	
1200	Other receivables			22,517	1		13,011	1	
1210	Other receivables - related	7							
	parties			1,581	-		-	_	
1220	Current income tax assets			2,129	-		2,129	-	
130X	Inventories	6(6)		568,210	17		405,627	14	
1410	Prepayments			22,936	1		26,476	1	
1479	Other current assets, others	8		1,088			901		
11XX	Total current assets			2,033,539	61		1,637,663	54	
	Non-current assets								
1600	Property, plant and equipment	6(7)(8)(25) and 8		1,143,587	34		1,282,614	42	
1780	Intangible assets			3,608	-		1,947	-	
1840	Deferred income tax assets	6(23)		46,510	1		24,387	1	
1900	Other non-current assets	6(25)		125,956	4		90,116	3	
15XX	Total non-current assets			1,319,661	39		1,399,064	46	
1XXX	Total assets		\$	3,353,200	100	\$	3,036,727	100	

(Continued)

VIKING TECH CORPORATION AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			December 31, 2018				7	
	Liabilities and Equity	Notes		AMOUNT	%		AMOUNT	%
	Current liabilities			<u> </u>			_	
2100	Short-term borrowings	6(9)(26)	\$	20,000	1	\$	130,000	4
2150	Notes payable			3,154	-		5,253	-
2170	Accounts payable			280,099	9		182,001	6
2180	Accounts payable - related	7						
	parties			33,508	1		19,114	1
2200	Other payables	6(10)(22)		210,044	6		198,135	7
2230	Current income tax liabilities	6(23)		63,155	2		12,593	-
2320	Long-term liabilities, current	6(11)(26) and 8						
	portion			29,076	1		22,319	1
2399	Other current liabilities, others			9,574			2,120	
21XX	Total current liabilities			648,610	20		571,535	19
	Non-current liabilities							
2540	Long-term borrowings	6(11)(26) and 8		171,673	5		147,816	5
2570	Deferred income tax liabilities	6(23)		209	-		247	-
2600	Other non-current liabilities			3,555			3,445	
25XX	Total non-current							
	liabilities			175,437	5		151,508	5
2XXX	Total Liabilities			824,047	25		723,043	24
	Equity attributable to owners							
	of parent							
	Share capital	6(13)						
3110	Share capital - common stock			1,173,408	35		1,173,408	38
	Capital surplus	6(14)						
3200	Capital surplus			730,121	22		730,121	24
	Retained earnings	6(15)						
3310	Legal reserve			150,954	4		142,221	5
3320	Special reserve			3,510	-		5,105	-
3350	Unappropriated retained							
	earnings			473,887	14		263,320	9
	Other equity	6(3)(16) and 12(4)						
3400	Other equity interest		(7,524)		(3,510)	
31XX	Total equity attributable							
	to owners of the parent			2,524,356	75		2,310,665	76
36XX	Non-controlling interest			4,797			3,019	
3XXX	Total equity			2,529,153	75		2,313,684	76
	Significant Contingent	9						
	Liabilities and Unrecongised							
	Contract Commitments	11						
	Significant Events After the							
	Balance Sheet Date							
3X2X	Total liabilities and equity		\$	3,353,200	100	\$	3,036,727	100

VIKING TECH CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)

			Years ended December 31											
				2018			2017							
	Items	Notes		AMOUNT	%		AMOUNT	%						
4000	Operating revenue	6(17) and 7	\$	2,653,960	100	\$	1,848,068	100						
5000	Operating costs	6(6)(21)(22) and			-0)									
~ 000	C at	7	(1,808,824) (<u>68</u>)	(1,409,614) (<u>76</u>)						
5900	Gross profit	5 (0.4) (0.0)		845,136	32		438,454	24						
6100	Operating expenses	6(21)(22)	,	120 460) (5 \	,	104.251) (5 \						
6100	Selling expenses		(128,469) (5)	(104,351) (5)						
6200	General and administrative		,	1(5 472) (()	(102.254) (7)						
6300	expenses Research and development		(165,472) (6)	(123,354) (7)						
0300	expenses		(50,754) (2)	(55,898) (3)						
6000	Total operating expenses		_	344,695) (13)	-	283,603) (15)						
6900	Operating profit		_	500,441	19	_	154,851	9						
0700	Non-operating income and			300,441	17		134,031							
	expenses													
7010	Other income	6(3)(4)(18)		15,873	_	(21,582) (1)						
7020	Other gains and losses	6(2)(8)(19)	(169,824) (6)	(28,530) (2)						
7050	Finance costs	6(20)	(3,641)		(4,169)	<u> </u>						
7000	Total non-operating													
	income and expenses		(157,592) (<u>6</u>)	(54,281) (3)						
7900	Profit before income tax			342,849	13		100,570	6						
7950	Income tax expense	6(23)	(64,823) (3)	(12,398) (<u>1</u>)						
8200	Profit for the year		\$	278,026	10	\$	88,172	5						
	Other comprehensive income													
	Components of other													
	comprehensive income that													
	will be reclassified to profit or													
8361	loss Cumulative translation	6(16)												
8301	differences of foreign	0(10)												
	operations		(\$	2,080)	_	(\$	1,519)	_						
8362	Other comprehensive income,	6(16) and 12(4)	(Ψ	2,000)		(Ψ	1,51)							
0002	before tax, available-for-sale	0(10) 4114 12(1)												
	financial assets			-	-		2,912	_						
8367	Unrealised gains (losses)	6(3)(16)												
	from investments in debt													
	instruments measured at fair													
	value through other		,	1.000										
0.500	comprehensive income, net		(1,806)										
8500	Total comprehensive income for the year		Φ	274 140	10	Φ	90.565	5						
	Profit, attributable to:		\$	274,140	10	\$	89,565	5						
8610	Owners of the parent		•	276,376	10	Ф	87,331	5						
	-		<u>\$</u> \$		10	<u>\$</u> \$	841							
8620	Non-controlling interest		Ф	1,650		Ф	841							
	Comprehensive income attributable to:													
8710	Owners of the parent		\$	272,362	10	\$	88,926	5						
8720	Non-controlling interest		\$	1,778	10	<u>\$</u> \$	639							
8720	Non-controlling interest		φ	1,770		φ	039							
	Basic earnings per share	6(24)												
9750	Total Basic earnings per	0(21)												
	share		\$		2.36	\$		0.74						
	Diluted earnings per share	6(24)	-			<u> </u>								
9850	Total Diluted earnings per	` /												
	share		\$		2.33	\$		0.74						

VIKING TECH CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

				I	Equity attribu	utable to owners	s of the paren	t				
				Re	etained Earnin	ıgs	Oth	er Equity Inte	rest		_	
	Notes	Ordinary Shares	Capital surplus, additional paid-in capital	<u>Legal reserve</u>	Special reserve	Unappropriate d retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for -sale financial assets	Total	Non-controlli ng interest	
Year ended December 31, 2017												
alance at January 1, 2017		\$ 1,173,408	\$ 730,121	\$ 134,179	\$ -	\$ 247,807	(\$ 2,541)	\$ -	(\$ 2,564)	\$ 2,280,410	\$ 2,380	\$ 2,282,790
Profit for the year						87,331	-		-	87,331	841	88,172
Other comprehensive income (less) for the year	6(16) and 12(4)	-	-	-	-	-	(1,317)	-	2,912	1,595	(202)	1,393
Total comprehensive income						87,331	(1,317)		2,912	88,926	639	89,565
Distribution of retained earnings of 2016:												
Legal reserve	6(15)	-	-	8,042	-	(8,042)	-	-	-	-	-	-
Special reserve	6(15)	-	-	-	5,105	(5,105)	-	-	-	-	-	-
Cash dividends	6(15)					(58,671_)				(58,671_)		(58,671_)
Balance at December 31, 2017		\$ 1,173,408	\$ 730,121	\$ 142,221	\$ 5,105	\$ 263,320	(\$ 3,858)	\$ -	\$ 348	\$ 2,310,665	\$ 3,019	\$ 2,313,684
Year ended December 31, 2018												
Balance at January 1, 2018		\$ 1,173,408	\$ 730,121	\$ 142,221	\$ 5,105	\$ 263,320	(\$ 3,858)	\$ -	\$ 348	\$ 2,310,665	\$ 3,019	\$ 2,313,684
Retrospective application and effect of retrospective restatemen	nt							348	(348)			
Balance at 1 January after		1,173,408	730,121	142,221	5,105	263,320	(3,858)	348		2,310,665	3,019	2,313,684
adjustments Profit for the year		1,173,408	750,121	142,221	3,103	276,376	(340		276,376	1,650	278,026
Other comprehensive income	6(3)(16)	-	-	-	-	270,370	-	-	-	270,370	1,030	278,020
(loss) for the year	0(3)(10)	-	-	-	-	-	(2,208)	(1,806)	-	(4,014)	128	(3,886)
Total comprehensive income						276,376	(2,208)	(1,806)		272,362	1,778	274,140
Distribution of retained earnings of 2017:												
Legal reserve	6(15)	-	-	8,733	-	(8,733)	-	-	-	-	-	-
Special reserve	6(15)	-	-	-	(1,595)		-	-	-	-	-	-
Cash dividends	6(15)	<u> </u>		<u> </u>	<u> </u>	(58,671_)		<u> </u>		(58,671_)		(58,671_)
Balance at December 31, 2018		\$ 1,173,408	\$ 730,121	\$ 150,954	\$ 3,510	\$ 473,887	(\$ 6,066)	(\$ 1,458)	\$ -	\$ 2,524,356	\$ 4,797	\$ 2,529,153

VIKING TECH CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			Years ended					
	Notes		2018		2017			
CASH FLOWS FROM OPERATING ACTIVITIES								
Profit before tax		\$	342,849	\$	100,570			
Adjustments		·	,	,	,			
Adjustments to reconcile profit (loss)								
Provision for expected credit loss	12(2)		883		-			
Reversal for doubtful accounts	12(4)		-	(22)			
Depreciation	6(7)(21)		184,546	`	173,109			
Amortisation of intangible assets	6(21)		2,976		3,166			
Interest income	6(3)(4)(18)	(5,066)	(6,524)			
Interest expense	6(20)		3,641		4,169			
Net loss (gain) on financial assets at fair value	6(2)(19)		4,372	(3,109)			
Loss on disposal of property, plant and equipment	6(7)(19)		35,524		1,491			
Impairment loss	6(7)(8)(19)		135,374		4,637			
Value loss on available-for-sale financial assets	12(4)		-		4,901			
Gain on foreign exchange remeasurement of	6(3)							
financial assets at fair value through other								
comprehensive income		(1,872)		-			
Changes in operating assets and liabilities								
Changes in operating assets								
Financial assets at fair value through profit or loss	6(2)	(13,172)		54,624			
Notes receivable	6(5)	(5,266)		6,541			
Accounts receivable	6(5) and 12(4)	(214,636)	(7,396)			
Accounts receivable - related parties	6(5), 7 and 12(4))	121	(11)			
Other receivables		(9,620)	(4,341)			
Other receivables - related parties		(1,581)		-			
Inventories	6(6)	(165,118)	(57,397)			
Prepayments			3,411	(7,534)			
Other current assets		(187)		644			
Changes in operating liabilities								
Notes payable		(2,099)	(1,365)			
Accounts payable			99,883		32,392			
Accounts payable- related parties	7		14,829		7,176			
Other payables	6(10)		35,128		5,244			
Other current liabilities			7,503	(1,474)			
Cash inflow generated from operations			452,423		309,491			
Interest received			4,981		6,719			
Interest paid		(3,670)	(4,235)			
Income tax paid		(36,307)	(12,549)			
Net cash flows from operating activities		_	417,427		299,426			

(Continued)

VIKING TECH CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS) Years ended December 31,

				December 31,				
	Notes		2018		2017			
CASH FLOWS FROM INVESTING ACTIVITIES								
Acquisition of financial assets at amortized cost	6(4)	(\$	86,481)	\$	-			
Acquisition of Obtain debt instruments without an								
active market			-	(4,530)			
Proceeds from Disposal of financial assets measured	6(4)							
by amortized cost			27,361		-			
Expiration of Debt instrument investment without	12(4)							
active market			-		6,795			
Increase in other current financial assets	8		-	(800)			
Acquisition of property, plant and equipment	6(7)(25)	(317,369)	(175,542)			
Proceeds from disposal of property, plant and	6(7)							
equipment			44,138		1,285			
Acquisition of intangible assets		(4,637)	(2,819)			
Increase in refundable deposits		(1,990)	(274)			
Net cash flows used in investing activities		(338,978)	(175,885)			
CASH FLOWS FROM FINANCING ACTIVITIES								
Increase in short-term borrowings	6(9)(26)		30,000		150,000			
Repayment of short-term borrowings	6(9)(26)	(140,000)	(330,000)			
Increase in short-term borrowings	6(11)(26)		57,380		95,000			
Repayment of short-term borrowings	6(11)(26)	(26,766)	(16,022)			
Increase (decrease) in guarantee deposits received			110	(288)			
Cash dividends paid	6(15)	(58,671)	(58,671)			
Net cash flows used in financing activities		(137,947)	(159,981)			
Effects of changes in foreign exchange rates			2,395		535			
Net decrease in cash and cash equivalents		(57,103)	(35,905)			
Cash and cash equivalents at beginning of year	6(1)		669,909		705,814			
Cash and cash equivalents at end of year	6(1)	\$	612,806	\$	669,909			

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

PWCR18000418

To the Board of Directors and Shareholders of VIKING TECH CORPORATION

Opinion

We have audited the accompanying balance sheets of VIKING TECH CORPORATION (the "Company") as at December 31, 2018 and 2017, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our

audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide

a separate opinion on these matters.

The key audit matters in relation to the parent company only financial statements for the year ended

December 31, 2018 are outlined as follows:

Cut-off risk error of revenue recognistion

Description

Please refer to Note 4(24) for accounting policy on revenue recognition. The Company is primarily engaged in export and offers different credit terms to their customers. The credit terms for some customers are upon delivery to a specific location and the timing for transferring the control of goods is based on the customer confirmation documents. Given that the revenue recognition process relies on manual processes and the large volume of daily sales transactions which are to be material to the financial statements, we thus consider sales

cut-off as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- 1. Assessed the reasonableness of the sales recognistion accounting policy.
- 2. Understood and tested the design and effectiveness of relevant internal control when recognising the sales revenues.
- 3. Sampled delivery orders and customer confirmation documents in a certain period before and after the balance sheet date to ensure the accuracy of cut-off of sales revenue.

Assessment of allowance for inventory valuation losses Description

Please refer to Note 4(12) for accounting policies on inventory, Note 5 for significant accounting estimates and assumptions of inventory, and Note 6(6) for details of allowance for inventory valuation losses.

