Winstek Semiconductor Co., Ltd.

2019 Annual Shareholders' Meeting

Meeting Handbook

Time: 9:00 am on (Monday) June 10, 2019

Location: No.176-5, 6 Ling, Hualung Chun, Chiung Lin, Hsin-Chiu Hsien, Taiwan (the Company)

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Chapter 1 Procedure for the 2019 Annual Meeting of Shareholders of Winstek Semiconductor Co., Ltd.

I. Call the Meeting to Order

II. Chairman's Address

III. Management Presentation

IV. Proposals

V. Discussions

VI. Questions and Motions

VII. Adjournment

Chapter 2 Agenda for the 2019 Annual Meeting of Shareholders of Winstek Semiconductor Co., Ltd.

Time: 9 am on (Monday) June 10, 2019

Location: No.176-5, 6 Ling, Hualung Chun, Chiung Lin, Hsin-Chiu Hsien, Taiwan (the Company)

I. Call the Meeting to Order

II. Chairman's Address

III. Management Presentation

(I) 2018 Business Report.

(II) Audit Committee's Review Report on the 2018 Financial Statements.

(III) Report on the Distribution Status of the Remuneration of Employees and Directors for 2018

IV. Proposals

(I) 2018 Business Report and Individual Financial Report and Consolidated Financial Report.

(II) Proposal for Distribution of 2018 Profits.

V. Discussions

(I) Amendment to certain provisions of the Company's “Articles of Incorporation”.

(II) Amendment to certain provisions of the "Operational procedures for Acquisition and Disposal of Assets".

(III) Amendment to certain provisions of the "Operational Procedures for Endorsements and Guarantees".

(IV) Amendment to certain provisions of the "Operational Procedures for Loaning of Company Funds".

VI. Questions and Motions

VII. Adjournment

I. Management Presentation

Report No. 1

Subject: 2018 Business Report.

Explanation: Please refer to Attachment 1 on page 9 to 11 of this Handbook for the 2018 Business Report of the Company.

Report No. 2

Subject: Audit Committee's Review Report on the 2018 Financial Statements.

Explanation: Please refer to Attachment 2 on page 12 and Attachment 3 on page 13 to 16 and page 22 to 26 of this Handbook for the Audit Committee's Review Report and CPA Audit Report.

Report No. 3

Subject: Report on the Distribution Status of the Remuneration of Employees and Directors for 2018

Explanation:

(I) Appropriation of the remuneration of employees and directors in accordance with Article 30-1 of the Company's Articles of Incorporation.

(II) The proposed appropriation of remuneration of NT$28,087,802 to employees and NT$ 0 to directors. All employees' remuneration is paid in cash.

(III) Employees' remuneration is distributed to whom may include the employees of the Company and those of its subordinate companies who meet certain conditions.

(IV) Descriptions of the correlation and reasonability of the net income after tax and the changes in Remuneration of Directors in 2018;

The total Remuneration of Directors accounted for 3.9% of the net income after tax in 2018, and the average Remuneration of Directors was NT$1,434,762. The Remuneration of Directors of the Company considers the extent and value of the services provided for the management of the Company and their contributed value and the standard of the industry. The Company has to pay compensation to the Directors for their performance of the duties of the Company, regardless of the profit gain and loss. The Remuneration of Directors of the Company reflects Directors' obligations and the market compensation level. The remuneration committee shall evaluate traffic allowances and remuneration for all Directors and submit reports to the Board for approval. There was no concrete correlation between the average number and rate of change of the remuneration paid to each director and the change in net income(loss) after tax in 2018 and 2017.

II. Proposals

Proposal No. 1

Subject: 2018 Business Report and Individual Financial Report and Consolidated Financial Report. (Proposed by the Board of Directors)

Explanation:

1. The 2018 Financial Report, including the Individual Financial Report and the Consolidated Financial Report, has been audited by CPA Li Tien I and Chiang Ts'ai Yen of PwC Taiwan with the issue of the audit report, and also has been examined and approved by the Audit Committee and the Board of Directors of the Company.
2. Attached the Business Report (Attachment 1 on page 9 to 11), CPA Audit Report (Attachment 3 on page 13 to 16 and page 22 to 26) and the Financial Statements (Attachment 3 on page 17 to 21 and page 27 to 34) for adoption.

Resolution:

Proposal No. 2

Subject: Proposal for Distribution of 2018 Profits. (Proposed by the Board of Directors)

Explanation:

1. The Company's net profit after tax for 2018 was NT$329,819,309. It is intended to distribute a cash dividend of NT$163,513,991 (NT$1.20 per share, divided by the number of outstanding shares of 136,261,659) to the shareholders.

2. The Company's distribution of earnings for 2018 is as follows:

Winstek Semiconductor Co., Ltd.

Profit Distribution Table

2018

Unit: New Taiwan Dollars (NT$)

Unappropriated retained earnings at the beginning of the period	**1,800,188,754**
Add: Adjustment for prior period profit and loss	9,283,355
Add: Net income after tax for the current year	329,819,309
Add: Reversal of special reserves	67,931,617
Less: Appropriated Statutory reserves	(32,981,931)
Less: Changes in actuarial gains and losses for the year 2018	(3,696,415)
Distributable net profit	2,170,544,689
Distributable items:	
Less: Dividend to shareholders - Cash (Current number of outstanding shares: 136,261,659 shares at NT $1.20 per share)	(163,513,991)
Unappropriated retained earnings	**2,007,030,698**

Chairman of the Board: General Manager: Main Accountant:

3. For the 2018 cash dividend per share of NT $1.20 (based on the number of current outstanding shares of 136,261,659 shares). Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Chairman of the Board be authorized to resolve the ex-dividend date and other relevant issues. In the event that, before the distribution record date, the proposed profit distribution is affected by the changes in the total number of outstanding shares, it is proposed that the Chairman of the Board be authorized to adjust the cash dividend to be distributed to each share based on the

number of actual shares outstanding on the record date for distribution.

4. The cash dividends shall be calculated according to the distribution ratio to the nearest NTD (round off). If the total fractional amount is insufficient to be less than NT$1, it shall be allocated and adjusted by the order of size, until it conforms to the total distribution amount of cash dividend. In addition, the handling fee and remittance fee shall be paid by shareholders from their own expenses.

5. Please adopt.

Resolution:

III. Discussion Items

Matters for Deliberation No. 1

Subject: Amendment to certain provisions of the Company's Articles of Incorporation. Please proceed to discuss. (Proposed by the Board)

Explanation: In order to conform to the needs of commercial practice (or amendments to related commercial laws), the company hereby proposes to amend the Articles of Incorporation. Please refer to page 35 to 39 (Attachment 4) for the Comparison Table for the Provisions of the Articles of Incorporation before and after the Amendments.

Resolution:

Matters for Deliberation No. 2

Subject: Amendment to certain provisions of the "Operational procedures for Acquisition and Disposal of Assets". Please proceed to discuss. (Proposed by the Board)

Explanation: In order to conform to the needs of commercial practice (or amendments to related commercial laws), the Company proposes to amend certain provisions of the "Operational procedures for Acquisition and Disposal of Assets". Please refer to page 40 to 69 (Attachment 5) for the Comparison Table for the Provisions before and after the Amendments.

Resolution:

Matters for Deliberation No. 3

Subject: Amendment to certain provisions of the "Operational Procedures for Endorsements and Guarantees". Please proceed to discuss. (Proposed by the Board)

Explanation: In order to conform to the needs of commercial practice (or amendments to related commercial laws), the Company proposes to amend certain provisions of the "Operational Procedures for Endorsements and Guarantees". Please refer to page 70 to 73 (Attachment 6) for the Comparison Table for the Provisions before and after the Amendments.

Resolution:

Matters for Deliberation No. 4

Subject: Amendment to certain provisions of the "Operational Procedures for Loaning of Company Funds". Please proceed to discuss. (Proposed by the Board)

Explanation: In order to conform to the needs of commercial practice (or amendments to related commercial laws), the Company proposes to amend certain provisions of the "Operational Procedures for Loaning of Company Funds". Please refer to page 74 to 75 (Attachment 7) for the Comparison Table for the Provisions before and after the Amendments.

Resolution:

IV. Questions and Motions

V. Adjournment

Attachment 1

Winstek Semiconductor Co., Ltd.

2018 Business Report

The underrated global smartphone shipments, the uncertainty of cryptocurrency mining business opportunity, and the trade friction between China and the United States have made the semiconductor supply chain unstable. The year-on-year growth rate of the overall output value in the semiconductor industry has increased slightly.

With the support of all the colleagues and customers, the overall operating results of the Company for last year are reported as follows:

I. The consolidated operating income for the year 2018 was NT $2.87 billion, 0.9% up compared with that of NT $2.84 billion in the previous year. The net income after tax for the year 2018 was NT $330 million, which was lower by NT $400 million compared with that of NT $730 million in the previous year. The earnings per share for the year 2018 was NT $2.42, which was lower by NT $2.92 compared with that of NT $5.34 for the previous year.

II. Budget performance: The Company did not disclose the financial forecast in year 2018.

Analysis of Financial Structure, Solvency and Profitability

The financial structure of the Company has been maintained sound and stable. The condition of financial structure, solvency and profitability are shown in the table below:

Items		Individual Financial Statements		Consolidated Financial Statements	
		2018	2017	2018	2017
Financial Structure	Debt-to-asset ratio (%)	10.3%	8.6%	20.9%	28.7%
	Long-term capital to fixed asset ratio (%)	696.6%	658.8%	251.3%	205.7%
Debt-paying Ability	Current ratio (%)	418.3%	415.6%	671.6%	225.7%
	Quick Ratio (%)	402.5%	407.0%	648.5%	219.0%
Profitability	Return on assets (%)	6.7%	16.6%	5.9%	11.8%
	Return on shareholders' equity (%)	7.4%	18.0%	7.4%	18.0%
	Net profit margin (%)	30.4%	71.3%	11.5%	25.6%
	Earnings per share (NTD)	2.42	5.34	2.42	5.34

The condition of Research and Development

With the purpose of matching the terminal application market demand and of maintaining the close relationship with our customers, the Company will invest in advanced testing and packaging technology for the high-end new products applications such as the data center and server, automotive electronics, artificial intelligence, smart family, Internet of things, smart voice, biological wafer, health measurement wafer, wireless charging wafer and 5G applications, and so on.

Business Strategy and Policy for This Year

Keep close partnership with our customers with the delivering of advanced technology and the commitment to research and development investment in high level semiconductor packaging and testing field. In addition to maintaining stable relationship with the existing customers, timely introduce the service requirements of new products for customers; In order to meet the needs of customers for new products and services, the Company will extend the scope of packaging and testing services, provide more in-depth integration services such as customer product reliability verification services and failure analysis services, and actively look for new customers to increase the revenue.

Integrate resources to strengthen business performance, actively research and develop new processes, reduce production costs and improve production efficiency, cautiously expand capacity, give full play to the maximum benefits of capacity, to ensure the profitability and sustainable growth of enterprises.

Impact of external environmental, regulatory and overall business environment

Since 2018, the global smartphone market has been saturated gradually, which led to the decline on the number of orders in the semiconductor supply chain. The impact of China-US trade frictions would diminish the overall demand on semiconductor industry should the U.S. sanctions against China are extended to PC, server, mobile phones, TV and other terminal products. Given the fact that the China-US trade war intensifies, China might cement its will of technology autonomy and accelerate its nationalization of semiconductor industry, which raises the concern of brain drains in our country. However, the global semiconductor industry will enter another cycle of global silicon content ascension driven by AI, Internet of things, automotive electronics, high-speed computing and 5G, which means that the semiconductor industry will further enhance its importance and demand in the field of science and technology, and also provide opportunities for the development of new business for our semiconductor industry.

Looking forward to this year, the global economy is clouded by the impact of China-US trade frictions and remains uncertainty. At present, the application trend of electronic products has extended from consumer electronics in the past to the fields with value-added of AI and IoT products. In order to achieve real-time information capture and judgement, the future device computing will achieve the communication quality of high frequency bandwidth and low latency with the help of 5G technology. With the dawn of 5G era and the growth of AI, IoT products and self-driving cars, the demand for wafer level packaging and testing will continue to grow.

Thank you for continuous support and encouragement from all shareholders to the Company. We will adhere to the strategy of consistently seeking for development steadily to strike for the best interests of the Company and live up to the expectations of our shareholders. Wish all shareholders, ladies and gentlemen

good health and good luck

Chairman of the board: Huang Hsing Yang Manager: Wêng Chih Li Accountant Officer: Liu Kui Chu

Attachment 2

Winstek Semiconductor Co., Ltd.

Audit Committee's Audit Report

The board of directors has prepared the Company's 2018 Business Report, Proposal for Profit Distribution, Consolidated Financial Report and Individual Financial Report. The Consolidated Financial Report and the Individual Financial Report has been audited by CPA Li Tien I and Chiang Ts'ai Yen of PwC Taiwan. The aforementioned Business Report, Proposal for Profit Distribution, Consolidated Financial Report and Individual Financial Report, etc., have been reviewed and have not been found to be inconsistent by the Audit Committee, thus we hereby submit a report pursuant to the provisions of Article 14-4 of the Securities Exchange Act and Article 219 of the Company Law of the Republic of China. Please proceed to review and approve.

Sincerely,

2019 Annual Meeting of Shareholders of the Company

Independent Director: Lin Min K'ai

Independent Director: Wei Jên Yü

Independent Director: Wen-chou Vincent Wang

March 6, 2019

Attachment 3

Independent Auditors' Report
(108) TWSE Review No. 1800269718002697

Winstek Semiconductor Co., Ltd. Company seal:

Audit Opinion

The Individual Balance Sheets as on December 31, 2018; Individual Composite Income Statements, Individual Statement of Changes in Equity, Individual Statement of Cash Flows from January 1, 2018 to December 31 2018; and the Notes to the Individual Financial Statements (including the Summary of Significant Accounting Policies) of Winstek Semiconductor Co., Ltd., have been audited by the certified public accountant (hereafter referred to as "CPA").

In the opinion of the CPA, all the material items prepared in the above mentioned Individual Financial Statements are in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", which properly present the financial position of Winstek Semiconductor Co., Ltd. as of December 31, 2018, and individual financial performance and individual cash flows from January 1, 2018 to December 31 2018.

Basis of Audit Opinion

We have performed the auditing work in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and auditing standards generally accepted in the ROC. Our CPAs will further explain the responsibilities auditors shall execute during the audit of Individual Financial Statements under the above principles. The personnel of our accounting firm who are subject to independent regulations have acted according to the ROC CPA Code of Professional Ethics to remain neutral from Winstek Semiconductor Co., Ltd. while fulfilling other duties set forth in the said Code. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of the auditor's opinion.

Key Audit Matters

Key audit key matters refer to those most material key matters for the audit on the Individual Financial Statements of the year 2018 of Winstek Semiconductor Co., Ltd., based on the professional judgment of the accountant. Such matters have been taken into account in audit of the overall Individual Financial Statements and have been considered to the formation of audit opinions, therefore the CPA is not giving any personal opinions on such key matters.

The key audit matters of the Individual Financial Statements of the year 2018 of Winstek Semiconductor Co., Ltd. are as followings:

The accuracy of revenue recognition

Matters descriptions

Please refer to the related accounting policies of revenue recognition on IV. (XXIV) of Notes to the Individual Financial Statements. Winstek Semiconductor Co., Ltd. mainly engages in research and development (R&D) and testing of various integrated circuits, and services of turnkey wafer bumping and wafer level packaging. The corresponding revenue of such services gradually meet performance obligations and is recognized into income, by the control of services over time. Winstek Semiconductor Co., Ltd. measures the completion degree of performance obligations based on the input cost to fulfill the obligations for the current period, in relation to the total expected cost input to meet the overall performance obligations. In view of the uncertainty in the total expected cost input estimation, which will affect Winstek Semiconductor Co., Ltd.'s accuracy in recognizing revenue by measuring completion degree of performance obligations based on unfinished work orders. The above mentioned matters also exist in the subsidiaries held by Winstek Semiconductor Co., Ltd. (listed investments under equity method). Therefore, we considered the accuracy of revenue recognition as the most material matters.

Corresponding auditing procedures

We performed the following audit procedures in respect of the above key audit matters:

1. Understand and assess the accounting policies for revenue recognition, and test the effectiveness of the design and implementation of relevant internal controls;
2. Check the supporting documents and calculation to measure the completion degree of performance obligation;
3. Verify the accuracy of revenue recognition by measurement of completion degree of performance obligation.

Other matters - audit scope

The Individual Financial Statements of Winstek Semiconductor Co., Ltd. of the year 2017 was audited by another CPA, who has issued the unqualified individual audit report on March 6, 2018.

The responsibility of the management and governance units for the Individual Financial Statements

The responsibility of the management was to establish financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" to properly indicate the company's financial status and also to maintain necessary internal control with regard to establishment of Individual Financial Statements to ensure such financial statements did not contain any false contents as a result of fraudulence or mistakes.

When preparing the Individual Financial Statements, the management is also responsible for the assessment of Winstek Semiconductor Co., Ltd.'s ability on going concern, the disclosure of relevant matters, the adoption of the accounting base for going concern, unless the management intends to proceed with the liquidation to Winstek Group or to discontinue its operations, or has no other practical alternative solutions except for liquidation or closure.

The governing body of Winstek Semiconductor Co., Ltd. (including the Audit Committee) had the responsibility to supervise the financial reporting process.

The responsibility of CPAs when auditing Individual Financial Statements

Our objective when auditing the parent company only financial statements was to ascertain whether they contained any false contents as a result of fraudulence or mistakes and whether they were reasonably reliable and issue the auditor's report. Reasonably reliable means highly reliable. However, auditing work carried out in accordance with commonly accepted ROC audit guidelines cannot guarantee detection of significant false contents in parent company only financial statements. Misstatements could be caused by fraud or error. If the individual amounts or sums that false contents involved could be reasonably expected to affect the financial decision making of users of Individual Financial Statements such false contents would be considered significant.

We conducted the auditing work according to audit standards generally accepted in the ROC and also exercised our profession judgment and remained professionally skeptical. We have also executed the following tasks:

1. Identifying and evaluating likely risks from significant false contents in the Individual Financial Statements as a result of fraudulence of errors, designing and executing proper counter measures against the risks identified, and also establishing sufficient and appropriate audit evidence to serve as the basis of the auditor's report. As fraudulence can involve conspiracy, forgery, intentional omissions, false statements or transgressions of internal control, the risk of failing to detect significant false contents resulting from fraudulence is higher than the risk of failing to identify those coming from errors.
2. Obtaining necessary understanding of internal controls relevant to the audit, in order to design appropriate audit procedures in the circumstances, but the purpose is not to express an opinion on the effectiveness of internal controls of Winstek Semiconductor Co., Ltd.
3. Evaluating the appropriateness of the accounting policy adopted by the management and the reasonableness of the accounting assessment and related disclosures made accordingly.
4. Based on the audit evidence obtained, conclusions are drawn on the appropriateness of the management's continuing adoption of the going concern accounting foundation and whether there was any significant doubt (in the events or circumstances) about the capacity of Winstek Semiconductor Co., Ltd. to remain in operation or whether any significant uncertainty existed. If we thought such doubt or significant uncertainty existed, we had to point it out in the auditor's report to remind users of the Individual Financial Statements to look out for related disclosures in the Individual Financial Statements to revise out audit opinion if such disclosures were

considered inappropriate. Our conclusion was established according to the audit evidence obtained before the deadline for the auditor's report. However, future events or circumstances may result in Winstek Semiconductor Co., Ltd. no longer being able for going concern.

5. Evaluating the overall expression, structure and contents of the Individual Financial Statements (including related notes) and whether the Individual Financial Statements could appropriately express related transactions and events.
6. Obtaining sufficient and appropriate audit evidence with regard to the finance of the individual entities in Winstek Semiconductor Co., Ltd. to establish our opinion about the Individual Financial Statements. We were responsible for guiding, supervising, and executing the audit work for the Company and also establishing the auditor's opinion.

We communicated with governance units about the planned audit range and time and important audit discoveries (including significant internal control defects found during the audit process).

We provided governance units with a statement assuring the personnel of our accounting firm who are subject to independent regulations had acted according to the ROC CPA Code of Professional Ethics to remain neutral and also communicate with them about the all relations and other matters (including related preventive measures) that could affect the independence of CPAs.

Based on the result of our discussion with the governance body, we decided the key audit matters when auditing the 2018 Individual Financial Statements of Winstek Semiconductor Co., Ltd. We have clearly described the said matters in the auditor's report except certain matters whose public disclosure is prohibited by law or certain matters we decided not to mention under some extremely rare circumstances because disclosure of such matters can be reasonably expected to lead negative effects that would be greater than public good they might benefit.

PwC Taiwan
Li Tien-I
Certified public accountant
Chiang Tsai-Yen

Financial Supervisory Commission (FSC)
Approved certificate No.: 1020028992
FSC Approved Certificate No. 1060025097

March 6, 2019

Winstek Semiconductor Co., Ltd.

Individual Balance Sheet

December 31, 2018 and 2017

Unit: NT$ thousand

	Assets	Notes	December 31, 2018 Amount	%	December 31, 2017 Amount	%
	Current asset					
1100	Cash and cash equivalents	6(1)	$ 431,800	9	$ 433,120	9
1136	Financial assets measured at amortized cost - current	6(2)	360,715	7	-	-
1140	Contract assets - current	5(2), 6(13), and 12(5)	6,096	-	-	-
1147	Debt instrument investment without active market - current	12(4)	-	-	478,080	10
1170	Net accounts receivable	6(3) and 12(4)	239,101	5	227,604	5
1180	Accounts receivable from related parties (net)	6(3) and 7	118	-	-	-
1200	Other receivables	9	589	-	390,482	8
1210	Other accounts receivable - related parties	7	19,069	-	50,102	1
1479	Other current assets - others		43,908	1	40,564	1
11XX	**Total current assets**		1,101,396	22	1,619,952	34
	Non-current asset					
1535	Financial assets measured at amortized cost - non-current	6(2) and 8	12,000	-	-	-
1550	Investment under equity method	6(4)	3,271,369	64	2,399,228	51
1600	Property, plant, and equipment	6(5) and 8	694,059	14	656,746	14
1780	Intangible assets	6(6) and 8	5,014	-	6,551	-
1840	Deferred income tax assets	6(19)	12,585	-	9,666	-
1990	Other non-current assets - others	8	1,723	-	24,320	1
15XX	**Total non-current assets**		3,996,750	78	3,096,511	66
1XXX	**Total assets**		$ 5,098,146	100	$ 4,716,463	100

(To be continued on next page)

Winstek Semiconductor Co., Ltd.

Individual Balance Sheet

December 31, 2018 and 2017

Unit: NT$ thousand

	Liability and shareholder's equity	Notes	December 31, 2018 Amount	%	December 31, 2017 Amount	%
	Current liability					
2170	Accounts payable		$ 1,131	-	$ 2,815	-
2200	Other payables	6(7)	71,071	2	187,959	4
2220	Other payables - related parties	7	1,074	-	661	-
2230	Current income tax liabilities		57,316	1	146,477	3
2250	Liability reserve - current		2,761	-	1,679	-
2320	Long-term liabilities due within one year or one operating cycle	6(8)	60,000	1	-	-
2399	Other current liabilities - others		69,923	1	50,149	1
21XX	**Total current liabilities**		263,276	5	389,740	8
	Non-current liability					
2540	Long-term loans	6(8)	240,000	5	-	-
2570	Deferred income tax liabilities	6(19)	183	-	-	-
2640	Net defined benefit liability - non-current	6(9)	16,831	-	13,994	1
2670	Other non-current liabilities - others	6(9)	3,445	-	2,432	-
25XX	**Total non-current liabilities**		260,459	5	16,426	1
2XXX	**Total liabilities**		523,735	10	406,166	9
	Equity					
	Capital	6(10)				
3110	Capital from ordinary share		1,362,617	27	1,362,617	29
	Capital reserve	6(11)				
3200	Capital surplus		366,243	7	366,243	8
	Retained earnings	6(12)				
3310	Statutory surplus reserve		604,109	12	531,343	11
3320	Special surplus reserve		67,932	1	-	-
3350	Retained earnings		2,135,595	42	2,118,026	45
	Other equity					
3400	Other equity		37,915	1	(67,932)	(2)
3XXX	**Total equity**		4,574,411	90	4,310,297	91
	Material commitments and contingencies	9				
	Significant subsequent events	11				
3X2X	**Total liabilities and equity**		$ 5,098,146	100	$ 4,716,463	100

The notes to the combined financial statements attached is part of the combined financial report for your reference.