The Company manufactures and sells thick and thin film passive components products. Due to the competitive market in the industry and the fluctuating prices, there is a higher risk of inventory losing value or becoming obsolete. The inventories are stated at the lower of cost and net realisable value and the possible losses arising from aged and obsolete inventories are also assessed. Given that the evaluation on the aged and obsolete inventories involves subjective judgement which results in estimation uncertainty and the impact of aged inventories and allowance for inventory valuation losses are material to the financial statements, we thus consider assessment of allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- 1. Understood and assessed the reasonableness of allowance for inventory valuation losses policy including the historical sources of inventory clearance process.
- 2. Obtained the inventory assessment report prepared by the authority and checked the completeness of the information on the inventory aging report.
- 3. Verified the accuracy of the intervals and relevant information used on the inventory aging report, ensured that the allowance loss valuation and the provision policy are consistently applied and further assessed the reasonableness of the estimations of allowance for inventory valuation losses.

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

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

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

Those charged with governance, including the Audit Committee, are responsible for

overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Lin, Yu-Kuan	Cheng, Ya-Huei	
For and on behalf of Pricewaterhous March 13, 2019	seCoopers, Taiwan	

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

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

<u>VIKING TECH CORPORATION</u> <u>PARENT COMPANY ONLY BALANCE SHEETS</u> (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

				December 31, 201		December 31, 2017			
	Assets	Notes		AMOUNT		AMOUNT	<u>%</u>		
	Current assets								
1100	Cash and cash equivalents	6(1)	\$	501,809	15	\$ 603,083	20		
1110	Financial assets at fair value	6(2)							
	through profit or loss - current			49,656	2	40,856	1		
1120	Current financial assets at fair	6(3)							
	value through other								
	comprehensive income			59,096	2	-	-		
1125	Available-for-sale financial	12(4)							
	assets - current			-	-	58,901	2		
1136	Current financial assets at	6(4)							
	amortised cost, net			50,000	2	-	-		
1150	Notes receivable, net	6(5)		11,288	-	7,183	-		
1170	Accounts receivable, net	6(5)		385,903	12	252,639	9		
1180	Accounts receivable - related	6(5) and 7							
	parties			210,517	6	132,792	5		
1200	Other receivables			19,094	1	9,243	-		
1210	Other receivables - related	7							
	parties			19,568	1	3	-		
1220	Current income tax assets			2,129	-	2,129	-		
130X	Inventories	6(6)		468,824	14	349,821	12		
1410	Prepayments			16,606	-	19,925	1		
1479	Other current assets, others	8	_	1,008		845			
11XX	Total current assets			1,795,498	55	1,477,420	50		
	Non-current assets								
1550	Investments accounted for	6(7)							
	under equity method			186,526	6	107,324	3		
1600	Property, plant and equipment	6(8)(9)(26) and 8		1,107,238	34	1,278,452	43		
1780	Intangible assets			3,608	-	1,947	-		
1840	Deferred income tax assets	6(24)		46,510	1	24,387	1		
1900	Other non-current assets	6(26)		122,221	4	88,300	3		
15XX	Total non-current assets			1,466,103	45	1,500,410	50		
1XXX	Total assets		\$	3,261,601	100	\$ 2,977,830	100		

(Continued)

VIKING TECH CORPORATION PARENT COMPANY ONLY BALANCE SHEETS (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

				December 31, 2018		December 31, 2017				
	Liabilities and Equity	Notes		AMOUNT	%	AMOUNT	%			
	Current liabilities			_						
2100	Short-term borrowings	6(10)(27)	\$	20,000	1	\$ 130,000	4			
2150	Notes payable			3,154	-	5,253	-			
2170	Accounts payable	7		204,200	6	137,110	5			
2200	Other payables	6(11)(23)		218,834	7	196,121	7			
2230	Current income tax liabilities	6(24)		57,319	2	12,593	-			
2320	Long-term liabilities, current	6(12) and 8								
	portion			29,076	1	22,319	1			
2399	Other current liabilities, others			3,575		1,499				
21XX	Total current Liabilities			536,158	17	504,895	17			
	Non-current liabilities									
2540	Long-term borrowings	6(12)(27) and 8		171,673	5	147,816	5			
2570	Deferred income tax liabilities	6(24)		209	-	247	-			
2600	Other non-current liabilities			29,205	1	14,207				
25XX	Total non-current liabilities			201,087	6	162,270	5			
2XXX	Total Liabilities			737,245	23	667,165	22			
	Equity									
	Share capital	6(14)								
3110	Share capital - common stock			1,173,408	36	1,173,408	40			
	Capital surplus	6(15)								
3200	Capital surplus			730,121	22	730,121	24			
	Retained earnings	6(16)(24)								
3310	Legal reserve			150,954	5	142,221	5			
3320	Special reserve			3,510	-	5,105	-			
3350	Unappropriated retained earnings			473,887	14	263,320	9			
	Other equity interest	6(3)(17)								
3400	Other equity interest		(7,524)		(3,510)				
3XXX	Total equity			2,524,356	77	2,310,665	78			
	Significant Contingent	9								
	Liabilities and Unrecognised									
	Contract Commitments									
	Significant Events After the	11								
	Balance Date									
3X2X	Total liabilities and equity		\$	3,261,601	100	\$ 2,977,830	100			

	PARENT COMPA	ANY ONLY STAT	TEMEN'	ORPORATION TS OF COMPREHI	ENSIV	E INC	COME	
	(EXPRESSED IN THOUSA	NDS OF NEW TA	AIWAN				NGS PER SHARE) ember 31	
				2018	Cliaca	Dece	2017	
	Items	Notes		AMOUNT	%		AMOUNT	%
4000	Operating revenue	6(18) and 7	\$	2,165,515	100	\$	1,594,973	100
5000	Operating costs	6(6)(22)(23)	(1,459,800) (67)	(1,206,221) (75)
5900	Net operating margin			705,715	33		388,752	25
5910	Unrealized profit from sales		(25,650) (1)	(10,762) (1)
5920	Realized profit from sales			10,762			270	
5950	Net operating margin			690,827	32		378,260	24
	Operating expenses	6(22)(23)						
6100	Selling expenses	7	(89,763) (4)	(70,683) (4)
6200	General and administrative		,	1.40.470) (7	,	111100	7 \
6200	expenses		(148,478) (7)	(114,100) (7)
6300	Research and development		(50.754) (2)	(55 909) (4)
6000	expenses Total energting expenses			50,754) (288,995) (2) 13)	_	55,898) (240,681) (<u>4)</u> 15)
6900	Total operating expenses Operating profit		(401,832	13) 19	_	137,579	<u> 13</u>)
0900	Non-operating income and			401,632	19	_	137,379	
	expenses							
7010	Other income	6(3)(19)		12,493	_	(21,715) (1)
7020	Other gains and losses	6(2)(20)	(168,423) (8)	(27,415) (
7050	Finance costs	6(21)	Ì	3,641)	-	(4,169)	
7070	Share of profit of associates	6(7)	Ì			,	,	
	and joint ventures accounted							
	for using equity method, net			81,410	4		15,430	1
7000	Total non-operating							
	income and expenses		(78,161) (4)	(37,869) (<u>2</u>)
7900	Profit before income tax	c (2.1)	,	323,671	15		99,710	7
7950	Income tax expense	6(24)	(47,295) (_	<u>2</u>)	(12,379) (1)
8200	Profit for the year		\$	276,376	13	\$	87,331	6
	Other comprehensive income							
	Components of other							
	comprehensive income that will be reclassified to profit or							
	loss							
8361	Other comprehensive	6(17)						
0501	income, before tax, exchange	0(17)						
	differences on translation		(\$	2,208)	_	(\$	1,317)	_
8362	Other comprehensive	6(17) and 12(4)		, ,			, ,	
	income, before tax,							
	available-for-sale financial							
	assets			=	-		2,912	-
8367	Unrealised gains (losses)	6(3)(17)						
	from investments in debt instruments measured at fair							
	value through other							
	comprehensive income		(1,806)	_		_	_
8500	Total comprehensive income		<u></u>	1,000)			<u></u>	
0500	for the year		\$	272,362	13	\$	88,926	6
	J J		-			<u> </u>	22,5 = 2	
	Basic earnings per share							
9750	Total basic earnings per	6(25)						
	share		\$		2.36	\$		0.74
	Diluted earnings per share							
9850	Total diluted earnings per	6(25)				_		
	share		\$		2.33	\$		0.74

VIKING TECH CORPORATION PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

]	Retair	ned Earning	gs			Ot		equity intere	est		
	Notes	Share capital - common stock	Total capit surplus, additiona paid-in cap	1	gal reserve		Special reserve	d e (ace	Total appropriate retained earnings cumulated deficit)	sta tra diffe	inancial atements inslation erences of foreign perations	gair fron me fa thro	nrealised ns (losses) n financial assets assured at air value ough other nprehensiv income	gain avail ale	realized or loss on able-for-s financial assets	Total equity
Year ended December 31, 2017																
Balance at January 1, 2017		\$ 1,173,408	\$ 730,12	1 \$	134,179	\$	-	\$	247,807	(\$	2,541)	\$	-	(\$	2,564)	\$ 2,280,410
Profit for the year					-		_		87,331		-		-		-	87,331
Other comprehensive income for the year	6(17) and 12(4)	-		-	-		_		_	(1,317)		_		2,912	1,595
Total comprehensive income							_		87,331	(1,317)		_		2,912	88,926
Distribution of retained earnings of 2016:(Note 1)																
Legal reserve	6(16)	-		-	8,042		-	(8,042)		-		-		-	-
Special reserve	6(16)	-		-	-		5,105	(5,105)		-		-		-	-
Cash dividends	6(16)			<u> </u>				(58,671)							(58,671_)
Balance at December 31, 2017		\$ 1,173,408	\$ 730,12	1 \$	142,221	\$	5,105	\$	263,320	(\$	3,858)	\$		\$	348	\$ 2,310,665
Year ended December 31, 2018																<u> </u>
Balance at January 1, 2018		\$ 1,173,408	\$ 730,12	1 \$	142,221	\$	5,105	\$	263,320	(\$	3,858)	\$	-	\$	348	\$ 2,310,665
Restrospective application and effect of restrospective restatement				_									348	(348)	<u>-</u>
Balance at 1 January after adjustments		1,173,408	730,12	1	142,221		5,105		263,320	(3,858)		348			2,310,665
Profit for the year		-		-	-		-		276,376		-		-		-	276,376
Other comprehensive loss for the year	6(3)(17)			<u> </u>						(2,208)	(1,806)			(4,014_)
Total comprehensive income									276,376	(2,208)	(1,806)			272,362
Distribution of retained earnings of 2017:(Note 2)																
Leagal reserve	6(16)	-		-	8,733		-	(8,733)		-		-		-	-
Special reserve	6(16)	-		-	-	(1,595)		1,595		-		-		-	-
Cash dividends	6(16)							(58,671)							(58,671_)
Balance at December 31, 2018		\$ 1,173,408	\$ 730,12	1 \$	150,954	\$	3,510	\$	473,887	(\$	6,066)	(\$	1,458)	\$		\$ 2,524,356

<u>VIKING TECH CORPORATION</u> <u>PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS</u> (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		per 31,			
	Notes		2018		2017
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		\$	323,671	\$	99,710
Adjustments		Ψ	323,071	Ψ	<i>>></i> ,710
Adjustments to reconcile profit (loss)					
Provision for expected credit loss	12(2)		1,172		_
Reversal for bad debt expense	12(4)		1,172	(1,262)
Depreciation	6(8)(22)		182,132	(171,807
Amortisation of intangible assets	6(22)		2,976		3,166
Interest income	6(3)(19)	(3,483)	(6,049)
Interest expense	6(21)	(3,641	(4,169
Share of profit of assoicates and joint ventures	6(7)		3,041		4,107
accounted for under equity method	0(7)	(81,410)	(15,430)
	6(2)(20)	(01,410)	(13,430)
Net loss (gain) on financial assets at fair value	6(2)(20)		4 272	(2 100 \
through profit or loss	((0)(20)		4,372	(3,109)
Loss on disposal of property, plant and	6(8)(20)		24.225		1 47 4
equipment	c(0)(0)(20)		34,335		1,474
Impairment loss	6(8)(9)(20)		135,374		4,637
Value loss on available-for-sale financial assets	12(4)		-		4,901
Gain on foreign exchange remeasurement of	6(3)				
financial assets at fair value through other					
comprehensive income		(1,872)		-
Unrealized profit on sales			14,888		10,492
Changes in operating assets and liabilities					
Changes in operating assets					
Financial assets at fair value through profit or	6(2)				
loss		(13,172)		54,624
Notes receivable		(4,105)		289
Accounts receivable	6(5)	(134,436)		31,284
Accounts receivable - related parties	6(5) and 7	(77,725)	(42,317)
Other receivables		(9,895)	(2,920)
Other receivables - related parties		Ì	19,565)	(3)
Inventories		Ì	119,003)		46,937)
Prepayments		`	3,319	Ì	5,455)
Other current assets		(163)	`	411
Changes in operating liabilities		•	,		
Notes payable		(2,099)	(1,365)
Accounts payable	7	•	67,090	`	19,780
Other payables	6(11)		46,072		6,948
Other current liabilities	0(11)		2,076	(683)
Cash inflow generated from operations			354,190	\ <u> </u>	288,162
Interest received			3,398		6,244
Interest paid		(3,670)	(4,235)
		(
Income tax paid		(24,730)	(12,530)
Net cash flows from operating activities			329,188		277,641

<u>VIKING TECH CORPORATION</u> <u>PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS</u> (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			Years ended December 31,		
	Notes		2018		2017
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of financial assets at amortized cost		(\$	50,000)	\$	-
Increase in other current financial assets	8		-	(800)
Acquisition of property, plant and equipment	6(8)(26)	(299,913)	(174,471)
Proceeds from disposal of property, plant and	6(8)				
equipment			62,035		1,285
Acquisition of intangible assets		(4,637)	(2,819)
Increase in refundable deposits				(83)
Net cash flows used in investing activities		(292,515)	(176,888)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in short-term borrowings	6(10)		30,000		150,000
Repayment of short-term borrowings	6(10)	(140,000)	(330,000)
Increase in long-term borrowings	6(12)		57,380		95,000
Repayment of long-term borrowings	6(12)	(26,766)	(16,022)
Increase (decrease) in guarantee deposits received			110	(288)
Cash dividends paid	6(16)	(58,671)	(58,671)
Net cash flows used in financing activities		(137,947)	(159,981)
Net decrease in cash and cash equivalents		(101,274)	(59,228)
Cash and cash equivalents at beginning of year	6(1)		603,083		662,311
Cash and cash equivalents at end of year	6(1)	\$	501,809	\$	603,083

Audit Committee's Review Report

The Board of Directors has prepared and submitted the 2018 financial statements of the Company that have been reviewed by the independent auditors, Lin Yukuan and Zheng Yahui of KPMG Taiwan, together with the business report and the earnings distribution proposal reviewed by the Audit Committee. The Committee is considered that there is no discrepancy and such reports are prepared in accordance with the provisions of Article 14-4 of Securities and Exchange Act and Article 219 of Company Act. Submitted for review and approval

To Viking Tech Corporation 2019 Shareholders' Meeting

The convener of the Audit Committee. Shen Bo-Ting

March 13, 2019

Viking Tech Corporation

Earnings Distribution Table

2018 Unit: In One Dollar of New Taiwan Dollar

Beginning undistributed earnings balance	197,511,511
Add: Net Income After Tax	276,375,813
Minus: Appropriated as 10% legal reserve	(27,637,581)
Appropriated as special reserve	(4,014,459)
Earnings available for distribution	442,235,284
Distribution Items:	
shareholders extra dividend	140,809,010
Ending undistributed Earnings balance	301,426,274

Note 1.The proposed earnings distribution is NTD140,809,010 and each common share holder will been titled to receive a cash dividend of NTD1.2 per share.