Chairman of the Board: Huang Hsing-Yang Manager: Weng Chih-Li Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Co., Ltd.
Individual Statement of Comprehensive Income
January 1, to December 31, 2018 and 2017

Unit: NT$ thousand
(Except for earnings per share)

	Items	Notes	2018 Amount	2018 %	2017 Amount	2017 %
4000	**Turnover**	6(13), 7, and 12(5)	$ 1,085,489	100	$ 1,020,772	100
5000	**Operating cost**		(677,546)	(62)	(790,765)	(77)
5950	**Net amount of operating margin**		407,943	38	230,007	23
	Operating expenses	6(17) and (18)				
6100	Selling expenses		(13,730)	(1)	(6,093)	(1)
6200	General and administrative expenses		(94,940)	(9)	(136,084)	(13)
6300	Research and development expenses		(6,907)	(1)	(6,143)	(1)
6000	**Total operational expenses**		(115,577)	(11)	(148,320)	(15)
6500	**Other gains (losses) - net**	9	-	-	649,597	64
6900	**Operating profit**		292,366	27	731,284	72
	Non-operating income and expenses					
7010	Other income	6(14)	4,849	-	11,380	1
7020	Other gains and losses	6(15)	11,066	1	(95,780)	(9)
7050	Financing cost	6(16)	(393)	-	-	-
7070	Shares of profit (loss) of subsidiaries, associates, and joint ventures accounted for using the equity method	6(4)	120,002	11	238,616	23
7000	**Total non-operating income and expenses**		135,524	12	154,216	15
7900	**Profit before tax**		427,890	39	885,500	87
7950	Income tax expense	6(19)	(98,070)	(9)	(157,849)	(16)
8200	**Net profit of this period**		$ 329,820	30	$ 727,651	71
	Other comprehensive gain or loss					
	Items that will not be reclassified to profit or loss:					
8311	Remeasurements of defined benefit plans	6(9)	($ 3,696)	-	($ 4,758)	-
8310	**Total amount of items that will not be reclassified subsequently to profit or income**		(3,696)	-	(4,758)	-
	Items that may be reclassified to profit or loss					
8361	Foreign currency translation difference of financial statements of overseas business units	6(4)	105,847	10	(79,103)	(8)
8360	**Total amount of items that may be reclassified subsequently to profit of loss**		105,847	10	(79,103)	(8)
8500	**Total comprehensive income**		$ 431,971	40	$ 643,790	63
	Earnings per share	6(20)				
9750	**Basic earnings per share**		$	2.42	$	5.34
9850	**Diluted earnings per share**		$	2.39	$	5.16

The notes to the combined financial statements attached is part of the combined financial report for your reference.

Chairman of the Board: Huang Hsing-Yang Manager: Weng Chih-Li Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Co., Ltd.
Individual Statement of Changes in Equity
January 1, to December 31, 2018 and 2017

Unit: NT$ thousand

	Notes	Ordinary share	Capital surplus	Retained earnings			The balance of translation of the financial statements of foreign operating institutions	Total equity
				Appropriated as legal capital reserve	Appropriated as special capital reserve	Retained earnings		
2017								
Balance as of January 1, 2017		$ 1,362,617	$ 366,243	$ 470,207	$ -	$ 1,572,091	$ 11,171	$ 3,782,329
Net income in current period		-	-	-	-	727,651	-	727,651
Other comprehensive income of the period	6(9)	-	-	-	-	(4,758)	(79,103)	(83,861)
Total comprehensive gain or loss in current period		-	-	-	-	722,893	(79,103)	643,790
Annual appropriation of net income and allocation of the year 2016								
Appropriated as statutory surplus reserve		-	-	61,136	-	(61,136)	-	-
Cash dividend	6(12)	-	-	-	-	(115,822)	-	(115,822)
Balance as at December 31, 2017		$ 1,362,617	$ 366,243	$ 531,343	$ -	$ 2,118,026	($ 67,932)	$ 4,310,297
2018								
Balance as at January 1, 2018		$ 1,362,617	$ 366,243	$ 531,343	$ -	$ 2,118,026	($ 67,932)	$ 4,310,297
Effects of retrospective application and retrospective restatement	3(1) and 6(4)	-	-	-	-	9,283	-	9,283
The balance after retrospective application on January 1, 2018		1,362,617	366,243	531,343	-	2,127,309	(67,932)	4,319,580
Net income in current period		-	-	-	-	329,820	-	329,820
Net income in current period	6(9)	-	-	-	-	(3,696)	105,847	102,151
Total comprehensive gain or loss in current period		-	-	-	-	326,124	105,847	431,971
Annual appropriation of net income and allocation of the year 2017								
Appropriated as statutory surplus reserve		-	-	72,766	-	(72,766)	-	-
Appropriated as special surplus reserve		-	-	-	67,932	(67,932)	-	-
Cash dividend	6(12)	-	-	-	-	(177,140)	-	(177,140)
Balance as of December 31, 2018		$ 1,362,617	$ 366,243	$ 604,109	$ 67,932	$ 2,135,595	$ 37,915	$ 4,574,411

The notes to the combined financial statements attached is part of the combined financial report for your reference.

Chairman of the Board: Huang Hsing-Yang Manager: Weng Chih-Li Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Co., Ltd
Individual Statement of Cash Flow
January 1, to December 31, 2018 and 2017

Unit: NT$ thousand

	Notes	2018	2017
Cash flow from operating activities			
Current net profit before tax		$ 427,890	$ 885,500
Adjusted items			
Income expense items			
Depreciation expenses	6(5)(17)	171,789	183,792
Amortization expenses	6(5)(17)	2,418	2,531
Interest expense	6(16)	393	-
Interest income	6(14)	(4,367)	(11,380)
Disposition of plant, property, and equipment	6(15)	(10,755)	-
The share of gains and losses of subsidiaries recognized by the equity method	6(4)	(120,002)	(238,616)
Changes in assets and liabilities relating to operating activities			
Net change in assets relating to operating activities			
Contract assets		(2,035)	-
Accounts receivable		(11,497)	38,295
Accounts receivable - related parties		(118)	-
Other receivables		390,482	(118,242)
Other accounts receivable--related parties		(863)	(687)
Other current assets - other		(4,789)	44,085
Net change in liabilities related to operating activities			
Accounts payable		(1,684)	250
Other payables		(113,687)	-
Other payables - related parties		413	(221)
Provisions		1,082	1,679
Other current liabilities		19,728	30,258
Net defined benefit liability		(861)	137
Other non-current liabilities	6(9)	1,040	-
Cash flow from operating activities		744,577	817,381
Interest income received		5,223	12,209
Dividends received	6(4)	108,930	-
Interest paid		(347)	-
Income tax paid		(158,069)	(99,875)
Net cash inflow from operating activities		700,314	729,715
Cash flow from investment activities			
Increase in financial assets measured at amortized cost		(1,036,549)	-
Decrease in financial assets measured at amortized cost		1,164,448	-
Acquisition of debt instrument investment without active market		-	(1,806,480)
Disposal of debt instrument investment without active market		-	2,328,650
Other receivables - related party decrease		-	258,000
Acquisition of investments under equity method		(750,000)	(1,653,690)
Acquisition of property, plant, and equipment	6(22)	(216,648)	(16,480)
Sale of property, plant, and equipment		15,101	-
Intangible assets acquired		(881)	(2,562)
Decrease of refundable deposits		63	-
Increase in other non-current assets		-	(10,181)
Decrease of other non-current assets		-	11
Net cash flow from investing activities (out)		(824,466)	(902,732)
Cash from financing activities			
Short-term loans borrowed	6(23)	300,000	-
Increase in guarantee deposits	6(23)	6	-
Decrease in guarantee deposits	6(23)	(34)	(11)
Cash dividends paid	6(12)	(177,140)	(115,822)
Net cash inflow (outflow) from financing activities		122,832	(115,833)
Decrease in cash and cash equivalents for the current year		(1,320)	(288,850)
Cash and cash equivalents at beginning of year	6(1)	433,120	721,970
Cash and cash equivalents at end of year	6(1)	$ 431,800	$ 433,120

The notes to the combined financial statements attached is part of the combined financial report for your reference.

Chairman of the Board: Huang Hsing-Yang Manager: Weng Chih-Li Accounting Officer: Liu Kui-Chu

Independent Auditors' Report

(108) TWSE Review No. (check)18003063

Winstek Semiconductor Co., Ltd. Company seal:

Audit Opinion

The consolidated balance sheet on December 31, 2018, consolidated composite income sheet, consolidated statement of changes in equity, combined statement of cash flows from January 1, 2018 to December 31, 2018, and the notes to the consolidated financial statements (including the summary of material accounting policies) of Winstek Semiconductor Co., Ltd. and Subsidiaries (hereinafter referred to as "Winstek Group"), have been audited by CPA.

In our opinion, all the material items prepared in these consolidated financial statements are in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers,” and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations and interpretation announcements recognized by the Financial Supervisory Commission (FSC). Therefore, they are able to properly express the consolidated financial status of Winstek Group as of December 31, 2018, and consolidated financial performance and consolidated cash flows from January 1, 2018 to December 31, 2018.

Basis of Audit Opinion

We have performed the auditing work in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and auditing standards generally accepted in the ROC. Below, our CPAs will further explain the responsibilities auditors shall execute during the audit of consolidated financial statements under the above principles. The personnel of our accounting firm who are subject to independent regulations have acted in accordance with the ROC CPA Code of Professional Ethics to remain highly neutral from Winstek Group, while fulfilling other duties set forth in the said Code. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of the auditor's opinion.

Key Audit Matters

The key audit matters refer to those most material items when auditing the combined financial statements of the year 2018 of Winstek Group, based on the professional judgment of the CPA. The said matters have been expressed when we audited the consolidated financial statements and when we established the auditor's opinion. We will not express any personal opinion on any of the matters.

The key audit matters of the consolidated financial statements of the year 2018 of Winstek Group are as follows:

The accuracy of revenue recognition

Matter description

Please refer to the related accounting policies of revenue recognition on IV. (XXIV) of notes to the consolidated financial statements. Winstek Group mainly engages in research and development (R&D) and testing of various integrated circuits, and services of turnkey wafer bumping and wafer level packaging. The corresponding revenue of such services gradually meet performance obligations and is recognized into income, by the control of services over time. Winstek Group measures the completion degree of performance obligations based on the input cost to fulfill the obligations for the current period, in relation to the total expected cost input to meet the overall performance obligations. In view of the uncertainty in the total expected cost input estimation, which will affect Winstek Group's accuracy in recognizing revenue by measuring completion degree of performance obligations based on unfinished work orders. Therefore, we considered the accuracy of revenue recognition as the most material matters.

Corresponding auditing procedures

We performed the following audit procedures in respect of the above key audit matters:

4. Understand and assess the accounting policies for revenue recognition, and test the effectiveness of the design and implementation of relevant internal controls;
5. Check the supporting documents and calculation to measure the completion degree of performance obligation;
6. Verify the accuracy of revenue recognition by measurement of completion degree of performance obligation.

Other Matters - Audit Scope

The consolidated financial statements of Winstek Group of the year 2017 had been audited by another CPA, who has issued the unqualified combined audit report on March 6, 2018.

Other matters- Individual financial report

Winstek Semiconductor Co., Ltd. has prepared the individual financial report of the year 2018, and the CPA has issued the unqualified audit report with other matters for future reference.

The responsibility of the management and governance units for the consolidated financial statements

The responsibility of the management was to establish financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," and IFRS, IAS, interpretations and interpretation announcements recognized by the FSC, to properly indicate the company's financial status and also to maintain necessary internal control with regard to establishment of consolidated financial statements to ensure such financial statements did not contain any false contents as a result of fraudulence or mistakes.

When preparing the consolidated financial statements, the management is also responsible for the assessment of Winstek Group's ability on going concern, the disclosure of relevant matters, the adoption of the accounting base for going concern, unless the management intends to proceed with the liquidation to Winstek Group or to discontinue its operations, or has no other practical alternative solutions except for liquidation or closure.

The governing body of Winstek Group (including the Audit Committee) had the responsibility to supervise the financial reporting process.

The responsibility of CPAs when auditing Consolidated Financial Statements

Our objective when auditing the consolidated financial statements was to ascertain whether they contained any false contents as a result of fraudulence or mistakes and whether they were reasonably reliable and issue the auditor's report. Reasonably reliable means highly reliable. However, auditing work carried out in accordance with commonly accepted ROC audit guidelines cannot guarantee detection of significant false contents in parent company only financial statements. Misstatements could be caused by fraud or error. If the individual amounts or sums that false contents involved could be reasonably expected to affect the financial decision making of users of consolidated financial statements such false contents would be considered significant.

We conducted the auditing work according to audit standards generally accepted in the ROC and also exercised our profession judgment and remained professionally skeptical. We have also executed the following tasks:

1. Identifying and evaluating likely risks from significant false contents in the consolidated financial statements as a result of fraudulence of errors, designing and executing proper counter measures against the risks identified, and also establishing sufficient and appropriate audit evidence to serve as the basis of the auditor's report. As fraudulence can involve conspiracy, forgery, intentional omissions, false statements or transgressions of internal control, the risk of failing to detect significant false contents resulting from fraudulence is higher than the risk of failing to identify those coming from errors.

2. Obtaining necessary understanding of internal controls relevant to the audit, in order to design appropriate audit procedures in the circumstances, but the purpose is not to express an opinion

on the effectiveness of internal controls of Winstek Group.

3. Evaluating the appropriateness of the accounting policy adopted by the management and the reasonableness of the accounting assessment and related disclosures made accordingly.

4. Based on the audit evidence obtained, conclusions are drawn on the appropriateness of the management's continuing adoption of the going concern accounting foundation and whether there was any significant doubt (in the events or circumstances) about the capacity of Winstek Group to remain in operation or whether any significant uncertainty existed. If we thought such doubt or significant uncertainty existed, we had to point it out in the auditor's report to remind users of the consolidated financial statements to look out for related disclosures in the consolidated financial statements to revise out audit opinion if such disclosures were considered inappropriate. Our conclusion was established according to the audit evidence obtained before the deadline for the auditor's report. However, future events or circumstances may result in Winstek Group no longer being able for going concern.

5. Evaluating the overall expression, structure and contents of the consolidated financial statements (including related notes) and whether the consolidated financial statements could appropriately express related transactions and events.

6. Obtaining sufficient and appropriate audit evidence with regard to the finance of the individual entities in the group to establish our opinion about the consolidated financial statements. We were responsible for guiding, supervising, and executing the audit work for the group and also establishing the auditor's opinion.

We communicated with governance units about the planned audit range and time and important audit discoveries (including significant internal control defects found during the audit process).

We provided governance units with a statement assuring the personnel of our accounting firm who are subject to independent regulations had acted according to the ROC CPA Code of Professional Ethics to remain neutral and also communicate with them about the all relations and other matters (including related preventive measures) that could affect the independence of CPAs.

Based on the result of our discussion with the governance body, we decided the key audit matters when auditing the 2018 consolidated financial statement of Winstek Group. We have clearly described the said matters in the auditor's report except certain matters whose public disclosure is prohibited by law or certain matters we decided not to mention under some extremely rare circumstances because disclosure of such matters can be reasonably expected to lead negative effects that would be greater than public good they might benefit.

PwC Taiwan

Li Tien-I

Certified public accountant
Chiang Tsai-Yen

Financial Supervisory Commission (FSC)
Approved certificate No. 1020028992
FSC Approved Certificate No. 1060025097

March 6, 2019

Winstek Semiconductor Co., Ltd. and Subsidiaries

Consolidated Balance Sheet

December 31, 2018 and 2017

Unit: NT$ thousand

	Assets	Notes	December 31, 2018 Amount	%	December 31, 2017 Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 1,275,492	22	$ 849,682	14
1136	Financial assets measured at amortized cost - current	6(2)	1,458,175	25	-	-
1140	Contract assets - current	5(2), 6(13), and 12(5)	13,161	-	-	-
1147	Debt instrument investment without active market - current	12(4)	-	-	1,341,120	22
1170	Net accounts receivable	6(3) and 12(4)	751,857	13	1,108,706	19
1180	Accounts receivable from related parties (net)	6(3) and 7	118	-	-	-
1200	Other receivables from subsidiaries	9	5,631	-	441,538	7
130X	Inventory on hand	6(4)	74,851	2	72,877	1
1479	Other current assets - others		57,670	1	59,551	1
11XX	**Total current assets**		3,636,955	63	3,873,474	64
	Non-current assets					
1535	Financial assets measured at amortized cost - non-current	6(2) and 8	19,700	-	-	-
1600	Property, plant, and equipment	6(5) and 8	2,084,149	36	2,103,064	35
1780	Intangible assets	6(6) and 8	20,815	1	21,453	-
1840	Deferred income tax assets	6(19)	14,604	-	10,066	-
1990	Other non-current assets - others	8	3,788	-	34,715	1
15XX	**Total non-current assets**		2,143,056	37	2,169,298	36
1XXX	**Total assets**		$ 5,780,011	100	$ 6,042,772	100

(To be continued on next page)

Winstek Semiconductor Co., Ltd. and Subsidiaries

Consolidated Balance Sheet

December 31, 2018 and 2017

Unit: NT$ thousand

	Liability and shareholder's equity	Notes	December 31, 2018 Amount	%	December 31, 2017 Amount	%
	Current liability					
2170	Accounts payable		$ 45,925	1	$ 125,420	2
2200	Other payables	6(7)	211,553	3	330,156	6
2220	Other payables - related parties	7	484	-	-	-
2230	Current income tax liabilities		57,316	1	146,477	2
2250	Liability reserve - current		8,017	-	7,319	-
2320	Long-term liabilities due within one year or one operating cycle	6(8)	105,000	2	995,305	17
2399	Other current liabilities - others		113,213	2	111,308	2
21XX	**Total current liabilities**		541,508	9	1,715,985	29
	Non-current liability					
2540	Long-term loans	6(8)	638,269	11	-	-
2570	Deferred income tax liabilities	6(19)	5,449	-	-	-
2640	Net defined benefit liability - non-current	6(9)	16,831	1	13,994	-
2670	Other non-current liabilities - others	6(9)	3,543	-	2,496	-
25XX	**Total non-current liabilities**		664,092	12	16,490	-
2XXX	**Total liabilities**		1,205,600	21	1,732,475	29
	Equity					
	Capital	6(10)				
3110	Capital from ordinary share		1,362,617	24	1,362,617	22
	Capital reserve	6(11)				
3200	Capital surplus		366,243	6	366,243	6
	Retained earnings	6(12)				
3310	Statutory surplus reserve		604,109	10	531,343	9
3320	Special surplus reserve		67,932	1	-	-
3350	Undistributed earnings		2,135,595	37	2,118,026	35
	Other equity					
3400	Other equity		37,915	1	(67,932)	(1)
3XXX	**Total equity**		4,574,411	79	4,310,297	71
	Material commitments and contingencies	9				
	Significant subsequent events	11				
3X2X	**Total liabilities and equity**		$ 5,780,011	100	$ 6,042,772	100

The notes to the combined financial statements attached is part of the combined financial report for your reference.

Chairman of the Board: Huang Hsing-Yang Manager: Weng Chih-Li Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Co., Ltd. and Subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to December 31 of 2018 and 2017

Unit: NT$ thousand

(except for unit of earnings per share which is NTD)

	Items	Notes	2018 Amount	2018 %	2017 Amount	2017 %
4000	**Operating revenue**	6(13), 7, and 12(5)	$ 2,869,643	100	$ 2,842,923	100
5000	**Operating cost**	6(4)	(2,208,110)	(77)	(2,415,904)	(85)
5950	**Net gross profit**		661,533	23	427,019	15
	Operating expenses	6(17) and (18)				
6100	Selling expenses		(31,008)	(1)	(25,229)	(1)
6200	General and administrative expenses		(179,739)	(6)	(225,272)	(8)
6300	Research and development expenses		(14,946)	(1)	(15,616)	(1)
6000	**Total operational expenses**		(225,693)	(8)	(266,117)	(10)
6500	**Other gains (losses) - net**	9	-	-	930,355	33
6900	**Operating profit**		435,840	15	1,091,257	38
	Non-operating income and expenses					
7010	Other income	6(14)	26,618	1	19,732	1
7020	Other gains and losses	6(15)	18,328	1	(104,253)	(4)
7050	Financing cost	6(16)	(24,574)	(1)	(63,898)	(2)
7000	**Total non-operating income and expenses**		20,372	1	(148,419)	(5)
7900	**Profit before tax**		456,212	16	942,838	33
7950	Income tax expense	6(19)	(126,392)	(5)	(215,187)	(7)
8200	**Net profit of this period**		$ 329,820	11	$ 727,651	26

(To be continued on next page)

Winstek Semiconductor Co., Ltd. and Subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to December 31 of 2018 and 2017

Unit: NT$ thousand

(except for unit of earnings per share which is NTD)

	Items	Notes	2018 Amount	2018 %	2017 Amount	2017 %
	Other comprehensive gain or loss					
	Items that will not be reclassified to profit or loss:					
8311	Remeasurements of defined benefit plans	6(9)	($ 3,696)	-	($ 4,758)	-
8310	**Total amount of items that will not be reclassified subsequently to profit or income**		(3,696)	-	(4,758)	-
	Items that may be reclassified to profit or loss					
8361	Foreign currency translation difference of financial statements of overseas business units		105,847	4	(79,103)	(3)
8360	**Total amount of items that may be reclassified subsequently to profit of loss**		105,847	4	(79,103)	(3)
8500	**Total consolidated profit/loss for the current period**		$ 431,971	15	$ 643,790	23
	Profit attributable to:					
8610	Owners of parent		$ 329,820	11	$ 727,651	26
	Total comprehensive income attributable to:					
8710	Proprietors of parent company		$ 431,971	15	$ 643,790	23
	Earnings per share	6(20)				
9750	**Basic earnings per share**		$ 2.42		$ 5.34	
9850	**Diluted earnings per share**		$ 2.39		$ 5.16	

The notes to the combined financial statements attached is part of the combined financial report for your reference.