Responsible person: Managerial Personnel: Accountant in charge of the Tsai Kao-Ming Zhang Yuan-Sheng Company: Li Shun-He

Note 2. The record date of dividend payout is set by Broad of Directors.

Note 3.The dividend for individual shareholders will be distributed fdown to dollar, while the decimals will be rounded down to dollar.

Audit Committee's Review Report

Position Title	Name	Academic Background	Work Experience	Shareholdings
Director	Guangdong Fenghua Semiconductor Technology Co., Ltd. (China) Representative:Hu Chuang-Bin	Xiamen University Bachelor of Business Administration Professional Management	Staff, Deputy department head, Department head, Director of Strategic Development Department; Deputy director of Marketing Center, Guangdong Fenghua Semiconductor Technology Co., Ltd. General Manager of Viking Tech Corporation	46,936,337 shares
Director	Guangdong Fenghua Semiconductor Technology Co., Ltd. (China) Representative: Liang Yao-Ming	Tianjin University of Commerce Bachelor of Accounting and Professional Economics	Financial Manager of Guangdong Fenghua Semiconductor Technology Co., Ltd. Senior Manager of Guangdong Fenghua Semiconductor Technology Co., Ltd. Vice general manager of Viking Tech Corporation	46,936,337 shares
Director	Guangdong Fenghua Semiconductor Technology Co., Ltd. (China) Representative: Liao Wei-Qiang	Southwest Jiaotong University Master of Business Administration	Director of Operations Management, Guangdong Fenghua Semiconductor Technology Co., Ltd. Supervisor of Guangdong Fenghua Semiconductor Technology Co., Ltd. Director of Guangdong Fenghua Semiconductor Technology Co., Ltd. Executive Director of Guangdong Micro-Electronics Co., Ltd. (Legal Entity) Director of Netron Soft-Tech (Zhuai) Co., Ltd. Director of Siping City Jihua Gaoxin Tech Co., Ltd.	46,936,337 shares
Director	Hua-Jie Investment Co. Ltd. Representative: Tsai Kao-Ming	National Cheng Kung University Department of Accounting and	General Manager of China Bills Finance Co., Ltd.	200,000 shares

[Candidates List for Directors (including Independent Directors)]

Position Title	Name	Academic Background	Work Experience	Shareholdings
		Statistics	President of Eastern Realty Co., Ltd. President of Eastern Enterprise Development Co., Ltd. President of Eastern International Lease-Finance Co., Ltd. Director of Eastern Media International Corporation Director of United Radiant Technology Corp. Director of Opto Tech Corporation	
Director	Representative of Thai Wey Industrial Co., Ltd.: Chen Feng-Ming	Tung-Shih Agriculture School	President of Thye Ming Industrial Co., Ltd. Director of Thai Wey Industrial Co., Ltd.	2,427,000 shares
Director	Representative of Thai Wey Industrial Co., Ltd.: Li Mao-Sheng	Fortune Institute of Technology. Department of Business Administration	Director of Thye Ming Industrial Co., Ltd. President of Thai Wey Industrial Co., Ltd.	2,427,000 shares
Independent Director	Shen Bo-Ting	National Chiao Tung University Department of Industrial Engineering and Management National Chung Cheng University Department of Finance National Taiwan University Completion of the Credit Course for Legal Study	Assistant Manager of Capital Market Department, Barits Securities Corporation (Mega Securities Co., Ltd.) Special assistant for Taiwan General Manager, Wal-Mart Ltd. Investment Manager, Taiwan Incubator SME Development Co. Assistant Manager of Cathay Venture Inc. Cathay Financial Holding Co., Ltd. Manager of the President Room, Finance and Accounting Division and Material Division, Tingyi Wei Chuan Special assistant for the President of Robert Bosch Taiwan Co. Ltd.) Genneral Manager of Jiedeng Industrail	0 share

[Candidates List for Directors (including Independent Directors)]

Position Title	Name	Academic Background	Work Experience	Shareholdings
			Consulting Partnership accountant/ General Manager of Jianda alliance CPA partnership Vice General Manager of UniVenture Management Consulting Co., Ltd. Certified public accountant of Quanyin Accountant Firm General Manager of C&E Consulting	
Independent Director	Li Yi-Wen	National Cheng-Chi University Department of Law	Managing Attorney of Yuan-Jing Law FirmLegal Head of Eastern Home Shopping & Leisure Co., Ltd. Deputy Head of Diagnostic counseling group, National Association of Small & Medium Enterprises, R.O.C. , NASME Research Consultant of BOT Center, Taiwan Institute of Economic Research Attorney of Cheng-Tai Law Firm Judge Assistant of Supreme Administrative Court	0 share
Independent Director	Huang Shi-Bing	California State University Master	Director of Public Relation Department, AmTRAN Technology. Business Director, Flexible Print Circuit Business Unit, Zhen Ding Technology Holding Limited (ZDT) Vice General Manager of Sales Department, Bowin Communication Associate Manager of Headquarter, Delta Electronics Group	0 share

Viking Tech Corporation Rules of procedure for meetings of its Shareholders' meeting Comparison Table for the Amended Provisions

Revision Provision	Original Provision	Explanatory Notes
Article 10	Article 10	Emplanatory 110105
The voting on matters, except as	The voting on matters, except as	The text is amended in
otherwise provided for in the	otherwise provided for in the	response to the voting
Company Act and the Articles of	Company Act and the Articles of	rights that are exercised
Incorporation herein, is resolved by	Incorporation herein, is resolved by at	by means of electronic
at least one-half of the voting rights	least one-half of the voting rights	transmission,
present at the most recent	present at the most recent	ŕ
shareholders meeting attended by	shareholders meeting attended by	
shareholders. When a proposal	shareholders. When a proposal comes	
comes to a vote, the chairmperson	to a vote, if the chairperson puts the	
or his/her designee shall announce	matter before all shareholders present	
the total number of voting rights of	at the meeting, the matter is deemed	
the shareholders of every case	approved, with equivalent force as a	
processed. The shareholders votes	resolution by vote.	
for every case processed and, on the	A shareholder shall have one voting	
date after the shareholders' meeting,	power in respect of each share in	
the results of the shareholders'	his/her/its possession.	
consent, opposition and waiver	A shareholder may appoint a proxy to	
shall be entered into the Market	attend a shareholders' meeting in	
Observation Post System.	his/her/its behalf by executing a	
A shareholder shall have one voting	power of attorney printed by the	
power in respect of each share in	Company stating therein the scope of power authorized to the proxy.	
his/her/its possession. A shareholder may appoint a proxy	Except for trust enterprises or stock	
to attend a shareholders' meeting in	agencies approved by the competent	
his/her/its behalf by executing a	authority, when a person who acts as	
power of attorney printed by the	the proxy for two (included) or more	
Company stating therein the scope	shareholders, the number of voting	
of power authorized to the proxy.	power represented by him/her shall	
Except for trust enterprises or stock	not exceed 3% of the total number of	
agencies approved by the	voting shares of the Company,	
competent authority, when a person	otherwise, the portion of excessive	
who acts as the proxy for two	voting power shall not be counted.	
(included) or more shareholders,		
the number of voting power		
represented by him/her shall not		
exceed 3% of the total number of		
voting shares of the Company,		
otherwise, the portion of excessive		
voting power shall not be counted.		
Article 25:	Article 25:	The date of the
The implementation is on June 17,	The implementation is on June 17,	amendment will be
2008.	2008.	updated after such
The 1st amendment dated on March	The 1st amendment dated on March	amendment is passed by
12, 2002.	12, 2002.	the shareholders'
The 2nd amendment dated on November 30, 2006.	The 2nd amendment dated on November 30, 2006.	meeting.
The 3rd amendment dated on May	The 3rd amendment dated on May	
18, 2007.	18, 2007.	
The 4th amendment dated on June	The 4th amendment dated on June	
23, 2013.	23, 2013.	
The 5th amendment dated on June	20, 2010.	
24, 2019.		
<u>= 1, = 017.</u>		

Revision Provision	Original Provision	Explanatory Notes
Article 2: The term "assets" as used in		In response to the
this Regulations includes the	this Regulations includes	provisions of the
following:	the following:	International
1. Investments in stocks,	1. Investments in stocks,	Financial Reporting
government bonds,	government bonds,	Standard No. 16
corporate bonds,	corporate bonds,	Leases, the
financial bonds,	financial bonds,	paragraph 5 is added
securities representing	securities representing	to expand the scope
interest in a fund,	interest in a fund,	of the usage right
depositary receipts, call	depositary receipts,	over assets, and the
(put) warrants, beneficial	call (put) warrants,	right of land under
interest securities, and	beneficial interest	paragraph 2 is
asset-backed securities.	securities, and	moved to the
(hereinafter referred to as	asset-backed	paragraph 5.
Securities)	securities. (hereinafter	
2. Real property (including	referred to as	
land, houses and	Securities)	
buildings, investment	2. Real property	
property, and	(including land, houses	
construction enterprise	and buildings,	
inventory) and	investment property,	
equipment.	land-use-rights, and	
3. Memberships.	construction enterprise	
4. Patents, copyrights,	inventory) and	
trademarks, franchise	equipment.	
rights, and other	3. Memberships.	
intangible assets.	4. Patents, copyrights, trademarks, franchise	
5. Right-of-use assets.6. Claims of financial	rights, and other	
institutions (including	intangible assets.	
receivables, bills	5. Claims of financial	
purchased and	institutions (including	
discounted, loans, and	receivables, bills	
overdue receivables).	purchased and	
7. Derivatives.	discounted, loans, and	
8. Assets acquired or	overdue receivables).	
disposed of in	6. Derivatives.	
connection with mergers,	7. Assets acquired or	
spin-offs, acquisitions, or	disposed of in	
transfer of shares in	connection with	
accordance with law.	mergers, spin-offs,	
(hereinafter referred to as	acquisitions, or	
M&T Assets)	transfer of shares in	
9 Other major assets.	accordance with law.	
	(hereinafter referred to	
	as M&T Assets)	
	8. Other major assets.	
	Article 3: Terms used in this	1.In response to the
Regulations are defined as	Regulations are defined as	definition under
follows:	follows:	International

Revision Provision	Original Provision	Explanatory Notes
1. Derivatives: Forward	1. Derivatives: Forward	Financial Reporting
contracts, options	contracts, options	Standard No. 9
contracts, futures	contracts, futures	Financial
contracts, leverage	contracts, leverage	Instruments, the text
contracts, or swap	contracts, or swap	is amended.
contracts, <u>hybrid</u>	contracts, or hybrid	2.In response to the
contracts combining the	contracts combining	amendments to the
above contracts; or	the above contracts	Companies Act
<u>hybrid</u> contracts or	whose value is derived	issued on August 1,
structured products	from assets, interest	2018, the reference is
containing embedded	rate, foreign exchange	amended from
<u>derivatives</u> whose value	rate, index, or other	Article 156
is derived from <u>a</u>	interests. The term	Paragraph 8 to
specified interest rate,	"forward contracts"	Article 156-3.
<u>financial</u> instrument	does not include	
price, commodity price,	insurance contracts,	
foreign exchange rate,	performance contracts,	
index of prices or rates,	after-sales service	
credit rating or credit	contracts, long-term	
index, or other variable.	leasing contracts, or	
The term "forward	long-term purchase	
contracts" does not	(sales) contracts.	
include insurance	2. Assets acquired or	
contracts, performance	disposed through	
contracts, after-sales	mergers, spin-offs,	
service contracts,	acquisitions, or	
long-term leasing	transfer of shares in	
contracts, or long-term	accordance with law:	
purchase (sales)	Refers to assets	
contracts.	acquired or disposed	
2. Assets acquired or	through mergers,	
disposed through	spin-offs, or	
mergers, spin-offs,	acquisitions conducted	
acquisitions, or transfer	under the Business	
of shares in accordance	Mergers and	
with law: Refers to	Acquisitions Act,	
assets acquired or	Financial Holding	
disposed through	Company Act,	
mergers, spin-offs, or	Financial Institution	
acquisitions conducted	Merger Act and other	
under the Business	acts, or to transfer of	
Mergers and Acquisitions	shares from another	
Act, Financial Holding	company through	
Company Act, Financial	issuance of new shares	
Institution Merger Act	of its own as the	
and other acts, or to	consideration therefor	
transfer of shares from	(hereinafter "Transferee of	
another company through		
issuance of new shares of	Shares") under Article	
its own as the	156 Paragraph 8 of the	

Revision Provision	Original Provision	Explanatory Notes
consideration therefor	Company Act.	
(hereinafter "Transferee	3. Interested party or	
of Shares") under Article	subsidiary: Shall be in	
156-3 of the Company	line with the definition	
Act.	under Regulations	
3. Interested party or	Governing the	
subsidiary: Shall be in	Preparation of	
line with the definition	Financial Reports by	
	Securities Issuers.	
ϵ		
Governing the	4. Professional appraiser:	
Preparation of Financial	Refers to a real	
Reports by Securities	property appraiser or	
Issuers.	other person duly	
4. Professional appraiser:	authorized by law to	
Refers to a real property	engage in the value	
appraiser or other person	appraisal of real	
duly authorized by law to	property or equipment.	
engage in the value	5. Date of occurrence:	
appraisal of real property	Date of occurrence:	
or equipment.	Refers to the date of	
5. Date of occurrence: Date	contract signing, date	
of occurrence: Refers to	of payment, date of	
the date of contract	consignment trade,	
signing, date of payment,	dates of boards of	
date of consignment	directors resolutions,	
trade, dates of boards of	or other date that can	
directors resolutions, or	confirm the	
other date that can	counterpart and	
confirm the counterpart	monetary amount of	
and monetary amount of	the transaction	
the transaction whichever	whichever date is	
date is earlier; provided,	earlier; provided, for	
for investment for which	investment for which	
approval of the	approval of the	
competent authority is	competent authority is	
required, the earlier of		
the above date or the date	the above date or the	
of receipt of approval by	date of receipt of	
the competent authority	approval by the	
shall apply.	competent authority	
6. Mainland China area	shall apply.	
investment: Refers to	6. Mainland China area	
investments in the	investment: Refers to	
mainland China area	investments in the	
approved by the Ministry	mainland China area	
of Economic Affairs	approved by the	
Investment Commission	Ministry of Economic	
or conducted in	Affairs Investment	
accordance with the	Commission or	
provisions of the	conducted in	
provisions of the	conducted iii	