Chairman of the Board: Huang Hsing-Yang Manager: Weng Chih-Li Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Co., Ltd. and Subsidiaries

Consolidated Statement of Changes in Equity
January 1 to December 31 of 2018 and 2017

Unit: NT$ thousand

	Notes	Equity attributable to owners of parent company						
				Retained earnings				
		Ordinary share	Capital surplus	Appropriated as legal capital reserve	Appropriated as special capital reserve	Retained earnings	The balance of translation of the financial statements of foreign operating institutions	Total equity
2017								
Balance as of January 1, 2017		$ 1,362,617	$ 366,243	$ 470,207	$ -	$ 1,572,091	$ 11,171	$ 3,782,329
Net income in current period		-	-	-	-	727,651	-	727,651
Other comprehensive income of the year	6(9)	-	-	-	-	(4,758)	(79,103)	(83,861)
Total comprehensive gain or loss in current period		-	-	-	-	722,893	(79,103)	643,790
Annual appropriation of net income and allocation of the year 2016								
Appropriated as statutory surplus reserve		-	-	61,136	-	(61,136)	-	-
Cash dividend	6(12)	-	-	-	-	(115,822)	-	(115,822)
Balance as at December 31, 2017		$ 1,362,617	$ 366,243	$ 531,343	$ -	$ 2,118,026	($ 67,932)	$ 4,310,297

(To be continued on next page)

Winstek Semiconductor Co., Ltd. and Subsidiaries

Consolidated Statement of Changes in Equity
January 1 to December 31 of 2018 and 2017

Unit: NT$ thousand

	Notes	Equity attributable to owners of parent company						Total equity
				Retained earnings				
		Ordinary share	Capital surplus	Appropriated as legal capital reserve	Appropriated as special capital reserve	Retained earnings	The balance of translation of the financial statements of foreign operating institutions	
2018								
Balance as of January 1, 2018		$ 1,362,617	$ 366,243	$531,343	$ -	$ 2,118,026	($ 67,932)	$ 4,310,297
Effects of retrospective application and retrospective restatement	3(1)	-	-	-	-	9,283	-	9,283
The balance after retrospective application on January 1, 2018		1,362,617	366,243	531,343	-	2,127,309	(67,932)	4,319,580
Net income in current period		-	-	-	-	329,820	-	329,820
Other comprehensive profit and loss in current period	6(9)	-	-	-	-	(3,696)	105,847	102,151
Total comprehensive gain or loss in current period		-	-	-	-	326,124	105,847	431,971
Annual appropriation of net income and allocation of the year 2017								
Appropriated as statutory surplus reserve		-	-	72,766	-	(72,766)	-	-
Appropriated as special surplus reserve		-	-	-	67,932	(67,932)	-	-
Cash dividend	6(12)	-	-	-	-	(177,140)	-	(177,140)
Balance as of December 31, 2018 (check)		$ 1,362,617	$ 366,243	$604,109	$ 67,932	$ 2,135,595	$ 37,915	$ 4,574,411

The notes to the combined financial statements attached is part of the combined financial report for your reference.
Chairman of the Board: Huang Hsing-Yang Manager: Weng Chih-Li Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
January 1 to December 31 of 2018 and 2017

Unit: NT$ thousand

	Note	2018	2017
Cash flow from operating activities			
Current net profit before tax		$ 456,212	$ 942,838
Adjusted items			
Income and expense items			
Depreciation expenses	6(5) and 6(17)	669,391	852,175
Amortization expenses	6(5) and 6(17)	6,394	18,388
Interest expense	6(16)	24,574	63,898
Interest income	6(14)	(25,172)	(19,732)
Disposition of plant, property, and equipment	6(15)	(14,120)	(15,653)
Changes in assets and liabilities relating to operating activities			
Net change in assets relating to operating activities			
Contract assets		(3,680)	-
Accounts receivable		377,828	104,711
Accounts receivable - related parties		(118)	-
Other receivables		442,207	45,383
Inventory on hand		358	(1,132)
Other current assets - other		(2,593)	50,706
Net change in liabilities relating to operating activities			
Accounts payable		(81,927)	30,302
Other payables		(115,296)	-
Other payables - related parties		484	-
Provisions		528	(4,202)
Other current liabilities		5,192	33,694
Net defined benefit liabilities		(859)	137
Other noncurrent liabilities		1,039	-
Cash flow from operating activities		1,740,442	2,101,513
Interest income received		24,450	17,355
Interest paid		(20,372)	(76,481)
Income tax paid		(215,786)	(100,517)
Net cash flow from operating activities		1,528,734	1,941,870

(To be continued on next page)

Winstek Semiconductor Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
January 1 to December 31 of 2018 and 2017

Unit: NT$ thousand

	Notes	2018	2017
Cash flow from investment activities			
Increase in financial assets measured at amortized cost		($ 4,686,976)	$ -
Decrease in financial assets measured at amortized cost		4,611,663	-
Acquisition of debt instrument investment without active market		-	(3,332,790)
Disposal of debt instrument investment without active market		-	2,991,920
Acquisition of property, plant, and equipment	6(22)	(628,586)	(68,469)
Intangible assets acquired		(3,733)	(15,635)
Disposal of property, plant, and equipment		24,468	15,653
Decreases in refundable deposits		766	-
Decrease in other non-current assets		-	(10,670)
Net cash flow from investing activities (out)		(682,398)	(419,991)
Cash from financing activities			
Short-term loans borrowed	6(23)	1,000,000	-
Repayment of short term loans	6(23)	(1,000,000)	-
Long-term loans borrowed	6(23)	1,041,750	-
Long-term loans repaid	6(23)	(1,315,793)	(1,705,983)
Increases in guarantee deposits	6(23)	72	28
Decreases in guarantee deposits	6(23)	(65)	-
Cash dividends paid	6(12)	(177,140)	(115,822)
Net cash flow from financing activities (out)		(451,176)	(1,821,777)
Impacts on cash and cash equivalents from changes in exchange rates		30,650	78,215
Net increase (decrease) in cash and cash equivalents for the year		425,810	(221,683)
Cash and cash equivalents at beginning of year	6(1)	849,682	1,071,365
Cash and cash equivalents at end of year	6(1)	$ 1,275,492	$ 849,682

The notes to the combined financial statements attached is part of the combined financial report for your reference.

Chairman of the Board: Huang Hsing-Yang Manager: Weng Chih-Li Accounting Officer: Liu Kui-Chu

Attachment 4

Winstek Semiconductor Co., Ltd.

Comparison Table for the Provisions of the Company's Articles of Incorporation before and after the Amendments

Original Article	Articles after amendment	Explanation
Article 7: The shares of the Company are all registered shares, shall be numbered, and signed or sealed by three or more of the directors of the Company, shall set forth the paragraphs of Article 162 in the Company Law of the Republic of China, and shall be issued upon the approval of the competent authority or its authorized issuance registration authority. The Company shall, upon the request of the securities depository institution, combine and issue large-denomination securities after the public issuance of stocks. The Company may be exempted from printing stocks after the public issuance of stocks. The shares issued in the preceding paragraph shall be registered or kept by the securities depository institution.	Article 7: The shares of the Company are all registered shares, shall be numbered, and signed or sealed by the directors on behalf of the Company, shall set forth the paragraphs of Article 162 in the Company Law of the Republic of China, and shall be issued upon the approval of the competent authority or its authorized issuance registration authority. The Company shall, upon the request of the securities depository institution, combine and issue large-denomination securities after the public issuance of stocks. The Company may be exempted from printing stocks after the public issuance of stocks. The shares issued in the preceding paragraph shall be registered or kept by the securities depository institution.	The amendment is required to be revised in accordance with the operational needs.
(None)	(Added to this Article) Article 13-1: Qualification requirements of employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements set forth by the Board of Directors, are entitled to receive shares when the Company buys back the treasury stocks to transfer. Qualification requirements of employees of the Company, including the employees of parents or subsidiaries of the Company meeting certain specific requirements set forth by the Board of Directors, are entitled to receive share subscription warrant. Qualification requirements of employees, including the employees	Update in line with the newly amended Company Act in force.

Original Article	Articles after amendment	Explanation
	of parent s or subsidiaries of the Company meeting certain specific requirements set forth by the Board of Directors, are entitled to underwrite shares when the Company issues new shares. Qualification requirements of employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements set forth by the Board of Directors, entitled to receive restricted employees stock issued by the Company.	
Chapter 4 Directors	Chapter 4 Directors, Board and Audit Committee	Amendment in line with the Articles of Incorporation.
Article 20: The functions and powers of the Board of Directors are as the left: 1. Confirmation of the Business Plans 2. Review important rules and contracts. 3. Establishment and abolition of branches. 4. Preparation of budgets and final accounts. 5. Appointment and dismissal of key employees. 6. Decision of material borrowings of the Company. 7. Decision of material business and investment of the Company. 8. Decision of employee stock subscription method. 9. Other matters as stipulated in the Company Law of the Republic of China and the Articles of Association.	Article 20: The functions and powers of the Board of Directors are as follows: 1. Confirmation of the Business Plans 2. Review important rules and contracts. 3. Establishment and abolition of branches. 4. Preparation of budgets and final accounts. 5. Appointment and dismissal of key employees. 6. Decision of material borrowings of the Company. 7. Decision of material business and investment of the Company. 8. Decision of employee stock subscription method. 9. Other matters as stipulated in the Company Law of the Republic of China and the Articles of Association.	Revised the texts
Article 23-2: The Company shall obtain all directors liability insurance for the actual needs of their business scope during their term of directorship to reduce and disperse the risk of	Article 23-2: All directors of the Company shall take out liability insurance for the actual needs of their business scope during their term of office to reduce and disperse the risk of	The amendment is required to be revised in accordance with the operational needs.

Original Article	Articles after amendment	Explanation
damage to all directors, the Company and Shareholders. the Board of Directors is fully authorized to handle all matters relating to the liability insurance of all directors.	damage to all directors, the Company and Shareholders, and submit the latest report of the Board of Directors.	
Article 30-1: The Company shall reserve 0.1%~15% of profits of the year as employees' compensation. Where employees bonus is paid in stock or cash, the payees includes employees who meet certain criteria in the subsidiaries of the Company. However, in case of the accumulated losses, certain profits shall first be reserved to cover the losses. Depending on business circumstances, the Company shall appropriate 1%~3% of profits of the year as director's remuneration. However, in case of the accumulated losses, certain profits shall first be reserved to cover the losses.	Article 30-1: The Company shall reserve 0.1%~15% of profits of the year as employees' compensation. Where employees bonus is paid in stock or cash, the payees includes employees who meet certain criteria in the subsidiaries of the Company. However, in case of the accumulated losses, certain profits shall first be reserved to cover the losses. Depending on business circumstances, the Company shall appropriate no more than 3% of profits of the year as director's remuneration. However, in case of the accumulated losses, certain profits shall first be reserved to cover the losses.	The amendments in line with the needs of commercial practice and the revised Company Law.
Article 31: If there is net profit after tax in the annual accounts of the Company, 10% of the net profit after tax shall be appropriated as the legal reserve after covering the deficiency of previous years, and the special reserve shall be appropriated if necessary. If there is still surplus, together with the accumulated undistributed surplus of the previous years, the Board of Directors may reserve a portion of the surplus based on the business situation, and draw the allocation plan of net income and submit to the board of shareholders for resolution.	Article 31: If there is net profit after tax in the annual accounts of the Company, 10% the net profit after tax shall be appropriated as the legal reserve after covering the deficiency of previous years, and the special reserve shall be appropriated if necessary. If there is still surplus, together with the accumulated undistributed surplus of the previous years, the Board of Directors may reserve a portion of the surplus based on the business situation, and draw the allocation plan of net income and submit to the board of shareholders for resolution on the distribution of shareholders' dividends. Authorize the Board of Directors by a special resolution to distribute all or part of the dividends and bonuses	The amendments in line with the needs of commercial practice and the revised Company Law.

Original Article	Articles after amendment	Explanation
	payable in cash and to report to the board of shareholders.	
(None)	(Added to this Article) Article 30-2: The board of directors of the Company shall prepare the reports and statements and proposals set out in Article 30 at the end of each half fiscal year, forward to the Audit Committee and submit to the Board of Directors for resolution. When distributing the surplus earning, the taxes and dues to be paid, the losses to be covered and the legal reserve to be set aside by law shall be estimated and reserved in advance. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. The Company distributing surplus earning in preceding paragraph in the form of new shares to be issued by the Company shall follow Article 240 of the Company Law; if such surplus earning is distributed in the form of cash, it shall be approved by a meeting of the Board of Directors.	Amendments in line with the amended Company Law in force.
Article 34: This Articles of Association was prepared on April 21, 2000. The first amendment was on May 8, 2000. The second amendment was on August 5, 2001. The third amendment was on September 6, 2001. The fourth amendment was on May 28, 2002. The fifth amendment was on June 30, 2003. The sixth amendment was on April 15, 2004. The seventh amendment was on June 23, 2005. The eighth amendment was on June 14, 2006. The ninth amendment was on June 13, 2007.	Article 34: This Articles of Association was prepared on April 21, 2000. The first amendment was on May 8, 2000. The second amendment was on August 5, 2001. The third amendment was on September 6, 2001. The fourth amendment was on May 28, 2002. The fifth amendment was on June 30, 2003. The sixth amendment was on April 15, 2004. The seventh amendment was on June 23, 2005. The eighth amendment was on June 14, 2006. The ninth amendment was on June 13, 2007.	The latest revision date of new formulation

Original Article	Articles after amendment	Explanation
The tenth amendment was on October 5, 2007. The eleventh amendment was on June 20, 2009. The twelfth amendment was on June 5, 2012. The thirteenth amendment was on September 22, 2015. The fourteenth amendment was on June 14, 2017	The tenth amendment was on October 5, 2007. The eleventh amendment was on June 20, 2009. The twelfth amendment was on June 5, 2012. The thirteenth amendment was on September 22, 2015. The fourteenth amendment was on June 14, 2017 The fifteenth amendment was on June 10, 2019.	

Attachment 5

Winstek Semiconductor Co., Ltd.

Comparison Table of the Provisions of the "Operational Procedures for Acquisition and Disposal of Assets" before and after the Amendments

Original Article	Articles after amendment	Explanation
Article 1 This Regulations is formulated in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies promulgated by the competent authority Financial Supervisory Commission (hereinafter referred to as the FSC). However, if other laws and regulations stipulate otherwise, such provisions shall prevail.	Article 1 The Procedure are formulated in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies promulgated by Financial Supervisory Commission (hereinafter referred to as the FSC). However, if the relevant financial laws and regulations stipulate otherwise, such provisions shall prevail.	Amendments in line with laws.
Article 2: The term "assets" as used in the Procedures includes the following: 1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2. Real property (including land, houses and buildings, investment property, land use rights, and construction enterprise inventory) and equipment. 3. Memberships. 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables). 6. Derivatives. 7. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law. 8. Other major assets.	Article 2: The term "assets" as used in the Procedures includes the following: 1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment. 3. Memberships. 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5. Right-of-use assets. 6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables). 7. Derivatives. 8. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law. 9. Other major assets.	Amendments in line with laws.

Article 3 Terms used in the Regulations are defined as follows: 1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from assets, interest rate, foreign exchange rate, index of prices or rates or other interests, and hybrid contracts combining the above contracts. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts. 2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter referred to as "transfer of shares") under Article 156-6 of the Company Law of the Republic of China. 3. Related party: The financial reports of the Company are prepared in accordance with the International Financial Reporting Standards (IFRS). The term "related party" shall be identified as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers 4. Subsidiary: The financial reports of the Company are prepared in accordance with the International Financial Reporting Standards (IFRS). The term "subsidiary" shall be identified as defined in the	Article 3 Terms used in the Regulations are defined as follows: 1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts. 2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter referred to as "transfer of shares") under Article 156-3 of the Company Law of the Republic of China. 3. Related party: The financial reports of the Company are prepared in accordance with the International Financial Reporting Standards (IFRS). The term "related party" shall be identified as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers 4. Subsidiary: The financial reports of the Company are prepared in	Amendments in line with laws.

Regulations Governing the Preparation of Financial Reports by Securities Issuers 5. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or other fixed assets. 6. "Date of the Event": Refers to the contracting day, the payment day, the transaction day, the title transferring date, the day of board resolution or other date when the transaction party and the transaction amount can be ascertained (whichever is earlier); provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply. 7. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.	accordance with the International Financial Reporting Standards (IFRS). The term "subsidiary" shall be identified as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers 5. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or other fixed assets. 6. "Date of the Event": Refers to the contracting day, the payment day, the transaction day, the title transferring date, the day of board resolution or other date when the transaction party and the transaction amount can be ascertained (whichever is earlier); provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply. 7. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area. 8. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.	

	9. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located. 10. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business	
Article 4: Appraisal procedures for the Acquisition or Disposal of Assets 1. The acquisition of assets shall be based on the internal authorization rules and approved by the approval. 2. The determination means of the terms and conditions of the transaction (1) The acquisition or disposal of securities that have been purchased or sold on the centralized trading market or OTC venue shall be determined in accordance with the prevailing equity or bond prices, and shall be handled in accordance with Subparagraph 2 of Paragraph 2, Article 7. (2) The acquisition or disposal of securities that have been purchased or sold on the centralized trading market or OTC venue shall consider the net value per share, profitability, future development potential, market interest rate, bond coupon rate, debtor's credit, etc., and shall be handled in accordance with Subparagraphs 3 and 4 of Paragraph 2, Article 7.	Article 4: Appraisal procedures for the Acquisition or Disposal of Assets 1. The acquisition of assets shall be based on the internal authorization rules and approved by the approval. 2. The determination means of the terms and conditions of the transaction (1) The acquisition or disposal of securities that have been purchased or sold on the centralized trading market or OTC venue shall be determined in accordance with the prevailing equity or bond prices, and shall be handled in accordance with Subparagraph 2 of Paragraph 2, Article 7. (2) The acquisition or disposal of securities that have been purchased or sold on the centralized trading market or OTC venue shall consider the net value per share, profitability, future development potential, market interest rate, bond coupon rate, debtor's credit, etc., and shall be handled in accordance with Subparagraphs 3 and 4 of	Amendments in line with laws.

(3) The acquisition or disposal of real property and other fixed assets shall be stated on the reasons in the project report by the original user unit, of which the present value, assessed present value, actual transaction price of adjacent real property shall be referred and publicly announced by the property authority, and shall be handled in accordance with Subparagraph 1 of Paragraph 2, Article 7. (4) The acquisition or disposal of memberships shall be either by price comparison or negotiation. (5) The acquisition or disposal of intangible assets shall be handled in accordance with relevant laws and regulations and contract provisions. (6) The acquisition or disposal of derivative financial commodities shall be handled in accordance with the relevant provisions of Article 10 of the Procedures. (7) The acquisition or disposal of assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law, shall be handled in accordance with the relevant provisions of Article 11 of the Procedures.	Paragraph 2, Article 7. (3) The acquisition or disposal of real property, equipment, or its right-of-use assets shall be stated on the reasons in the project report by the original user unit, of which the present value, assessed present value, actual transaction price of adjacent real property shall be referred and publicly announced by the property authority, and shall be handled in accordance with Subparagraph 1 of Paragraph 2, Article 7. (4) The acquisition or disposal of memberships shall be either by price comparison or negotiation. (5) The acquisition or disposal of intangible assets or its right-of-use assets shall be handled in accordance with relevant laws and regulations and contract provisions. (6) The acquisition or disposal of derivative financial commodities shall be handled in accordance with the relevant provisions of Article 10 of the Procedures. (7) The acquisition or disposal of assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law, shall be handled in accordance with the relevant provisions of Article 11 of the Procedures.	
Article 5: Operational Procedures for Acquisition and Disposal of Assets 1. The levels of authority delegated (1) The authorization for the acquisition or disposal of assets by the Company shall be handled in accordance with the delegation of authorization approved by the Board of Directors. (2) In the event of the acquisition or disposal of assets by the Company under any of the circumstances set	Article 5: Operational Procedures for Acquisition and Disposal of Assets 1. The levels of authority delegated (1) The authorization for the acquisition or disposal of assets by the Company shall be handled in accordance with the delegation of authorization approved by the Board of Directors. (2) In the event of the acquisition or disposal of assets by the Company under any of the circumstances set	Amendments in line with laws.

forth in Subparagraph 1 of Paragraph 2, Article 7, and Paragraph 2 of Article 9, in the Procedures, the Company may do so only after the approval of the Board of Directors and the notification to the independent directors or the recognition of the Audit Committee, and shall submit the report to the next board of directors meeting. (3) The acquisition or disposal of memberships and intangible assets shall be handled by the implementation units after submitting relevant materials to the Board of Directors for approval. (4) The acquisition or disposal of derivatives shall be handled in accordance with the relevant the provisions of Article 10 of the Procedures. (5) Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law, shall be handled in accordance with the relevant provisions of Article 11 of the Procedures. For the acquisition or disposal of assets by the Company approved by the Board of Directors in accordance with the provisions of the preceding paragraph or other laws, if any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each independent directors of the Audit Committee. When the transaction for the acquisition and disposal of assets are submitted for discussion by the Board of Directors pursuant to the preceding Paragraph 1 to 6, the Board of Directors shall take into full consideration each independent director's opinions, and their consents or objections and reasons of whose shall be recorded in the minutes of the Board of Directors meeting. 2. The implementation units The Company's long-term and	forth in Subparagraph 1 of Paragraph 2, Article 7, and Paragraph 2 of Article 9, in the Procedures, the Company may do so only after the approval of the Board of Directors and the notification to the independent directors or the recognition of the Audit Committee, and shall submit the report to the next board of directors meeting. (3) The acquisition or disposal of intangible assets or their right to use assets or memberships shall be handled by the implementation unit after submitting relevant materials to the Board of Directors for approval. (4) The acquisition or disposal of derivatives shall be handled in accordance with the relevant the provisions of Article 10 of the Procedures. (5) Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law, shall be handled in accordance with the relevant provisions of Article 11 of the Procedures. For the acquisition or disposal of assets by the Company approved by the Board of Directors in accordance with the provisions of the preceding paragraph or other laws, if any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each independent directors of the Audit Committee. When the transaction for the acquisition and disposal of assets are submitted for discussion by the Board of Directors pursuant to the preceding Paragraph 1 to 6, the Board of Directors shall take into full consideration each independent director's opinions, and their consents or objections and reasons of whose shall be recorded in the minutes of the Board of Directors meeting. 2. The implementation units	

short-term securities investment is executed by the financial department, while real estate and other fixed assets investment is executed by the departments concerned. 3. Assets shall be registered, managed and used in accordance with the "Regulations Governing Assets" after acquisition. 4. Securities investment shall be reasonably evaluated in accordance with generally accepted accounting principles, and appropriate proper reserves for losses on falling price shall be made. Various of securities certificates shall kept after registration by the financial department. 5. If the equity investment and convertible corporate bonds are original share subscriptions, the securities with the Company as investor shall be acquired within 30 days from the date of issue of shares or corporate bonds of the investee in accordance with the Company Law of the Republic of China. If it is acquired by transfer, the equity transfer procedure shall be handled immediately. 6. Price comparison, bidding or negotiation: The acquisition methods shall be price comparison, bidding and bargaining, etc., based on the size of the case. 7. Adjudication: It is resolved by the Board of Directors and delegated authority to handle as necessary. 8. If necessary, it shall enter into relevant contracts with the transaction counterparty, and pay special attention to protect the rights and interests of the Company when signing the contracts. All real property and other fixed assets shall be insured immediately upon acquisition to prevent the loss of the Company.	The Company's long-term and short-term securities investment is executed by the financial department, while real estate and other fixed assets investment is executed by the departments concerned. 3. 3. Assets shall be registered, managed and used in accordance with the "Regulations Governing Assets" after acquisition. 4. 4. Securities investment shall be reasonably evaluated in accordance with generally accepted accounting principles, and appropriate proper reserves for losses on falling price shall be made. Various of securities certificates shall kept after registration by the financial department. 5. 5. If the equity investment and convertible corporate bonds are original share subscriptions, the securities with the Company as investor shall be acquired within 30 days from the date of issue of shares or corporate bonds of the investee in accordance with the Company Law of the Republic of China. If it is acquired by transfer, the equity transfer procedure shall be handled immediately. 6. Price comparison, bidding or negotiation: The acquisition methods shall be price comparison, bidding and bargaining, etc., based on the size of the case. 7. Adjudication: It is resolved by the Board of Directors and delegated authority to handle as necessary. 8. If necessary, it shall enter into relevant contracts with the transaction counterparty, and pay special attention to protect the rights and interests of the Company when signing the contracts. 9. All real property, equipment or its right-to-use assets shall be insured immediately upon acquisition to prevent the loss of the Company.	