Revision Provision	Original Provision	Explanatory Notes
Regulations Governing	accordance with the	
Permission for	provisions of the	
Investment or Technical	Regulations	
Cooperation in the Mainland Area.	Governing Permission for Investment or	
	Technical Cooperation	
statement" means that the	in the Mainland Area.	
financial statements of	7. The "latest financial	
the Company reviewed	statement" means that	
and verified by	the financial	
Independent auditors	statements of the	
have been disclosed	Company reviewed	
publicly in accordance	and verified by	
with laws before the	Independent auditors	
acquisition or disposal of	have been disclosed	
assets.	publicly in accordance	
	with laws before the	
	acquisition or disposal	
	of assets.	
Article 8:In acquiring or disposing of	Article 8: In acquiring or disposing	1.In response to the
real property, equipment, or	of real property, equipment	provisions of the
<u>right-of-use</u> assets thereof	thereof where the	International
where the transaction amount	transaction amount reaches	Financial Reporting
reaches 20 percent of the	20 percent of the	Standard No. 16
company's paid-in capital or	company's paid-in capital	Leases, the
NTD300 million or more, the	or NTD300 million or	amendment to
company, unless transacting	more, the company, unless	Paragraph 1 is made
with a domestic government	transacting with a	to include the
agency, engaging others to	government agency,	right-of-use assets
build on its own land,	engaging others to build on	
engaging others to build on	its own land, engaging	
rented land, or acquiring or	others to build on rented	complice with
disposing of equipment or	land, or acquiring or	regulatory
<u>right-of-use</u> assets thereof	disposing of equipment	operation.
held for business purpose,	thereof held for business	
shall obtain an appraisal	purpose, shall obtain an	
report prior to the date of	appraisal report prior to the	
occurrence of the event from	date of occurrence of the	
a professional appraiser and	event from a professional	
shall further comply with the	appraiser and shall further	
following provisions:	comply with the following	
1. Where due to special	provisions:	
circumstances it is	1. Where due to special	
necessary to give a limited	circumstances it is	
price, specified price, or	necessary to give a	
special price as a reference	limited price, specified	
basis for the transaction	price, or special price as	
price, the transaction shall	a reference basis for the	
be submitted for approval	transaction price, the	
in advance by the board of	transaction shall be	

Revision Provision	Original Provision	Explanatory Notes
directors; the same	submitted for approval	•
procedure shall also be	in advance by the board	
<u>followed whenever</u> there is	of directors; the same	
any subsequent change to	procedure shall also be	
the terms and conditions of	followed in the event	
the transaction.	that there is any future	
2. Where the transaction	change to the terms and	
amount is NTD1 billion or	conditions of the	
more, appraisals from two	transaction.	
or more professional	2. Where the transaction	
appraisers shall be	amount is NTD1 billion	
obtained.	or more, appraisals from	
3. Where any one of the	two or more	
following circumstances	professional appraisers	
applies with respect to the	shall be obtained.	
professional appraiser's	3. Where any one of the	
appraisal results, unless all	following	
the appraisal results for the	circumstances applies	
assets to be acquired are	with respect to the	
higher than the transaction	professional appraiser's	
amount, or all the appraisal	appraisal results, unless	
results for the assets to be	all the appraisal results	
disposed of are lower than	for the assets to be	
the transaction amount, a	acquired are higher than	
certified public accountant	the transaction amount,	
shall be engaged to	or all the appraisal	
perform the appraisal in	results for the assets to	
accordance with the	be disposed of are lower	
provisions of Statement of	than the transaction	
Auditing Standards No. 20	amount, a certified	
published by the ROC	public accountant shall	
Accounting Research and	be engaged to perform	
Development Foundation	the appraisal in	
(ARDF) and render a	accordance with the	
specific opinion regarding	provisions of Statement	
the reason for the	of Auditing Standards	
discrepancy and the	No. 20 published by the	
appropriateness of the	ROC Accounting	
transaction price:	Research and	
(1). The discrepancy	Development	
between the	Foundation (ARDF) and	
appraisal result and	render a specific	
the transaction	opinion regarding the	
amount is 20	reason for the	
percent or more of	discrepancy and the	
the transaction	appropriateness of the	
amount.	transaction price:	
(2). The discrepancy	(1). The discrepancy	
between the	between the	
appraisal results of	appraisal result	

Revision Provision	Original Provision	Explanatory Notes
two or more	and the	
professional	transaction	
appraisers is 10	amount is 20	
percent or more of	percent or more	
the transaction	of the transaction	
amount.	amount.	
4. No more than 3 months may	(2). The discrepancy	
elapse between the date of	between the	
the appraisal report issued	appraisal results	
by a professional appraiser	of two or more	
and the contract execution	professional	
date; provided, where the	appraisers is 10	
publicly announced current	percent or more	
value for the same period is	of the transaction	
used and not more than 6	amount.	
months have elapsed, an	4. No more than 3	
opinion may still be issued	months may elapse	
by the original professional	between the date of the	
appraiser.	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.	
Article10:Where the Company	Article10:Where the Company	1.In response to the
acquires or disposes of	acquires or disposes of	provisions of the
intangible assets or	memberships or intangible	International
<u>right-of-use</u> assets thereof or	assets and the transaction	Financial Reporting
<u>memberships</u> and the	amount reaches 20 percent	Standard No. 16
transaction amount reaches	or more of paid-in capital	Leases, the
20 percent or more of	or NTD300 million or	amendment to
paid-in capital or NTD300	more, the Company shall	Paragraph 1 is made
million or more, except in	engage a certified public	to include the
transactions with a domestic	accountant prior to the	right-of-use assets
government agency, the	date of occurrence of the	into this Article.
company shall engage a	event to render an opinion	2.Text is amended in
certified public accountant	on the reasonableness of	complice with
prior to the date of	the transaction price; the	regulatory operation.
occurrence of the event to	CPA shall comply with the	
render an opinion on the	provisions of Statement of	
reasonableness of the	Auditing Standards No. 20	
transaction price; the CPA	published by the ARDF.	

Revision Provision	Original Provision	Explanatory Notes
shall comply with the	-	
provisions of Statement of		
Auditing Standards No. 20		
published by the ARDF.		
Article 11: The calculation of the	Article 10-1: The calculation of the	Adjustment to the
transaction amounts	transaction amounts	serial number of the
referred to in the	referred to in the	Article and to the
preceding three articles	preceding three	Article referred
shall be done in	articles shall be done	herein.
accordance with Article	in accordance with	
46 Paragraph 2 herein,	Article 45 Paragraph	
and "within the preceding	2 herein, and "within	
year" as used herein	the preceding year"	
refers to the year	as used herein refers	
preceding the date of	to the year preceding	
occurrence of the current	the date of	
transaction. Items for	occurrence of the	
which an appraisal report	current transaction.	
from a professional	Items for which an	
appraiser or a certified	appraisal report from	
public account's opinion	a professional	
has been obtained need	appraiser or a	
not be counted toward	certified public	
the transaction amount.	account's opinion has	
	been obtained need	
	not be counted	
	toward the	
	transaction amount.	
Article 12: (Omitted)	Article 11: (Omitted)	Adjustment to the
		serial number of the
		Article.
Article 13: Professional appraisers and		1.Adjustment to the
their officers, certified	and their officers,	
public accounts, attorneys,	certified public	Article.
and securities	accounts, attorneys, and	2.The text is
underwriters that provide	securities underwriters	amended in response
the Company with	that provide the	to the
appraisal reports, certified	Company with appraisal	Financial-Superviso
public accountant's	reports, certified public	ry-Securities-Securit
opinions, attorney's	accountant's opinions,	ies-Corporate-10703
opinions, or underwriter's	attorney's opinions, or	41072
opinions shall meet the	underwriter's opinions	
following requirements:	shall not be interested	
1. May not have	parties.	
previously received a		
final and		
unappealable		
sentence to		
imprisonment for 1		
year or longer for a		

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Revision Provision	Original Provision	Explanatory Notes
violation of the Act,		
the Company Act, the		
Banking Act of The		
Republic of China, the		
Insurance Act, the		
Financial Holding		
Company Act, or the		
Business Entity		
Accounting Act, or		
for fraud, breach of		
trust, embezzlement,		
forgery of documents,		
or occupational crime.		
However, this		
provision does not		
apply if 3 years have		
already passed since		
completion of service		
of the sentence, since		
expiration of the		
period of a suspended		
sentence, or since a		
pardon was received.		
2. May not be an interested		
party or de facto		
interested party of any		
party to the		
transaction.		
3.If the company is		
required to obtain		
appraisal reports from		
two or more		
professional		
appraisers, the		
different professional		
appraisers or appraisal		
officers may not be		
interested parties or		
de facto interested		
parties of each other.		
1	Article 13: When the Company	Adjustment to the
Article 14: When the Company engages in any acquisition or	Article 13: When the Company engages in any acquisition	serial number of the
disposal of assets from or	or disposal of assets from	Article and to the
to a interested party, in	•	Article and to the Article referred
	or to a interested party, in	
addition to ensuring that	addition to ensuring that	under Paragraph 2.
the necessary resolutions	the necessary resolutions	
are adopted in accordance	are adopted in accordance	
with the Article 8 and	with the Article 8 and	
regulations related to the	regulations related to the	
transactions of interested	transactions of interested	

Davisian Dravisian	Original Provision	Evalor story Notes
Revision Provision	Original Provision	Explanatory Notes
party and the	party and the	
reasonableness of the	reasonableness of the	
transaction terms is	transaction terms is	
appraised, if the transaction	appraised, if the	
amount reaches 10 percent	transaction amount	
or more of the total assets	reaches 10 percent or more	
of the Company, the	of the total assets of the	
Company shall also obtain	Company, the Company	
an appraisal report from a	shall also obtain an	
professional appraiser or a	appraisal report from a	
certified public account's	professional appraiser or a	
opinion in accordance with	certified public account's	
the regulations.	opinion in accordance with	
The calculation of the	the regulations.	
transaction amount	The calculation of the	
referred to in the preceding	transaction amount	
paragraph shall be made in	referred to in the preceding	
accordance with Article 11	paragraph shall be made in	
herein. When judging	accordance with Article	
whether a transaction	11-1 herein. When judging	
counterparty is a interested	whether a transaction	
party, in addition to legal	counterparty is a interested	
formalities, the substance	party, in addition to legal	
of the relationship shall	formalities, the substance	
also be considered.	of the relationship shall	
	also be considered.	
Article 15: When the Company intends	Article14: When the Company	1.Adjustment to the
to acquire or dispose of	intends to acquire or	serial number of the
real property <u>or</u>	dispose of real property	Article and to the
right-of-use assets thereof	from or to a interested	Article referred
from or to a interested	party, or when it intends	herein.
party, or when it intends to	to acquire or dispose of	2.In response to the
acquire or dispose of	assets other than real	provisions of the
assets other than real	property from or to a	International
property or right-of-use	interested party and the	Financial Reporting
assets thereof from or to a	transaction amount	Standard No. 16
interested party and the	reaches 20 percent or	Leases, the text is
transaction amount	more of paid-in capital,	amended.
reaches 20 percent or more	10 percent or more of the	
of paid-in capital, 10	company's total assets, or	
percent or more of the	NTD300 million or more,	
company's total assets, or	except in trading of	
NTD300 million or more,	government bonds or	
except in trading of	bonds under repurchase	
<u>domestic</u> government	and resale agreements, or	
bonds or bonds under	subscription or	
repurchase and resale	redemption of money	
agreements, or	market funds issued by	
subscription or	domestic securities	
redemption of money	investment trust	
reactipation of money	myosimont trust	

Revision Provision	Original Provision	Explanatory Notes
market funds issued by	enterprises, the Company	
domestic securities	may not proceed to enter	
investment trust	into a transaction contract	
enterprises, the Company	or make a payment until	
may not proceed to enter	the following matters	
into a transaction contract	have been approved by	
or make a payment until	one-half or more of all	
the following matters have	audit committee members	
been approved by one-half	and submitted to the	
or more of all audit	board of directors for a	
committee members and	resolution:	
submitted to the board of	1. The purpose,	
directors for a resolution:	necessity and	
1. The purpose, necessity	anticipated benefit of	
and anticipated benefit	the acquisition or	
of the acquisition or	disposal of assets.	
disposal of assets.	2. The reason for	
2. The reason for	choosing the	
choosing the interested	interested party as a	
party as a transaction	transaction	
counterparty.	counterparty.	
3. With respect to the	3. With respect to the	
acquisition of real	acquisition of real	
property or right-of-use	property from an	
<u>assets thereof</u> from an interested party,	interested party, information	
1 2		
information regarding appraisal of the	regarding appraisal of the reasonableness	
reasonableness of the	of the preliminary	
preliminary transaction	transaction terms in	
terms in accordance	accordance with	
with Article 16 and	Article 15 and Article	
Article <u>17</u> .	15.	
4. The date and price at	4. The date and price at	
which the interested	which the interested	
party originally	party originally	
acquired the real	acquired the real	
property, the original	property, the original	
transaction	transaction	
counterparty, and that	counterparty, and that	
transaction	transaction	
counterparty's	counterparty's	
relationship to the	relationship to the	
Company and the	Company and the	
interested party.	interested party.	
5. Monthly cash flow	5. Monthly cash flow	
forecasts for the year	forecasts for the year	
commencing from the	commencing from	
anticipated month of	the anticipated month	
signing of the contract,	of signing of the	

Revision Provision	Original Provision	Explanatory Notes
and evaluation of the	contract, and	· · · · · ·
necessity of the	evaluation of the	
transaction, and	necessity of the	
reasonableness of the	transaction, and	
funds utilization.	reasonableness of the	
6. Obtaining an appraisal	funds utilization.	
report from a	6. Obtaining an	
professional appraiser	appraisal report from	
or a certified public	a professional	
account's opinion in	appraiser or a	
compliance with the	certified public	
provisions of the	account's opinion in	
preceding Article.	compliance with the	
7. Restrictive covenants	provisions of the	
and other important	preceding Article.	
stipulations associated	7. Restrictive covenants	
with the transaction.	and other important	
The calculation of the	stipulations	
transaction amounts referred	associated with the	
to in the preceding paragraph	transaction.	
shall be made in accordance	The calculation of the	
with the provisions of Article	transaction amounts	
46, and "within the preceding	referred to in the preceding	
year" as used herein refers to	paragraph shall be made in	
the year preceding the date of	accordance with the	
occurrence of the current	provisions of Article 45,	
transaction. Items that have	and "within the preceding	
been approved by the board	year" as used herein refers	
of directors and recognized	to the year preceding the	
by the supervisors need not be		
counted toward the	current transaction. Items	
transaction amount.	that have been approved by	
when to be conducted	the board of directors and	
between the Company, its	recognized by the	
subsidiaries, o <u>r between its</u>	supervisors need not be	
subsidiaries in which it	counted toward the	
directly or indirectly holds	transaction amount.	
100 percent of the issued	With respect to the	
shares or authorized capital,	acquisition or disposal of	
the board of directors of the	equipment held for	
Company may pursuant to	business purpose, when to	
Article 5 Paragraph 1	be conducted between the	
delegate the President to	Company and its	
decide such matters when the	subsidiaries, the board of	
transaction is within a certain	directors of the Company	
amount and have the	may pursuant to Article 5	
decisions subsequently	Paragraph 1 delegate the	
submitted to and ratified by	President to decide such	
the next board of directors	matters when the	
meeting:	transaction is within a	
meeting.	uansacuon is within a	

Revision Provision	Original Provision	Explanatory Notes
1 Acquisition or disposal of	certain amount and have the	
equipment or right-of-use	decisions subsequently	
assets thereof held for	submitted to and ratified by	
business use.	the next board of directors	
2 Acquisition or disposal of	meeting. When the position	
real property right-of-use	of independent director has	
assets held for business	been created in accordance	
use. Where the position	with laws, the matters are	
of independent director	submitted for discussion to	
has been created by the	the board of directors	
Company in accordance	pursuant to Paragraph 1	
with laws, when the	herein, and the board of	
matters are submitted for	directors shall take into full	
discussion to the board of	consideration each	
directors pursuant to	independent director's	
Paragraph 1 herein, the	opinions. If an independent	
board of directors shall	director objects to or	
take into full	expresses reservations	
consideration each	about any matter, it shall be	
independent director's	recorded in the minutes of	
opinions. If an	the board of directors	
independent director	meeting.	
objects to or expresses	C	
reservations about any		
matter, it shall be		
recorded in the minutes		
of the board of directors		
meeting.		
Article 16: The Company that acquires	Article 15: The company that	1. Adjustment to the
real property <u>or</u>	acquires real property	serial number of the
right-of-use assets thereof	from an interested party	Article and to the
from an interested party	shall evaluate the	Article referred
shall evaluate the	reasonableness of the	under Paragraph 2.
reasonableness of the	transaction costs by the	2.In response to the
transaction costs by the	following means:	provisions of the
following means:	1. Based upon the	International
1. Based upon the	interested party's	Financial Reporting
interestd party's	transaction price plus	Standard No. 16
transaction price plus	necessary interest on	Leases, the text is
necessary interest on	funding and the costs	amended.
funding and the costs to	to be duly borne by	
be duly borne by the	the buyer.	
buyer. "Necessary	"Necessary interest	
interest on funding" is	on funding" is	
imputed as the	imputed as the	
weighted average	weighted average	
interest rate on	interest rate on	
borrowing in the year	borrowing in the year	
the Company purchases	the company	
the property; provided,	purchases the	

it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of	property; provided, it may not be higher than the maximum non-financial industry lending rate	
than the maximum non-financial industry lending rate announced	may not be higher than the maximum non-financial industry lending rate	
non-financial industry lending rate announced	than the maximum non-financial industry lending rate	
lending rate announced	non-financial industry lending rate	
<u> </u>	•	
	•	
Finance.	announced by the	
2. Total loan value	Ministry of Finance.	
appraisal from a	"Necessary interest	
financial institution	on funding" is	
where the interested	imputed as the	
party has previously	weighted average	
created a mortgage on	interest rate on	
the property as security	borrowing in the year	
for a loan; provided, the	the Company	
actual cumulative	purchases the	
amount loaned by the	property; provided, it	
financial institution	may not be higher	
shall have been 70	than the maximum	
percent or more of the	non-financial	
financial institution's	industry lending rate	
appraised loan value of	announced by the	
the property and the	Ministry of Finance.	
period of the loan shall	2. Total loan value	
have been 1 year or	appraisal from a	
more. However, this	financial institution	
shall not apply where	where the interested	
the financial institution	party has previously	
is an interested party of	created a mortgage	
one of the transaction	on the property as	
counterparties.	security for a loan;	
Where land and structures	provided, the actual	
thereupon are combined as	cumulative amount	
a single property	loaned by the	
purchased or leased in one	financial institution	
transaction, the transaction	shall have been 70	
costs for the land and the	percent or more of	
structures may be	the financial	
separately appraised in	institution's	
accordance with either of	appraised loan value	
the means listed in the	of the property and	
preceding paragraph.	the period of the loan	
The Company that	shall have been 1	
acquires real property or	year or more.	
right-of-use assets thereof	However, this shall	
from a interested party and	not apply where the	
appraises the cost of the	financial institution is	
real property or	an interested party of	
right-of-use assets thereof	one of the transaction	
in accordance with the	counterparties.	
preceding two paragraphs	Where land and	

Revision Provision	Original Provision	Explanatory Notes
shall also engage a	structures thereupon are	-
certified public account's	combined as a single	
to check the appraisal and	property purchased or	
render a specific opinion.	leased in one	
Where the Company	transaction, the	
acquires real property or	transaction costs for the	
right-of-use assets thereof	land and the structures	
from an interested party	may be separately	
and one of the following	appraised in accordance	
circumstances exists, the	with either of the means	
acquisition shall be	listed in the preceding	
conducted in accordance	paragraph.	
with the preceding article,	The Company that	
and the preceding three	acquires real property	
paragraphs do not apply:	from a interested party	
(1). The interested party	and appraises the cost of	
acquired the real	the real property in	
property or	accordance with the	
right-of-use assets	preceding two	
thereof through	paragraphs shall also	
inheritance or as a	engage a certified public	
gift.	account's to check the	
(2). More than 5 years will		
	appraisal and render a	
have elapsed from the time the interested	specific opinion. Where the Company	
	_ = -	
party signed the contract to obtain the	acquires real property	
	from an interested party	
1 1 2 -	and one of the following circumstances exists, the	
right-of-use assets	*	
thereof to the signing date for the current	acquisition shall be conducted in accordance	
transaction.	with Article 14, and the	
	· ·	
(3). The real property is acquired through	1 0	
1	paragraphs do not apply:	
signing of a joint development contract	(1). The interested party acquired the real	
with the interested	-	
party, or through	property through inheritance or as a	
engaging an interested	gift.	
party to build real	(2). More than 5 years	
property, either on the	will have elapsed	
Company's own land	from the time the	
or on rented land.		
(4). The real property	interested party signed the contract	
1 2 2 2	to obtain the real	
right-of-use assets for		
business purpose are	1 1 2	
acquired by the	signing date for the	
Company, its	current transaction.	
subsidiaries, or	(3). The real property is	
<u>between</u> its	acquired through	

Revision Provision	Original Provision	Explanatory Notes
subsidiaries in which	signing of a joint	
it directly or indirectly	development	
holds 100 percent of	contract with the	
the issued shares or	interested party, or	
authorized capital.	through engaging	
_	an interested party	
	to build real	
	property, either on	
	the Company's own	
	land or on rented	
	land.	
Article 17: When the results of the	Article 16: When the results of the	1.Adjustment to the
appraisal of the Company	appraisal of the	serial number of the
conducted in accordance	Company conducted in	Article and to the
with Paragraph 1 and	accordance with	Article referred
Paragraph 2 of the	Paragraph 1 and	herein.
preceding Article are	Paragraph 2 of the	2.The text is
uniformly lower than the	preceding Article are	amended in response
transaction price, the	uniformly lower than	to the practical
matter shall be handled in	the transaction price, the	operation of real
compliance with Article	matter shall be handled	property leasing
18. However, where the	in compliance with	such as factory
following circumstances	Article 18. However,	buildings, etc.
exist, objective evidence	where the following	
has been submitted and	circumstances exist,	
specific opinions on	objective evidence has	
reasonableness have been	been submitted and	
obtained from a	specific opinions on	
professional real property	reasonableness have	
appraiser and a certified	been obtained from a	
public account have been	professional real	
obtained, this restriction	property appraiser and a	
shall not apply:	certified public account	
1. Where the interested	have been obtained, this	
party acquired	restriction shall not	
undeveloped land or	apply:	
leased land for	1. Where the	
development, it may	interested party	
submit proof of	acquired	
compliance with one of	undeveloped land	
the following	or leased land for	
conditions:	development, it	
(1). Where undeveloped	may submit proof	
land is appraised in accordance	of compliance	
in accordance with the means in	with one of the	
	following conditions:	
the preceding paragraph, and	(1). Where	
paragraph, and structures in	undeveloped	
accordance to the	land is	
accordance to the	lanu 18	

Revision Provision	Original Provision	Explanatory Notes
interested party's	appraised in	
construction cost	accordance	
plus reasonable	with the means	
construction	in the preceding	
profit are valued	paragraph, and	
in excess of the	structures in	
actual transaction	accordance to	
price. The	the interested	
"Reasonable	party's	
construction	construction	
profit" shall be	cost plus	
deemed the	reasonable	
average gross	construction	
operating profit	profit are	
margin of the	valued in	
interested party's	excess of the	
construction	actual	
division over the	transaction	
most recent 3	price. The	
years or the gross	"Reasonable	
profit margin for	construction	
the construction	profit" shall be	
industry for the	deemed the	
most recent	average gross	
period as	operating profit	
announced by the	margin of the	
Ministry of	interested	
Finance,	party's	
whichever is	construction	
lower.	division over	
(2). Completed	the most recent	
transactions cases	3 years or the	
by non-interested	gross profit	
parties within the	margin for the	
preceding year	construction	
involving other	industry for the	
floors of the same	most recent	
property or	period as	
neighboring or	announced by	
closely valued	the Ministry of	
parcels of land,	Finance,	
where the land	whichever is	
area and	lower.	
transaction terms	(2). Completed cases	
are similar after	by	
calculation of	non-interested	
reasonable price	parties within	
discrepancies in	the preceding	
floor or area land	year involving	
prices in	other floors of	
prices III	Other Hoors of	

Revision Provision	Original Provision	Explanatory Notes
accordance with	the same	
standard property	property or	
market sale or	neighboring or	
leasing practices.	closely valued	
2. Where the Company	parcels of land,	
acquiring real property,	where the land	
or <u>obtaining</u> real	area and	
property right-of-use	transaction	
assets through leasing,	terms are	
from an interested party	similar after	
provides evidence that	calculation of	
the terms of the	reasonable	
transaction are similar	price	
to the terms of	discrepancies in	
completed transactions	floor or area	
involving neighboring	land prices in	
or closely valued	accordance	
parcels of land of a	with standard	
similar size by	property market	
non-interested parties	sales practices.	
within the preceding	(3). Completed	
year.	leasing cases by	
Completed <u>transactions</u>	other interested	
cases involving	parties within	
neighboring or closely	the preceding	
valued parcels of land in	year involving	
the preceding paragraph in	other floors of	
principle refer to parcels on	the same	
the same or an adjacent	property shall	
block and within a distance	be estimated by	
of no more than 500 meters	reasonable	
or parcels close in publicly	marginal	
announced current value;	spreads based	
transactions cases	on the real	
involving similarly sized	property lease	
parcels in principle refer to	practices.	
transactions completed by	2. Where the Company	
non-interested parties for	acquiring real	
parcels with a land area of	property from an interested party	
no less than 50 percent of	1 5	
the property in the planned transaction; within the	provides evidence that the terms of the	
preceding year refers to the	transaction are	
year preceding the date of	similar to the terms	
occurrence of the	of completed	
acquisition of the real	transactions	
property or obtainment of	involving	
the right-of-use assets	neighboring or	
thereof.	closely valued	
uicicoi.	parcels of land of a	
	parcers or rand or a	

Di-i- Di-i-		
Revision Provision	Original Provision	Explanatory Notes
	similar size by	
	non-interested parties	
	within the preceding	
	year.	
	Completed cases	
	involving neighboring or	
	closely valued parcels of	
	land in the preceding	
	paragraph in principle	
	refer to parcels on the	
	same or an adjacent	
	block and within a	
	distance of no more than	
	500 meters or parcels	
	close in publicly	
	announced current value;	
	cases involving similarly	
	sized parcels in principle	
	refer to transactions	
	completed by	
	non-interested parties for	
	parcels with a land area	
	of no less than 50 percent	
	of the property in the	
	planned transaction;	
	within the preceding year	
	refers to the year	
	preceding the date of	
	occurrence of the	
	acquisition of the real	
	property.	
Article 18:Where the Company	Article 17:Where the Company	1.Adjustment to the
acquires real property or	acquires real property	serial number of the
right-of-use assets	from an interested party	Article.
thereof from an	and the results of	2.In line
interested party and the	appraisals conducted in	International
results of appraisals	accordance with	Financial Reporting
conducted in accordance	Articles 15 and 16 are	Standard No. 16
with the preceding two	uniformly lower than	Leases
<u>articles</u> are uniformly	the transaction price, the	3.Amendment to the
lower than the	following steps shall be	text.
transaction price, the	taken:	
following steps shall be	1. A special reserve	
taken:	shall be set aside in	
1. A special reserve shall	accordance with	
be set aside in	Article 41	
accordance with	Paragraph 1 of the	
Article 41 Paragraph 1	Securities and	
of the Securities and	Exchange Act	
Exchange Act against	against the	
acquires real property or right-of-use assets thereof from an interested party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction price, the following steps shall be taken: 1. A special reserve shall be set aside in accordance with Article 41 Paragraph 1 of the Securities and	refers to the year preceding the date of occurrence of the acquisition of the real property. Article 17:Where the Company acquires real property from an interested party and the results of appraisals conducted in accordance with Articles 15 and 16 are uniformly lower than the transaction price, the following steps shall be taken: 1. A special reserve shall be set aside in accordance with Article 41 Paragraph 1 of the Securities and Exchange Act	serial number of t Article. 2.In line International Financial Reporting Standard No. 16 Leases 3.Amendment to

Revision Provision	Original Provision	Explanatory Notes
the difference between	difference between	
the real property or its	the real property	
right-to-use assets	transaction price	
transaction price and	and the appraised	
the appraised cost, and	cost, and may not	
may not be distributed	be distributed or	
or used for capital	used for capital	
increase or issuance of	increase or	
bonus shares. Where	issuance of bonus	
the Company uses the	shares. Where	
equity method to	the Company uses	
account for its	the equity method	
investment in another	to account for its	
company, then the	investment in	
special reserve called	another company,	
for under Article 41	then the special	
Paragraph 1 of the	reserve called for	
Securities and	under Article 41	
Exchange Act shall be	Paragraph 1 of the	
set aside pro rata in a	Securities and	
proportion consistent	Exchange Act	
with the share of the	shall be set aside	
Company's equity	pro rata in a	
stake in the other	proportion	
company.	consistent with the	
2. Supervisors shall	share of the	
comply with Article	Company's equity	
218 of the Company	stake in the other	
Act.	company.	
3. Actions taken	2. Supervisors shall	
pursuant to the	comply with Article	
preceding	218 of the Company	
subparagraphs shall	Act.	
be reported to a	3. Actions taken	
shareholders meeting,	pursuant to the	
and the details of the	Paragraph	
transaction shall be	Subparagraphs 1 and	
disclosed in the	2 shall be reported to	
annual report and any	a shareholders	
investment	meeting, and the	
prospectus.	details of the	
The Company that has set	transaction shall be	
aside a special reserve	disclosed in the	
under the preceding	annual report and any	
paragraph may not utilize	investment	
the special reserve until it	prospectus.	
has recognized a loss on	The Company that has	
decline in market value of	set aside a special	
the assets it purchased or	reserve under the	
<u>leased</u> at a premium, or	preceding paragraph	