Article 6: Public Announcement and Regulatory Filing Procedures 1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website by nature and in the appropriate format as prescribed by regulations within 2 days counting inclusively from the Date of Event of the event: (1) Acquisition or disposal of real property thereof from or to a related party, or acquisition or disposal of assets other than real property thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds. (2) Merger, demerger, acquisition, or transfer of shares. (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Procedures adopted by the Company. (4) Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million; provided, this shall not apply to the following circumstances: A. Trading of government bonds. B. Where done by professional investors—securities trading on foreign and domestic securities exchanges or OTC markets, or subscription by a securities firm of securities in the primary market and subscription in	Article 6: Public Announcement and Regulatory Filing Procedures 1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the Date of Event of the event: (1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (2) Merger, demerger, acquisition, or transfer of shares. (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Procedures adopted by the Company. (4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: A. For a public company whose paid-in capital is less than NT$10 billion, the transaction amount reaches NT$500 million or more. B. For a public company whose paid-in capital is NT$10 billion	Amendments in line with laws.

accordance with the rules. C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds. D. Acquisition or disposal of assets of machinery and equipment thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount is less than NT$500 million; E. Acquisition or disposal by a public company in the construction business of real property or thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount is less than NT$500 million. F. Where land is acquired under an arrangement on engaging others to build on the Company's own land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction is less than NT$500 million. The amount of transactions above shall be calculated as follows: (1) The amount of any individual transaction. (2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. (3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property thereof within the same development project within the preceding year.	or more, the transaction amount reaches NT$1 billion or more. (5) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT$500 million; among such cases, if the public company has paid-in capital of NT$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT$1 billion or more. (6) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT$500 million. (7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million; provided, this shall not apply to the following circumstances: A. Trading of domestic government bonds. B. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or	

(4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. (1) "Within the preceding year" as used in the preceding paragraph refers to the year preceding the Date of Event of the current transaction. Items publicly announced in accordance with the Procedures need not be counted toward the transaction amount. 2. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. 3. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding paragraph, a public report of relevant information shall be made on the information reporting website designated by the Securities & Futures Institute (SFI) within 2 days counting inclusively from the Date of Event of the event: (1) Change, termination, or rescission of a contract signed in regard to the original transaction. (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract. (3) Changes to the originally publicly announced and reported information. 4. Information required to be publicly announced and reported by the subsidiaries of the Company: (1) The subsidiaries of the Company acquiring or disposing of assets are required to carry out in compliance	general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. The amount of transactions above shall be calculated as follows: (1) The amount of any individual transaction. (2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. (3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or its right-to-use assets thereof within the same development project within the preceding year. (4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the Date of Event of the current transaction. Items publicly announced in accordance with the Procedures need not be counted toward	

with the provisions of Article 13. (2) Information required to be publicly announced and reported in accordance with the provisions of the operating procedures on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company. (3) The term "the transaction amount reaches 20 percent of the Company's paid-in capital", as stated in the public announcement and regulatory filing standards of subsidiaries of the Company shall be subject to the paid-in capital of the Company. 5. Public announcement and regulatory filing procedures In accordance with Article 7 and Paragraph 2 of article 5 of the Procedures, when the Company acquires or disposes the assets, the Company shall publicly announce and report the event, and within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors or the Date of Event of the event, the financial unit shall prepare draft the announcement, publicly announce and report the event after submitting to the general manager for approval, in accordance with the provisions of Article 8 of the Procedures, and submit relevant materials to the relevant units for declaration. 6. Public announcement and regulatory filing procedures When the Company makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported.	the transaction amount. 2. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. 3. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the Date of Event of the event: (1) Change, termination, or rescission of a contract signed in regard to the original transaction. (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract. (3) Changes to the originally publicly announced and reported information. 4. Information required to be publicly announced and reported by the subsidiaries of the Company: (1) The subsidiaries of the Company acquiring or disposing of assets are required to carry out in compliance with the provisions of Article 13. (2) Information required to be publicly announced and reported in accordance with the provisions of the Procedures on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company. (3) The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary in determining whether, relative to	

	paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing. 5. Public announcement and regulatory filing procedures In accordance with Article 7 and Paragraph 2 of article 5 of the Procedures, when the Company acquires or disposes the assets, the Company shall publicly announce and report the event, and within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors or the Date of Event of the event, the financial unit shall prepare draft the announcement, publicly announce and report the event after submitting to the general manager for approval, in accordance with the provisions of Article 8 of the Procedures, and submit relevant materials to the relevant units for declaration. 6. Public announcement and regulatory filing procedures When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.	
Article 7: Asset Appraisal and Valuation Procedures 1. Appraisal Procedures (1) Real property and other fixed assets: For real property and other fixed assets, each unit shall draw up capital expenditure plan in advance, submit to the financial unit to compile capital expenditure budget after conducting feasibility appraisal, and implement and control according to the plan content. (2) Short-term securities: The financial unit shall appraise the possible assumed risks and the obtainable benefits based on the fund surplus status, and conduct the	Article 7: Asset Appraisal and Valuation Procedures 1. Appraisal Procedures (1) Real property, equipment or the right-of-use asset: For real property, equipment, or right-of-use assets, each unit shall draw up capital expenditure plan in advance, submit to the financial unit to compile capital expenditure budget after conducting feasibility appraisal, and implement and control according to the plan content. (2) Short-term securities: The financial unit shall appraise the possible assumed risks and the obtainable benefits based on the fund	Amendments in line with laws.

transaction upon the approval of the authority and responsibility director. (3) Long-term securities investments: An investment appraisal team shall be established by the implementation unit to carry out the feasibility appraisal. 2. Valuation (1) Real property and other fixed assets In acquiring of real property or equipment reach a threshold requiring public announcement and regulatory filing under the Procedures, thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, or acquiring or disposing of equipment thereof held for business use, shall obtain an appraisal report prior to the Date of Event of the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price or specified price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure above shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, a CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No.20 published by the ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the	surplus status, and conduct the transaction upon the approval of the authority and responsibility director. (3) Long-term securities investments: An investment appraisal team shall be established by the implementation unit to carry out the feasibility appraisal. 2. Valuation (1) Real property, equipment, or use of right-of-use assets In acquiring or disposing of real property, equipment, or right-of-use assets reach a threshold requiring public announcement and regulatory filing under the Procedures, thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the Date of Event of the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, a CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No.20 published by the ARDF and render a specific opinion regarding the reason for the	

transaction amount. B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 4. If the contract is appraised before execution, no more than 3 months may elapse between the date of the appraisal report issued 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. (2) Long-term and short-term securities investments: The Company acquiring or disposing of securities shall, prior to the Date of Event of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a CPA, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT$300 million or more, the Company shall additionally engage a certified public accountant prior to the Date of Event of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF). This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). (3) Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a government agency, the Company shall engage a CPA prior to the Date of	discrepancy and the appropriateness of the transaction price: A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 4. If the contract is appraised before execution, no more than 3 months may elapse between the date of the appraisal report issued 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. (2) Long-term and short-term securities investments: The Company acquiring or disposing of securities shall, prior to the Date of Event of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a CPA, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT$300 million or more, the Company shall additionally engage a certified public accountant prior to the Date of Event of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF). This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). (3) Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and	

Event of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. (4) The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 6, Paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the Date of Event of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained in accordance with the Regulations need not be counted toward the transaction amount. (5) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.	the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the Date of Event of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. (4) The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 6, Paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the Date of Event of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained in accordance with the Procedures need not be counted toward the transaction amount. (5) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.	
Article 8: Scope and Limits of Investment In addition to acquiring assets held for business use, the Company may also invest in the purchase of real estate and securities not held for business use. The limits are as follows respectively: 1. The total amount of real property not held for business use shall not exceed one times the net value of the Company. 2. The acquisition of other fixed assets shall not exceed 50% of the paid-in capital of the Company. 3. The total acquisition amount of short-term securities shall not exceed 150 percent of the net value of the Company: the limit for individual long-term investments shall be 50 percent of the net value of the Company, and the	Article 8: Scope and Limits of Investment In addition to acquiring assets held for business use, the Company may also invest in the purchase of real estate and right-to-use assets or securities not held for business use. The limits are as follows respectively: 1. The total amount of real property and right-to-use assets not held for business use shall not exceed one times the net value of the Company. 2. The acquisition of other fixed assets or right-to-use assets shall not exceed 50% of the paid-in capital of the Company. 3. The total acquisition amount of short-term securities shall not exceed 150 percent of the net value of the Company: the limit for individual long-	Amendments in line with laws.

limit for individual short-term investments shall be 10 percent of the net value of the Company. In addition to acquiring assets held for business use, the subsidies of the Company may also invest in the purchase of real estate and securities not held for business use. The limits are as follows respectively: (1) The total amount of real property not held for business use shall not exceed one times the net value of the Company. (2) The acquisition of other fixed assets shall not exceed 50% of the paid-in capital of the Company. (3) The total acquisition amount of long-term and short-term securities shall not exceed 150 percent of the net value of the Company: the limit for individual long-term investments shall be 50 percent of the net value of the Company, and the limit for individual short-term investments shall be 10 percent of the net value of the Company.	term investments shall be 50 percent of the net value of the Company, and the limit for individual short-term investments shall be 10 percent of the net value of the Company. In addition to acquiring assets held for business use, the subsidiaries of the Company may also invest in the purchase of real estate and right-to-use assets or securities not held for business use. The limits are as follows respectively: (1) The total amount of real property and right-to-use assets not held for business use shall not exceed one times the net value of the Company. (2) The acquisition of other fixed assets or right-to-use assets shall not exceed 50% of the paid-in capital of the Company. (3) The total acquisition amount of long-term and short-term securities shall not exceed 150 percent of the net value of the Company: the limit for individual long-term investments shall be 50 percent of the net value of the Company, and the limit for individual short-term investments shall be 10 percent of the net value of the Company.	
Article 9: Procedures Related to the Acquisition or Disposal of Assets by the Company from Related Parties 1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding article and this Article. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Paragraph 4, Article 7 herein. When judging whether a transaction counterparty is a related party, in	Article 9: Procedures Related to the Acquisition or Disposal of Assets by the Company from Related Parties 1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding article and this Article. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Paragraph 4, Article 7 herein. When judging whether a transaction counterparty is a related party, in	Amendments in line with laws.

addition to legal formalities, the substance of the relationship shall also be considered. 2. When the Company intends to acquire or dispose of real property thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the Audit Committee: (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. (2) The reason for choosing the related party as a transaction counterparty. (3) With respect to the acquisition of real property thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the Paragraph 3 to 5. (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party. (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. (7) Restrictive covenants and other important stipulations associated with	addition to legal formalities, the substance of the relationship shall also be considered. 2. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and the Board of Directors: (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. (2) The reason for choosing the related party as a transaction counterparty. (3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the Paragraph 3 to 5. (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party. (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with	

the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 7, Paragraph 4 herein, and "within the preceding year" as used herein refers to the year preceding the Date of Event of the current transaction. Items that have been approved by the Board of Directors and recognized by the Audit Committee in accordance with the Regulations need not be counted toward the transaction amount. With respect to the acquisition or disposal of machinery and equipment held for business use, when to be conducted between a public company and its parent or subsidiaries, the Company's board of directors may pursuant to Article 8 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting. When a matter is submitted for discussion by the Board of Directors pursuant to the provisions of preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. 3.the Company that acquires real property thereof from a related party shall evaluate the legitimacy of transaction costs by the following means: (1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the	the preceding article. (7) Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 7, Paragraph 2 and Paragraph 4 herein, and "within the preceding year" as used herein refers to the year preceding the Date of Event of the current transaction. Items that have been approved by the Audit Committee and the Board of Directors in accordance with the Procedures, need not be counted toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may pursuant to Article 8, delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting: 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. When a matter is submitted for discussion by the Board of Directors pursuant to the provisions of preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. 3. The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs	