Revision Provision	Original Provision	Explanatory Notes
they have been disposed	may not utilize the	•
of, or the leasing contract	special reserve until it	
has been terminated, or	has recognized a loss on	
there is other evidence	decline in market value	
confirming that there was	of the assets it purchased	
nothing unreasonable	at a premium, or there is	
about the transaction, and	other evidence	
the FSC has given its	confirming that there	
consent.	was nothing	
When the Company	unreasonable about the	
obtains real property or	transaction, and the FSC	
right-of-use assets thereof	has given its consent.	
from an interested party, it	When the Company	
shall also comply with the	obtains real property	
preceding two paragraphs	from an interested party,	
if there is other evidence	it shall also comply with	
indicating that the	the preceding two	
transaction is contrary to	paragraphs if there is	
normal business practice.	other evidence	
	indicating that the	
	transaction is contrary to	
	normal business	
	practice.	
Article 19: (Omitted)	Article 18: (Omitted)	Adjustment to the
		serial number of the
		Article.
Article 20: (Omitted)	Article 19: (Omitted)	Adjustment to the
		serial number of the
		Article.
Article 21: (Omitted)	Article 20: (Omitted)	Adjustment to the
		serial number of the
		Article.
Article 22: (Omitted)	Article 21: (Omitted)	Adjustment to the
, , , ,		serial number of the
		Article.
Article 23: (Omitted)	Article 22: (Omitted)	Adjustment to the
, ,		serial number of the
		Article.
Article 24: (Omitted)	Article 23: (Omitted)	Adjustment to the
, ,		serial number of the
		Article.
Article 25: (Omitted)	Article 24: (Omitted)	Adjustment to the
		serial number of the
		Article.
Article 26: (Omitted)	Article 25: (Omitted)	Adjustment to the
	, , ,	serial number of the
		Article.
Article 27: The Company engaging in	Article 26:The Company engaging	1.Adjustment to the
derivatives trading shall	in derivatives trading	serial number of the
establish a log book in	shall establish a log	Article.
	1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	

Revision Provision	Original Provision	Explanatory Notes
which details of the types	book in which details	2.Adjustment to the
and amounts of	of the types and	serial number of the
derivatives trading	amounts of	referred Article.
engaged in, board of	derivatives trading	
directors approval dates,	engaged in, board of	
and the matters required	directors approval	
to be carefully evaluated	dates, and the matters	
under Article 32 and	required to be	
Article 33 Paragraph 1	carefully evaluated	
Subparagraph 2 and	under Article 31 and	
Paragraph 2	Article 32 Paragraph	
Subparagraph 1 shall be	1 Subparagraph 2 and	
recorded in detail in the	Paragraph 2	
log book.	Subparagraph 1 shall	
	be recorded in detail	
	in the log book.	
Article 28: (Omitted)	Article 27: (Omitted)	Adjustment to the
		serial number of the
		Article.
Article 29: (Omitted)	Article 28: (Omitted)	Adjustment to the
		serial number of the
		Article.
Article 30: (Omitted)	Article 29: (Omitted)	Adjustment to the
		serial number of the
		Article.
Article 31: (Omitted)	Article 30: (Omitted)	Adjustment to the
		serial number of the
		Article.
Article 32: Derivatives trading	Article 31: Derivatives trading	1.Adjustment to the
positions held shall be	positions held shall be	serial number of the
evaluated at least once per	evaluated at least once	Article.
week; however, positions	per week; however,	2.Text is amended.
for hedge trades required	positions for hedge	
by business shall be	trades required by	
evaluated at least twice per	business shall be	
month. Evaluation reports	evaluated at least twice	
shall be delivered to senior	per month. Evaluation	
management personnel	reports shall be	
authorized by the board of	submitted to senior	
directors.	management personnel	
	authorized by the board	
Antiala 22.Da1	of directors.	1 A dington 4
Article 33: Regular evaluation methods	Article32:Regular evaluation	1.Adjustment to the
and handling regulations	methods and handling	serial number of the
over exception	regulations over	Article.
circumstances are as follows.	exception circumstances are as follows.	2.Text is amended in
		complice with
1. The Company is engaged in the	1. The Company is engaged in the	regulatory operation.
derivative trading,	derivative trading,	operation.
uchvalive trading,	derivative tradifig,	

Revision Provision	Original Provision	Explanatory Notes
and the board of	and the board of	
directors shall	directors shall	
strictly perform the	strictly perform	
supervision	the supervision	
management in	management in	
accordance with the	accordance with	
following	the following	
principles:	principles:	
(1) Designate senior	(1) Designate senior	
management	management	
personnel to pay	personnel to	
continuous	pay continuous	
attention to	attention to	
monitoring and	monitoring and	
controlling	controlling	
derivatives	derivatives	
trading risk.	trading risk.	
(2) Periodically	(2) Periodically	
evaluate whether	evaluate	
derivatives	whether	
trading	derivatives	
performance is	trading	
consistent with	performance is	
established	consistent with	
operational	established	
strategy and	operational	
whether the risk	strategy and	
undertaken is	whether the	
within the	risk undertaken	
Company's	is within the	
permitted scope	Company's	
of tolerance.	permitted	
2. The senior	scope of	
executives	tolerance.	
authorized by the	2. The senior	
board of directors	executives	
shall manage the	authorized by the	
derivative trading in	board of directors	
accordance with the	shall manage the	
following	derivative trading	
principles:	in accordance with	
(1). Periodically	the following	
evaluate the risk	principles:	
management	(1). Periodically	
measures	evaluate the	
currently	risk	
employed are		
_ · ·	management	
appropriate and	measures	
are faithfully	currently	
conducted in	employed are	

Revision Provision	Original Provision	Explanatory Notes
accordance with	appropriate and	
the procedures	are faithfully	
for engaging in	conducted in	
derivatives	accordance	
trading	with the	
established by the	procedures for	
Company based	engaging in	
on this	derivatives	
Regulations.	trading	
(2). When irregular	formulated by	
circumstances are	the Company	
found in the	based on this	
course of	Regulations	
supervising	(2). When irregular	
trading and	circumstances	
profit-loss	are found in the	
circumstances,	course of	
appropriate	supervising	
measures shall be	trading and	
adopted and a	profit-loss	
report	circumstances,	
immediately	appropriate	
made to the board	measures shall	
of directors;	be adopted and	
where a company	a report	
has independent	immediately	
directors, an	made to the	
independent	board of	
director shall be	directors;	
present at the	where a	
meeting and	company has	
express an	independent	
opinion.	directors, an	
op.mon.	independent	
	director shall	
	be present at	
	the meeting and	
	express an	
	opinion.	
Article 34: (Omitted)	Article 33: (Omitted)	Adjustment to the
	(serial number of the
		Article.
Article 35: (Omitted)	Article 34: (Omitted)	Adjustment to the
	()	serial number of the
		Article.
Article 36: (Omitted)	Article 35: (Omitted)	Adjustment to the
		serial number of the
		Article.
Article 37: (Omitted)	Article 36: (Omitted)	Adjustment to the
		serial number of the
	<u> </u>	serial named of the

Revision Provision	Original Provision	Explanatory Notes
	5	Article.
Article 38: (Omitted)	Article 37: (Omitted)	Adjustment to the
		serial number of the
		Article.
Article 39: (Omitted)	Article 38: (Omitted)	Adjustment to the
		serial number of the
		Article.
Article 40: When the Company	Article 39: When the Company	1.Adjustment to the
participates in a merger,	participates in a	serial number of the
spin-off, acquisition, or	merger, spin-off,	Article.
transfer of another	acquisition, or transfer	2.The text is
company's shares, a	of another company's	amended.
company that is listed on	shares, a company that	
an exchange or has its	is listed on an	
shares traded on an OTC	exchange or has its	
market shall prepare a full	shares traded on an	
written record of the	OTC market shall	
following information and	prepare a full written	
retain it for 5 years for	record of the following	
reference:	information and retain	
1. Basic personnel	it for 5 years for	
information: Including	reference:	
the occupational titles,	1. Basic personnel	
names, and national ID	information:	
numbers (or passport	Including the	
numbers in the case of	occupational titles,	
foreign nationals) of all	names, and	
persons involved in the	national ID	
planning or	numbers (or	
implementation of any	passport numbers	
merger, spin-off,	in the case of	
acquisition, or transfer	foreign nationals)	
of another company's	of all persons	
shares prior to	involved in the	
disclosure of the	planning or	
information.	execution of any	
2. Dates for the important	merger, spin-off,	
items: Includes the date	acquisition, or	
of signing a letter of	transfer of another	
intent or memorandum,	company's shares	
entrusting financial or	prior to disclosure	
legal counsel, signing a	of the information. 2. Dates for the	
contract and holding the board of directors.		
3. Important documents	important items: Includes the date of	
and minutes: Includes	signing a letter of	
the documents, such as	intent or	
mergers, divisions,	memorandum,	
acquisitions or transfer	entrusting financial	
of shares plans, letters	or legal counsel,	
or shares plans, letters	of legal counsel,	<u> </u>

of intent or memorandum, important contracts and minutes of directors' meetings, etc. The Company shall, within two days from the date of the resolution of the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters in compliance with this Article. Article 41: (Omitted) of directors, and holding the board of directors. 3. Important documents and minutes: Includes mergers, spin-offs, acquisitions or transfer of shares plans, letters of intent or memorandum, important contracts and minutes of directors' meetings. The Company shall, within two days from the date of the resolution of the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the company shall sign an agreement with such company shall sign an agreement with such company shall sign an agreement with such company and shall handle the matters under the same conditions as provided in this Article. Article 41: (Omitted) Article 40: (Omitted) Adjustment to the	Revision Provision	Original Provision	Explanatory Notes
memorandum, important contracts and minutes of directors' meetings, etc. The Company shall, within two days from the date of the resolution of the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters in compliance with this Article. Article 41: (Omitted) memorandum, induces mergers, spin-offs, acquisitions or transfer of intent or memorandum, important contracts and minutes of directors' meetings. The Company shall, within two days from the date of the resolution of the board of directors, and minutes of directors' meetings. The Company shall, within two days from the date of the resolution of the board of directors, and minutes of directors' meetings. The Company shall, within two days from the date of the resolution of the board of directors, and minutes of directors' meetings. The Company shall, within two days from the date of the resolution of the board of directors, and minutes of directors' meetings. The Company shall, within two days from the date of the resolution of the board of directors, and minutes of directors' meetings. The Company shall, within two days from the date of the resolution of the board of directors, and minutes of directors' meetings. The Company shall, within two days from the date of the resolution of the board of directors, and minutes of directors' meetings. The Company shall within two days from the date of the resolution of the board of directors, and minutes of directors' meetings. The Company shall within two days from the date of the resolution of the board of directors, and minutes of directors of intent memorandum, important contracts and minutes of directors' meetings. The C	of intent or		•
important contracts and minutes of directors' meetings, etc. The Company shall, within two days from the date of the resolution of the board of directors, report the materials under Subaragraphs I and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company and shall handle the matters in compliance with this Article. Article 41: (Omitted) board of directors. 3. Important contracts and minutes: Includes mergers, spin-offs, acquisitions or transfer of shares plans, letters of intent or memorandum, important contracts and minutes of directors meetings. The Company shall, within two days from the date of the resolution of the board of directors, reetings. The Company shall, within two days from the date of the resolution of the board of directors, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters in compliance with this Article. Article 41: (Omitted) Article 40: (Omitted) Adjustment to the	memorandum,		
meetings, etc. The Company shall, within two days from the date of the resolution of the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company and shall handle the matters in compliance with this Article. Article 41: (Omitted) Mocuments and minutes: Includes mergers, spin-offs, acquisitions or transfer of shares plans, letters of intent or memorandum, important contracts and minutes of directors' meetings. The Company shall, within two days from the date of the resolution of the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the company shall sign an agreement with such company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters under the same conditions as provided in this Article. Article 41: (Omitted) Article 40: (Omitted) Adjustment to the	important contracts and	board of directors.	
The Company shall, within two days from the date of the resolution of the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters in compliance with this Article. Article 41: (Omitted) The Company shall, mergers, spin-offs, acquisitions or transfer of shares plans, letters of intent or memorandum, important contracts and minutes of directors' meetings. The Company shall, within two days from the date of the resolution of the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters under the same conditions as provided in this Article. Article 41: (Omitted) Article 40: (Omitted) Adjustment to the		3. Important	
within two days from the date of the resolution of the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters in compliance with this Article. Article 41: (Omitted) mergers, spin-offs, acquisitions or transfer of shares plans, letters of intent or memorandum, important contracts and minutes of directors' meetings. The Company shall, within two days from the date of the resolution of the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters under the same conditions as provided in this Article. Article 41: (Omitted) Article 40: (Omitted) Adjustment to the	meetings, etc.	documents and	
date of the resolution of the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters in compliance with this Article. Article 41: (Omitted) date of the resolutions of transfer of shares plans, letters of intent or memorandum, important contracts and minutes of directors' meetings. The Company shall, within two days from the date of the resolution of the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the company shall sign an agreement with such company and shall through the internet. Where any of the company is shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters under the same conditions as provided in this Article. Article 41: (Omitted) Article 40: (Omitted) Article 40: (Omitted) Article 40: (Omitted) Article 40: (Omitted) Adjustment to the	The Company shall,	minutes: Includes	
the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters in compliance with this Article. The Company shall, within two days from the date of the resolution of the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the company shall sign an agreement with such company and shall handle the matters in compliance with this Article. Article 41: (Omitted) Article 41: (Omitted) Article 40: (Omitted) Article 40: (Omitted) Article 40: (Omitted) Article 40: (Omitted) Article 41: (Omitted) Article 41: (Omitted) Article 40: (Omitted)	within two days from the	mergers, spin-offs,	
report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company and shall handle the matters in compliance with this Article. The Company shall, within two days from the date of the resolution of the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the company and shall handle the matters in compliance with this Article. Article 41: (Omitted) Article 41: (Omitted) Article 40: (Omitted) Article 40: (Omitted) Article 40: (Omitted) Article 40: (Omitted) Article 41: (Omitted) Article 40: (Omitted) Article 40: (Omitted) Article 41: (Omitted) Article 40: (Omitted)	date of the resolution of	acquisitions or	
Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters in compliance with this Article. Article 41: (Omitted) Subaragraphs 1 and 2 of the preceding shall, within two days from the date of the resolution of the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the company shall sign an agreement with such companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters under the same conditions as provided in this Article. Article 41: (Omitted) Article 40: (Omitted) Article 40: (Omitted) Adjustment to the	the board of directors,	transfer of shares	
the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters in compliance with this Article. Article 41: (Omitted) memorandum, important contracts and minutes of directors' meetings. The Company shall, within two days from the date of the resolution of the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the company and shall through the internet. Where any of the company is and a materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the company and shall through the internet. Where any of the company is an amerger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters under the same conditions as provided in this Article. Article 41: (Omitted) Article 40: (Omitted) Adjustment to the	report the materials under	plans, letters of	
the FSC for reference in the prescribed format through the internet. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters in compliance with this Article. Article 41: (Omitted) important contracts and minutes of directors' meetings. The Company shall, within two days from the date of the resolution of the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the company shall sin an agreement with such company shall sign an agreement with such company shall sign an agreement with such company and shall handle the matters under the same conditions as provided in this Article. Article 41: (Omitted) Article 40: (Omitted) Article 40: (Omitted) Adjustment to the	Subaragraphs 1 and 2 of	intent or	
the prescribed format through the internet. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters in compliance with this Article. Article 41: (Omitted) and minutes of directors' meetings. The Company shall, within two days from the date of the resolution of the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters under the same conditions as provided in this Article. Article 41: (Omitted) Article 40: (Omitted) Adjustment to the	the preceding Paragraph to	memorandum,	
through the internet. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters in compliance with this Article. The Company shall, within two days from the date of the resolution of the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the company shall sign an agreement with such companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters under the same conditions as provided in this Article. Article 41: (Omitted) Article 40: (Omitted) Adjustment to the	the FSC for reference in	important contracts	
Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters in compliance with this Article. The Company shall, within two days from the date of the resolution of the board of directors, report the materials under Subaragraphs 1 and 2 of the preceding Paragraph to the FSC for reference in the prescribed format through the internet. Where any of the companies participating in a merger, spin-off, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters under the same conditions as provided in this Article. Article 41: (Omitted) Article 40: (Omitted) Adjustment to the	the prescribed format		
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its shares traded on an OTC market, the Company shall sign an agreement with such company and shall handle the matters under the same conditions as provided in this Article. Article 41: (Omitted) Article 40: (Omitted) Adjustment to the			
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Company shall sign an agreement with such company and shall handle the matters under the same conditions as provided in this Article. Article 41: (Omitted) Article 40: (Omitted) Adjustment to the			
agreement with such company and shall handle the matters under the same conditions as provided in this Article. Article 41: (Omitted) Article 40: (Omitted) Adjustment to the		, and the second	
company and shall handle the matters under the same conditions as provided in this Article. Article 41: (Omitted) Article 40: (Omitted) Adjustment to the		1 .	
handle the matters <u>under</u> the same conditions as provided in this Article. Article 41: (Omitted) Article 40: (Omitted) Adjustment to the		_	
<u>the same conditions as provided in this Article.</u> Article 41: (Omitted) Article 40: (Omitted) Adjustment to the			
Article 41: (Omitted)provided in this Article.Article 41: (Omitted)Article 40: (Omitted)Adjustment to the			
Article 41: (Omitted) Article 40: (Omitted) Adjustment to the			
	Article 41: (Omitted)	-	Adjustment to the
serial number of the	` '		3
Article.			
Article 42: (Omitted) Article 41: (Omitted) Adjustment to the	Article 42: (Omitted)	Article 41: (Omitted)	
serial number of the		, , ,	
Article.			Article.
Article 43: (Omitted) Article 42: (Omitted) Adjustment to the	Article 43: (Omitted)	Article 42: (Omitted)	Adjustment to the
serial number of the	· ·	·	5
Article.			Article.

Revision Provision	Original Provision	Explanatory Notes
Article 44: (Omitted)	Article 43: (Omitted)	Adjustment to the
		serial number of the
		Article.
Article 45: Where any of the companies participating in a merger, spin-off, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the said non-public company and shall handle the matters in compliance with relevant provisions of Articles 38, 39, 40 and 41 and the preceding Article.	Article 44: Where any of the companies participating in a merger, spin-off, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the said non-public company and shall handle the matters in compliance with relevant provisions of Articles 37, 38, 39, 40 and 43.	1.Adjustment to the serial number of the Article. 2.Adjustment to the serial number of the referred Article.
Article 46: Under any of the following	Article 45: Under any of the	1.Adjustment to the
circumstances, the	following	serial number of the
Company acquiring or	circumstances, the	Article.
disposing of assets shall	Company acquiring or	2.Adjustment to the
publicly announce and	disposing of assets	serial number of the
report the relevant	shall publicly	referred Article.
information on the FSC's	announce and report	3.In response to the
designated website in the	the relevant	provisions of the
appropriate format as	information on the	International
prescribed by regulations	FSC's designated	Financial Reporting
within 2 days counting	website in the	Standard No. 16
inclusively from the date	appropriate format as	· ·
of occurrence of the	prescribed by	
event: 1. Acquisition or	regulations within 2 days counting	
1. Acquisition or disposal of real	inclusively from the	-
property or	date of occurrence of	operation.
right-of-use assets	the event:	operation.
thereof from or to an	1. Acquisition or	
interested party, or	disposal of real	
acquisition or	property from or	
disposal of assets	to an interested	
other than real	party, or	
property <u>or</u>	acquisition or	
right-of-use assets	disposal of	
thereof from or to an	assets other than	
interested party	real property	
where the	from or to an	
transaction amount	interested party	
reaches 20 percent or more of paid-in	where the transaction	
of more of paid-in	uansaction	

Revision Provision	Original Provision	Explanatory Notes
capital, 10 percent or	amount reaches	
more of the	20 percent or	
company's total	more of paid-in	
assets, or NTD300	capital, 10	
million or more.	percent or more	
However, this shall	of the	
not apply to trading	company's total	
of domestic	assets, or	
government bonds	NTD300 million	
or bonds under	or more.	
repurchase and	However, this	
resale agreements,	shall not apply	
or subscription or	to trading of	
redemption of	government	
money market funds	bonds or bonds	
issued by domestic	under	
securities	repurchase and	
investment trust	resale	
enterprises.	agreements, or	
2. Merger, spin-off,	subscription or	
acquisition, or	redemption of	
transfer of shares.	money market	
3. Losses from	funds issued by	
derivatives trading	domestic	
reaching the limits	securities	
on aggregate losses	investment trust	
or losses on	enterprises.	
individual contracts	2. Merger, spin-off,	
set out in the	acquisition, or	
Regulations.	transfer of shares.	
4. The transaction	3. Losses from	
amount of an asset	derivatives trading	
transaction other	reaching the limits	
than any of those	on aggregate losses	
referred to in the	or losses on	
preceding three	individual contracts	
subparagraphs, a	set out in the	
disposal of debts by	Regulations.	
a financial	4. The transaction	
institution, or an	amount of an asset	
investment in the	transaction other	
mainland China area	than any of those	
reaches 20 percent	referred to in the	
or more of paid-in	preceding three	
capital or NTD300	subparagraphs, a	
million. However,	disposal of debts	
this shall not apply	by a financial	
to the following	institution, or an	
circumstances:	investment in the	
(1). Purchase and sell	mainland China	

Revision Provision	Original Provision	Explanatory Notes
the <u>domestic</u>	area reaches 20	
government	percent or more of	
bonds.	paid-in capital or	
(2). Trading of bonds	NTD300 million.	
under repurchase	However, this	
and resale	shall not apply to	
agreements, or	the following	
subscription or	circumstances:	
redemption of	(1).Trading of	
money market	government	
funds issued by	bonds.	
domestic	(2). Trading of	
securities	bonds under	
investment trust	repurchase and	
enterprises.	resale	
(3). Where equipment	agreements, or	
or right-of-use	subscription or	
assets thereof for	redemption of	
business purpose	money market	
are acquired or	funds issued by	
disposed of, and	domestic	
furthermore the	securities	
transaction	investment trust	
counterparty is not	enterprises.	
an interested party,	(3). Where	
and the transaction	equipment for	
amount does not	business purpose	
reach NTD500	are acquired or	
million or more.	disposed of, and	
(4). Where land is	furthermore the	
acquired under an	transaction	
arrangement on	counterparty is	
engaging others to	not an interested	
build on the	party, and the	
Company's own	transaction	
land, engaging	amount does not	
others to build on	reach NTD500	
rented land, joint	million or more.	
construction and	(4). Where land is	
allocation of	acquired under	
housing units, joint	an arrangement	
construction and	on engaging	
allocation of	others to build	
ownership	on the	
percentages, or	Company's own	
joint construction	land, engaging	
and separate sale,	others to build	
and furthermore	on rented land,	
<u>the</u> <u>transaction</u>	joint	
<u>counterparty</u> is not	construction and	

Revision Provision	Original Provision	Explanatory Notes
an interested party,	allocation of	
the transaction	housing units,	
amount the	joint	
Company does not	construction and	
reach NTD500	allocation of	
million or more.	ownership	
(Based on thee	percentages, or	
amount the	joint	
Company expects	construction and	
to invest in)	separate sale, the	
The amount of	transaction	
aforesaid transactions	amount the	
shall be calculated as	Company does	
follows:	not reach	
1. The amount of any	NTD500 million	
individual	or more. (Based	
transaction.	on thee amount	
2. The cumulative	the Company	
transaction amount	expects to invest	
of acquisitions and	in)	
disposals of the	The amount of	
same type of	aforesaid	
underlying asset	transactions shall be	
with the same	calculated as	
transaction	follows:	
counterparty	1. The amount of	
within the	any individual	
preceding year.	transaction.	
3. The cumulative	2. The cumulative	
transaction amount	transaction	
of acquisitions and	amount of	
disposals	acquisitions and	
(cumulative	disposals of the	
acquisitions and	same type of	
disposals,	underlying asset	
respectively) of	with the same	
real property <u>or</u>	transaction	
right-of-use assets	counterparty	
thereof within the	within the	
same development	preceding year.	
project within the	3. The cumulative	
preceding year.	transaction	
4. The cumulative	amount of	
transaction amount	acquisitions and	
of acquisitions and	disposals	
disposals	(cumulative	
(cumulative	acquisitions and	
acquisitions and	disposals,	
disposals,	respectively) of	
respectively) of the	real property	

Revision Provision	Original Provision	Explanatory Notes
same security	within the same	2/19/11/11/01/03
within the	development	
preceding year.	project within	
"Within the preceding	the preceding	
year" means the year	year.	
preceding the date of	4. The cumulative	
occurrence of the	transaction	
current transaction.	amount of	
Items duly announced	amount of acquisitions and	
in accordance with	disposals	
	(cumulative	
this Regulations need not be counted toward	`	
	acquisitions and	
the transaction	disposals,	
amount.	respectively) of	
	the same security within the	
	preceding year.	
	"Within the preceding	
	year" means the year	
	preceding the date of	
	occurrence of the	
	current transaction.	
	Items duly announced	
	in accordance with	
	this Regulations need	
	not be counted toward	
	the transaction	
A .: 1 47 (O :: 1)	amount.	A 1'
Article 47: (Omitted)	Article 46: (Omitted)	Adjustment to the
		serial number of the
A .: 1 . 40 . (O . : : 1)	A .: 1 .47 (O .: 1)	Article.
Article 48: (Omitted)	Article 47: (Omitted)	Adjustment to the
		serial number of the
		Article.
Article 49: For the calculation of 10	Article 48: For the calculation of 10	1.Adjustment to the
percent of total assets	percent of total assets	serial number of the
under this Regulations,	under this Regulations,	Article.
the total assets stated in	the total assets stated	2.The text is
the most recent	in the most recent	amended in
non-consolidated	non-consolidated	accordance with
financial report or	financial report or	with the actual staus
individual financial	individual financial	of the company.
report prepared under the	report prepared under	
Regulations Governing	the Regulations	
the Preparation of	Governing the	
Financial Reports by	Preparation of	
Securities Issuers shall	Financial Reports by	
be used.	Securities Issuers shall	
	be used.	
	<u>In the case of a</u>	

Revision Provision	Original Provision	Explanatory Notes
	company whose	
	shares have no par	
	<u>value or a par value</u>	
	other than NTD10-for	
	the calculation of	
	transaction amounts of	
	20 percent of paid-in	
	<u>capital</u> under the	
	Regulations, 10	
	percent of equity	
	attributable to owners	
	of the parent shall be	
A .: 1 . 50 . T	substituted.	1 4 1' 4 44
Article 50: In accordance with the	Article 49: In accordance with the	1.Adjustment to the
provisions of this	provisions of this	serial number of the
Regulations, the Company	Regulations, the	Article.
shall declare and submit an	Company shall declare	2.Adjustment to the
report the acquisition or disposal of the assets	and submit an report the acquisition or	serial number of the referred Article.
within 2 days of dates of	disposal of the assets	Teleffed Afficie.
boards of directors	within 2 days of dates	
resolutions or the date of	of boards of directors	
occurrence of the fact in	resolutions or the date	
accordance with the	of occurrence of the	
provisions of Article 46 of	fact in accordance with	
this Regulations governing	the provisions of	
public announce matter,	Article 45 of this	
and the financial	Regulations governing	
department shall prepare a	public announce	
draft announcement, and	matter, and the	
submit it to the general	financial department	
manager for approval, and	shall prepare a draft	
submit a report to all	announcement, and	
relevant units for report	submit it to the general	
with relevant materials.	manager for approval,	
	and submit a report to	
	all relevant units for	
	report with relevant	
	materials.	
Article 51: (Omitted)	Article 50: (Omitted)	Adjustment to the
		serial number of the
		Article.
Article 52: (Omitted)	Article 51: (Omitted)	Adjustment to the
		serial number of the
1 1 50 (0 1 1 1)	1 1 72 (0 1)	Article.
Article 53: (Omitted)	Article 52: (Omitted)	Adjustment to the
		serial number of the
A winter 54. (O. 14. 1)	A with 1 - 52 · (O - 14 - 1)	Article.
Article 54: (Omitted)	Article 53: (Omitted)	Adjustment to the
		serial number of the

Revision Provision	Original Provision	Explanatory Notes
		Article.
Article 55: (Omitted)	Article 54: (Omitted)	Adjustment to the
, ,		serial number of the
		Article.
Article 56: (Omitted)	Article 55: (Omitted)	Adjustment to the
, ,		serial number of the
		Article.
Article 57: (Omitted)	Article 56: (Omitted)	Adjustment to the
		serial number of the
		Article.
Article 58: (Omitted)	Article 57: (Omitted)	Adjustment to the
		serial number of the
		Article.
Article 59: This Regulations shall be	Article 58: This Regulations shall be	Adjustment to the
approved by its audit	approved by its audit	serial number of the
committee with the	committee with the	Article and the
consent of one-half or	consent of one-half or	amendment to the
more of all audit	more of all audit	text.
committee members and	committee members	
submitted to its board of	and submitted to its	
directors for a resolution,	board of directors for a	
and then to a	resolution, and then to	
shareholders' meeting for	a shareholders'	
approval; the same	meeting for approval;	
applies when the	the same applies when	
procedures are amended.	the procedures are	
In addition, where the	amended.	
position of independent director has been created	In addition, when the position of	
in accordance with laws,	position of independent director	
when the Regulations are	has been created in	
submitted for discussion	accordance with laws,	
to the board of directors	the Regulations are	
pursuant to the preceding	submitted for	
paragraph, the board of	discussion to the board	
directors shall take into	of directors pursuant to	
full consideration each	the preceding	
independent director's	paragraph, and the	
opinions. If an	board of directors shall	
independent director	take into full	
objects to or expresses	consideration each	
reservations about any	independent director's	
matter, it shall be	opinions. If an	
recorded in the minutes	independent director	
of the board of directors	objects to or expresses	
meeting.	reservations about any	
	matter, it shall be	
	recorded in the	
	minutes of the board of	
	directors meeting.	

Revision Provision	Original Provision	Explanatory Notes
Article 60: The implementation is on	Article 59: The implementation is on	The date of the
November 30, 2006.	November 30, 2006.	amendment will be
The 1st amendment	The 1st amendment	updated after such
dated on May 18, 2007.	dated on May 18,	amendment is
The 2nd amendment	2007.	passed by the
dated on June 14, 2010.	The 2nd amendment	shareholders'
The 3rd amendment	dated on June 14,	meeting.
dated on June 27, 2011.	2010.	
The 4th amendment	The 3rd amendment	
dated on June 15, 2012.	dated on June 27,	
The 5th amendment	2011.	
dated on June 23, 2014.	The 4th amendment	
The 6th amendment	dated on June 15,	
dated on June 25, 2015.	2012.	
The 7th amendment	The 5th amendment	
dated on June 14, 2017.	dated on June 23,	
The 8th amendment	2014.	
<u>dated on June 24, 2019.</u>	The 6th amendment	
	dated on June 25,	
	2015.	
	The 7th amendment	
	dated on June 25,	
	2017.	

Viking Tech Corporation Regulations Governing Loaning of Funds to Others Comparison Table for the Amended Provisions

Revision Provision	Original Provision	Explanatory Notes
Article 1:	Article 1:	110105
This Regulation is established in	If the Company need to loan the	The text is
accordance with Article 36-1 of the	funds to other companies (hereinafter	discretionarily
Securities and Exchange Act and	referred as to "Borrower") due to the	amended
"Regulations Governing Loaning of	business needs of the Company, it	because the
	shall comply with this Regulation.	Public offerings
Funds and Making of Endersements Guerantees by Public	Matters not specified in this Articles	_
Endorsements/Guarantees by Public	shall be handled in accordance with	shall be given
Companies". If the Company need to		precedence in
loan the funds to other companies (hereinafter referred as to	relevant laws and regulations.	application of the relevant
`		
"Borrower") due to the business		provisions of
needs of the Company, it shall		the industrial
comply with this Regulation		laws and
provided that where otherwise		regulations.
specified by financial relevant laws		
and regulations.	Antiala 2	In one see 11
Article 2 Restriction on the Borrowers in	Article 2 Restriction on the Borrowers in	Increase the
		flexibility of the
general, total amount, and individual	general, total amount, and individual	use of internal funds among
Borrower 1. Under the Company Act, the	Borrower 1. Under the Company Act, the	\mathcal{C}
1 2	1. Under the Company Act, the	1
Company shall not loan funds to	Company shall not loan funds to	1 /
any of its shareholders or any	any of its shareholders or any	
other person except under the	other person except under the	
following circumstances:	following circumstances: (1). (Omitted)	c c c
(1). (Omitted) (2). (Omitted)	(2). (Omitted)	loaning the funds.
(3). The restriction in Paragraph 1	(3). The restriction in Paragraph	
Subparagraph 2 shall not	1 Subparagraph 2 shall not	
	apply to loans of funds	
apply to <u>inter-company</u> loans of funds between	11 7	
	from the Company to the	
foreign companies in which the Company holds, directly		
	1	
or indirectly, 100% of the	directly or indirectly,	
voting shares. However,	100% of the voting shares. However, it shall still be in	
the provisions of Article 4,	· ·	
Paragraphs 3 concerning the		
setting of the amount limits	*	
and the durations of loans shall still apply. When a	Paragraph 3.	
responsible person of a		
company violates		
Paragraph 1, the responsible		
person shall bear joint and		
several liability with the		
borrower for repayment; if		
the company suffers		
damage, the responsible		
person also shall be liable		
for damages.		

Regulations Governing Loaning of Funds to Others Comparison Table for the Amended Provisions

Revision Provision	Original Provision	Explanatory Notes
Article 10 1. (Omitted) 2. (Omitted) The announce and report means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC). Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the loaning funds to others, whichever date is earlier. (Omitted)	Article 10 1. (Omitted) 2. (Omitted) The announce and report means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC). Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction whichever date is earlier. (Omitted)	The text is discretionarily amended in consideration of the loaning funds that are not a transactional nature.
Article 12: This Regulations shall be approved by its audit committee and submitted to its board of directors for a resolution, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. In addition, when the position of independent director has been created, the Regulations are submitted for discussion to the board of directors pursuant to the preceding paragraph, and 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 12: This Regulations shall be approved by its audit committee and submitted to its board of directors for a resolution, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. In addition, when the position of independent director has been created, the Regulations are submitted for discussion to the board of directors pursuant to the preceding paragraph, and 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.	The amendment to the Regulations and the establishment to the Procedure is in response to Article 14-3 of Securities and Exchange Act.
Article 13: The implementation is on November 30, 2006. The 1st amendment dated on May 18, 2007. The 2nd amendment dated on June 19, 2009. The 3rd amendment dated on June	Article 13: The implementation is on November 30, 2006. The 1st amendment dated on May 18, 2007. The 2nd amendment dated on June 19, 2009. The 3rd amendment dated on	The date of the amendment will be updated after such amendment is passed by the shareholders'

Regulations Governing Loaning of Funds to Others Comparison Table for the Amended Provisions

Revision Provision	Original Provision	Explanatory Notes
14, 2010.	June 14, 2010.	meeting.
The 4th amendment dated on June	The 4th amendment dated on	C
23, 2013.	June 23, 2013.	
The 5th amendment dated on June 25,	The 5th amendment dated on June 25.	
2015.	2015.	
The 6th amendment dated on June 24,		
2019.		

Regulations Governing Making of Endorsements/Guarantees Comparison Table for the Amended Provisions

Revision Provision	Original Provision	Explanatory Notes
Article 1: This Regulation is established in accordance with Article 36-1 of the Securities and Exchange Act and "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies". All matters relating to the endorsements/guarantees of the Company shall be handled in accordance with the provisions of this Regulation. However, the financial related laws and regulations that are otherwise provided shall prevail.	Article 1: This Regulation is established in order for the Company to comply for the matter relating to the endorsements/guarantees externally. Matters not specified in this Articles shall be handled in accordance with Article 36-1 of the Securities and Exchange Act and relevant regulations.	The text is discretionarily amended because the Public offerings shall be given precedence in application of the relevant provisions of the industrial laws and regulations.
Article 9	Article 9	
 The Company shall announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10th day of each month. The Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence: The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement. 	 The Company shall announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10th day of each month. The Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence: The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement. 	(1) To define the definition of long-term investment. (2) The text is discretionarily amended in consideration of the loaning funds that are not a transactional nature.

Regulations Governing Making of Endorsements/Guarantees Comparison Table for the Amended Provisions

Revision Provision	Original Provision	Explanatory Notes
endorsements/guarantees by	endorsements/guarantees by	11000
the Company and its	the Company and its	
subsidiaries for a single	subsidiaries for a single	
enterprise reaches NT\$10	enterprise reaches NTD10	
millions or more and the	millions or more and the	
aggregate amount of all	aggregate amount of all	
endorsements/guarantees	endorsements/guarantees	
for, investment of a	for, investment of a	
long-term nature in that is	long-term nature in, and balance of loans to, such	
accounted for carrying	enterprise reaches 30 percent	
amount and evaluated by the equity method, and balance	or more of Company's net	
of loans to, such enterprise	worth as stated in its latest	
reaches 30 percent or more	financial statement.	
of Company's net worth as	(4). The amount of new	
stated in its latest financial	endorsements/guarantees	
statement.	made by the Company or its	
(4). The amount of new	subsidiaries reaches NT\$30	
endorsements/guarantees	million or more, and reaches	
made by the Company or its	5 percent or more of the	
subsidiaries reaches NT\$30	Company's net worth as	
million or more, and reaches	stated in its latest financial	
5 percent or more of the	statement.	
Company's net worth as	The announce and report means the	
stated in its latest financial	process of entering data to the	
statement.	information reporting website	
The announce and report means the	designated by the Financial	
process of entering data to the	Supervisory Commission (FSC).	
information reporting website	Date of occurrence: Refers to the date	
designated by the Financial	of contract signing, date of payment,	
Supervisory Commission (FSC).	date of consignment trade, dates of	
Date of occurrence: Refers to the date	boards of directors resolutions for the	
of contract signing, date of payment, date of consignment trade, dates of	transaction, or other date that can	
boards of directors resolutions, or	confirm the counterpart and monetary amount of the <u>transaction</u> , whichever	
other date that can confirm the	date is earlier	
counterpart and monetary amount of	dute is currer	
the endorsements/guarantees,		
whichever date is earlier		
Article 12:	Article 12:	
This Regulations shall be	This Regulations shall be	The amendment
approved by its audit committee	approved by its audit committee	to the
and submitted to its board of	and submitted to its board of	Regulations and
directors for a resolution, and	directors for a resolution, and	the
then to a shareholders' meeting	then to a shareholders' meeting	establishment to
for approval; the same applies	for approval; the same applies	the Procedure is
when the procedures are	when the procedures are	in response to

Regulations Governing Making of Endorsements/Guarantees Comparison Table for the Amended Provisions

Revision Provision	Original Provision	Explanatory
		Notes
amended.	amended.	Article 14-3 of
In addition, where the position of	In addition, when the position of	Securities and
independent director has been	independent director has been	Exchange Act.
created, when the Procedures are	created, the Procedures are	
submitted for discussion to the board	submitted for discussion to the	
of directors pursuant to the preceding	board of directors pursuant to the	
paragraph, the board of directors	preceding paragraph, and the	
shall take into full consideration each	board of directors shall take into	
independent director's opinions. <u>If an</u>	full consideration each	
independent director objects to or	independent director's opinions.	
expresses reservations about any	If an independent director objects	
matter, it shall be recorded in the	to or expresses reservations	
minutes of the board of directors	about any matter, it shall be	
meeting.	recorded in the minutes of the	
	board of directors meeting.	
Article 13:	Article 13:	
The implementation is on November	The implementation is on	The date of the
30, 2006.	November 30, 2006.	amendment will
The 1st amendment dated on May 18,	The 1st amendment dated on May	be updated after
2007.	18, 2007.	such
The 2nd amendment dated on June	The 2nd amendment dated on	amendment is
19, 2009.	June 19, 2009.	passed by the
The 3rd amendment dated on June	The 3rd amendment dated on	shareholders'
14, 2010.	June 14, 2010.	meeting.
The 4th amendment dated on June	The 4th amendment dated on	
23, 2013.	June 13, 2013.	
The 5th amendment dated on June 25,	The 5th amendment dated on June 25,	
2015.	2015.	
The 6th amendment dated on June 24,		
<u>2019.</u>		

Viking Tech Corporation The election act of the directors of the board of directors

- 1. The election of the directors of the of the boards of the company shall be carried out in accordance with these Measures, except as otherwise provided for in the Company Law, the Securities Exchange Law and the Articles of Association of the Company.
- 2. Cumulative Voting System 2. The election of directors of the of the board of the company adopts cumulative voting method
 - The name of the elector can be replaced by the attendance number (or shareholder number) printed on the ballot paper.
 - In the election of the directors of the board of the company, each share has the same voting rights as the number of people to be elected. It is possible to elect one person in a centralized manner or to allocate a number of people.
- 3. The nomination system for candidates for the election of directors of the board of the company shall be elected in accordance with the quotas stipulated in the articles of association of the company. At the time of the election, the independent directors and the non-independent directors are elected together, but the independent directors and the general directors are separately counted. If there are more than two equal rights and exceed the specified number, the same number of people with the same number of rights will be drawn by lot, and those who are not present will be drawn by the chairman.
- 4. The selection of directors of the board of the Company shall take into account the overall configuration of the Board of Directors, the composition of the board of directors should be considered in a diversified manner and appropriate diversification guidelines should be developed for its own operations, operational style and development needs, including but not limited to the following two standards:
 - 1. Basic conditions and values: gender, age, nationality and culture.
 - 2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience.

Board members should generally have the knowledge, skills and literacy necessary to perform their duties. The overall abilities of the board should be as follows:

- 1. Operational judgment ability.
- 2. Accounting and financial analysis capabilities.
- 3. Management capabilities.
- 4. Ability to deal with crisis.
- 5. Industrial knowledge.
- 6. International market outlook.
- 7. Leadership.
- 8. Decision-making ability.

There shall be more than half of the seats between directors and no relatives within the scope of spouse or second degree of kinship.

The qualifications and selection of the independent directors of the board of directors of the Company shall be governed by the provisions of the "Public Issuance of Independent Directors of the Company and the Compliance Measures" and the "Code of Practice for Corporate Governance on the Listed Companies".

The election act of the directors of the board of directors

- 6. The election of independent directors of the Company shall be in accordance with the procedures for the nomination system for candidates as stipulated in the first rule of Article 192 of the Company Law. The qualifications for the examination of candidates for independent directors, the background of academic experience and the existence of company law, the documents listed in Article 30 shall not be arbitrarily added with other documents of qualifications, and the results of the review shall be provided to the shareholders for reference and the independent directors shall be elected.
- 7. Before the election begins, the chairman shall designate a number of scrutinizers and counters with shareholder status to perform various duties. The ballot box was prepared by the company and was opened to the public by the scrutinizer before the vote.
- 8. The company prepares and elects the election votes of the same number of directors, and adds its weights to distribute the shareholders attending the shareholders' meeting.
- 9. If the elector is a shareholder, the elector must indicate the name of the elector and the shareholder number in the electoral column of the election. If the elector is not a shareholder, the name and identity document of the elector should be filled out. However, when the government or legal person shareholder is the elector, the name of the government or legal person should be included in the name of the elected person. The name of the government or legal person and the name of his representative must also be included. When there are several representatives, the name of the representative should be added separately
- 10. The election ticket is invalid with one of the following circumstances:
 - 1. Do not use the ballot paper prepared by the company.
 - 2. Those who put in the ballot box with blank votes.
 - 3. Handwriting is blurred and cannot be identified or altered.
 - 4. If the selected elector is a shareholder, the account name and shareholder number do not match the shareholder's book. If the selected elector is not a shareholder, the name and identity document number are checked for discrepancies.
 - 5. In addition to the name or shareholder number (identification document number) of the elector and the number of voting rights, the other characters are written.
 - 6. The name of the selected elector is the same as that of other shareholders and the shareholder number or identity certificate is not filled in, the document number cannot be identified.
 - 7. The election ticket has not been put into the ticket cabinet (box).
 - 8. The total number of voting rights cast by the electors exceeds the total of the voting rights held by the electors.
 - 9. The number of selected electors exceeds the number of places to be elected.
 - 11. After the voting is completed, the ticket will be invoiced on the spot and the result of the billing will be announced by the chairman.
 - 12. The elected directors are issued a notice of election by the board of directors of the company.
 - 13. The matters not specified in these Measures shall be handled in accordance with the provisions of the Company Law and relevant laws and regulations.
 - 14. These measures shall be implemented after the approval of the shareholders'

Viking Tech Corporation The election act of the directors of the board of directors

meeting, and the same shall apply to the amendments.

15. Passed and adopted on June 29, 2000.
The first amendment was made on March 12, 2002.
The second amendment was made on May 18, 2007.
The third amendment was made on June 26, 2018.