Ministry of Finance. (2) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties. Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed above. (3) the Company that acquires real property thereof from a related party and appraises the cost of the real property thereof in accordance with the preceding two Subparagraphs shall also engage a CPA to check the appraisal and render a specific opinion. Where the Company acquires real property thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with this Article, Paragraph 1 and 2: A. The related party acquired the real property thereof through inheritance or as a gift. B. The time frame between the acquisition date of real property and the current transaction signing date is above 5 years. C. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land. 4. When the results of the Company's appraisal conducted in accordance with Paragraph 1 and Paragraph 2 of this Article are uniformly lower than the transaction price, the matter shall be	by the following means: (1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance. (2) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties. Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph. (3) the Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion. Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the Paragraph 1 and Paragraph in this Article: 1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift. 2. The time frame between the	

handled in compliance with Paragraph 5 of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply: (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: A. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower. B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale. C. Leasing transactions by unrelated parties within the preceding year involving other floors of the same property, where the transaction terms are similar after calculation of reasonable price discrepancies in floor prices in accordance with standard property leasing practices. (2) Where the Company acquiring real property from a related party provides evidence that the terms of the transaction are comparable to the terms	acquisition date of the real property/leased assets and the current transaction signing date is above 5 years. C. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land. 4. The real property leased assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital. 4. When the results of the Company's appraisal conducted in accordance with Paragraph 1 and Paragraph 2 of this Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Paragraph 5 of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply: (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: A. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.	

of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighborhood or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the Date of Event of the acquisition of the real property thereof. 5. Where the Company acquires real property thereof from a related party and the results of appraisals conducted in accordance with the above-mentioned provisions 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 against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. And where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, Paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company. (2) Each independent director of the Audit Committee shall comply with Article 218 of the Company Law of the Republic of China. (3) Actions taken pursuant to the above-mentioned Subparagraph 1 and Subparagraph 2 shall be reported to a	B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices. (2) Where a public company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighborhood or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the Date of Event of the acquisition of the real property or obtainment of leased assets. 5. Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the above-mentioned provisions 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 against the difference between the real property transaction price and the appraised cost, and may	

shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus. the Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until the premium assets have recognized a loss for market price decline, been disposed of, had adequate compensation, returned to the status quo, or contained evidences that nothing unreasonable regarding the transaction along with permission from the FSC. When the Company obtains real property thereof from a related party, it shall also comply with the preceding two subparagraphs if there is other evidence indicating that the acquisition was not an arms-length transaction.	not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, Paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company. (2) Each independent director of the Audit Committee shall comply with Article 218 of the Company Law of the Republic of China. (3) Actions taken pursuant to the above-mentioned Subparagraph 1 and Subparagraph 2 shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus. the Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until the premium assets have recognized a loss for market price decline, been disposed of, had adequate compensation, returned to the status quo, or contained evidences that nothing unreasonable regarding the transaction along with permission from the FSC. When the Company obtains real property or leased assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arms -length transaction.	
Article 11: Operational Procedures for Handling Mergers, Demergers, Acquisitions, and Transfers of Shares of Enterprises 1. The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the Board of Directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price,	Article 11: Operational Procedures for Handling Mergers, Demergers, Acquisitions, and Transfers of Shares of Enterprises 1. The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the Board of Directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price,	Amendments in line with laws.

or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. 2. The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in the preceding Paragraph when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. However, this restriction shall not apply to any matter that may be approved by a shareholders' meeting to be resolved by a resolution of a shareholders' meeting. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting. 3. A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the SFI is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the SFI is notified in advance of extraordinary circumstances and grants	or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital. 2. The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in preceding paragraph when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. However, this restriction shall not apply to any matter that may be approved by a shareholders' meeting to be resolved by a resolution of a shareholders' meeting. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting. 3. A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the	

consent. When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings. When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in Subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation. Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company(s) so listed or traded shall sign an agreement with such company whereby the latter	transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors' meetings. When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report (in the	

is required to abide by the provisions of the preceding Paragraph 3 and Paragraph 4. 4. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares. 5. The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares: (1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities. (2) An action, such as a disposal of major assets, that affects the Company's financial operations. (3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price. (4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock. (5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares. (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.	prescribed format and via the Internet-based information system) the information set out in Subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation. Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding Paragraph 3 and Paragraph 4. 4. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares. 5. The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares: (1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities. (2) An action, such as a disposal of major assets, that affects the Company's financial operations. (3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share	

6. The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following: (1) Handling of breach of contract. (2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged. (3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof. (4) The manner of handling changes in the number of participating entities or companies. (5) Preliminary progress schedule for plan execution, and anticipated completion date. (6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures. 7. After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the Procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.	price. (4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock. (5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares. (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed. 6. The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following: (1) Handling of breach of contract. (2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged. (3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof. (4) The manner of handling changes in the number of participating entities or companies. (5) Preliminary progress schedule for plan execution, and anticipated completion date. (6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures. 7. After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the Procedures or legal actions	

8. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by relevant provisions.	that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew. 8. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by relevant provisions.	
Article 13: Acquisition and Disposal of Assets by Subsidiaries 1. The Company's subsidiary that is itself a public company in Taiwan, shall establish its procedures for the acquisition or disposal of assets in accordance with the Announcement of the Securities and Futures Management Committee of the Ministry of Finance on October 20, 1999 (1999) Taiwan Financial Certificate (1) Letter No. 81769, and submit to the shareholders' meeting of both parties for approval; the same applies when the Procedures are amended. 2. Acquisition or disposal of assets by a subsidiary of the Company shall be handled in accordance with the "Operational Procedures for Acquisition and Disposal of Assets", and submitted to the general manager of the parent company for approval. 3. Acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan, reach a threshold requiring public announcement and regulatory filing, shall be reported by the Company. The paid-in capital of 20 percent of the public company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining	Article 13: Acquisition and Disposal of Assets by Subsidiaries 1. The Company's subsidiary that is itself a public company in Taiwan, shall establish its procedures for the acquisition or disposal of assets, and submit to the shareholders' meeting of both parties for approval; the same applies when the Procedures are amended. 2. Acquisition or disposal of assets by a subsidiary of the Company shall be handled in accordance with the "Operational Procedures for Acquisition and Disposal of Assets", and submitted to the general manager of the parent company for approval. 3. Acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan, reach a threshold requiring public announcement and regulatory filing, shall be reported by the Company. Delete	Amendments in line with laws.

whether, relative to paid-in capital, it reaches a threshold requiring public announcement and regulatory filing under Subparagraph 5 of Paragraph 1, Article 30.		
Article 14: Other major items 1. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise. 2. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions, may not be a related party of any party to the transaction. 3. When the Company intends to acquire or dispose of real property, the Company may not proceed until it compiles the monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, evaluating the necessity of the transaction and reasonableness of the funds utilization, submits to the Board of Directors for approval and to the Audit Committed for recognition, and reports to next shareholders meeting. 4. The Company's acquisition or disposal of assets reach a threshold requiring public announcement and regulatory filing under the Procedures, and the transaction counterparty is a de facto related party, the content of the announcement shall be disclosed in the notes to the financial statements, and submitted and reported to the shareholders' meeting.	Article 14: Other major items 1. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise. 2. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that the Companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: (1) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Law of the Republic of China, 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 a related party or de facto related 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 related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with	Amendments in line with laws.

	the following: A. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. B. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. C. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. D. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations. 3. When the Company intends to acquire or dispose of real property, the Company may not proceed until it compiles the monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, evaluating the necessity of the transaction and reasonableness of the funds utilization, submits to the Board of Directors for approval and to the Audit Committed for recognition, and reports to next shareholders meeting. 4. The Company's acquisition or disposal of assets reach a threshold requiring public announcement and regulatory filing under the Procedures, and the transaction counterparty is a de facto related party, the content of the announcement shall be disclosed in the notes to the financial statements, and submitted and reported to the shareholders' meeting.	

Article 16 For the calculation of 10 percent of total assets under the Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of the Company whose shares have no par value or a par value other than NT$10—for the calculation of transaction amounts of 20 percent of paid-in capital under the Regulations, 10 percent of equity attributable to owners of the parent shall be substituted.	Article 16 For the calculation of 10 percent of total assets under the Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of the Company whose shares have no par value or a par value other than NT$10—for the calculation of transaction amounts of 20 percent of paid-in capital under the Procedures, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of the Procedures regarding transaction amounts relative to paid-in capital of NT$10 billion, NT$20 billion of equity attributable to owners of the parent shall be substituted.	Amendments in line with laws.
Article 17: This regulation was formulated on June 30, 2003. The first amendment was on June 5, 2012. The second amendment was on June 6, 2013. The third amendment was on June 6, 2014.	Article 17: This regulation was formulated on June 30, 2003. The first amendment was on June 5, 2012. The second amendment was on June 6, 2013. The third amendment was on June 6, 2014. The fourth amendment was on June 10, 2019.	Amendment Date of additional listing

Attachment 6

Winstek Semiconductor Co., Ltd.

Comparison Table of the Provisions of the "Operational Procedures for Endorsements and Guarantees" before and after the Amendments

Original Article	Articles after amendment	Explanation
Article 2 This operational Procedure is governed by the provisions of Article 36-1 of the Securities Exchange Act (hereinafter referred to as the Act) and the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" (hereinafter referred to as "the Regulations") promulgated by the competent authority. However, if other laws and regulations stipulate otherwise, such provisions shall prevail.	Article 2 This operational Procedure is governed by the provisions of Article 36-1 of the Securities Exchange Act (hereinafter referred to as the Act) and the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" (hereinafter referred to as "the Regulations") promulgated by the competent authority. However, if other laws and regulations stipulate otherwise, such provisions shall prevail. However, if the relevant financial laws and regulations stipulate otherwise, such provisions shall prevail.	Amendments in line with laws.
Article 7 The following matters shall be specified in the Operational Procedures for Endorsements/Guarantees: 1. The endorsements and guarantees that are provided for endorsement. 2. Where an endorsement/guarantee is made due to needs arising from business dealings, evaluation standards shall be specified for determining whether the amount of an endorsement/guarantee is commensurate the total amount of trading between the two companies. 3. The ceilings on the amounts a public company is permitted to make in endorsements/guarantees, including on the Company's aggregate endorsement/guarantee amount and the amount of its endorsements/guarantees for any single entity, as well as on the aggregate endorsement/guarantee amount, and the amount of endorsements/guarantees for any single entity, that the Company and its subsidiaries as a whole are permitted to make. If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net value of the Company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders meeting. 4. Procedures for making endorsements/guarantees. 5. Detailed review procedures, including:	Article 7 The Operational Procedures for Endorsements/Guarantees shall specify the following matters and shall be handled in accordance with the prescribed operational procedures: 1. The endorsements and guarantees that are provided for endorsement. 2. Where an endorsement/guarantee is made due to needs arising from business dealings, evaluation standards shall be specified for determining whether the amount of an endorsement/guarantee is commensurate the total amount of trading between the two companies. 3. The ceilings on the amounts a public company is permitted to make in endorsements/guarantees, including on the Company's aggregate endorsement/guarantee amount and the amount of its endorsements/guarantees for any single entity, as well as on the aggregate endorsement/guarantee amount, and the amount of endorsements/guarantees for any single entity, that the Company and its subsidiaries as a whole are permitted to make. If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net value of the Company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders meeting.	Amendments in line with laws.

(1) The necessity of and reasonableness of endorsements/guarantees. (2) Credit status and risk assessment of the entity for which the endorsement/guarantee is made. (3) The impact on the Company's business operations, financial condition, and shareholders' equity. (4) Whether collateral must be obtained and appraisal of the value thereof. 6. Procedures for controlling and managing endorsements/guarantees by subsidiaries. 7. Procedures for use and custody of corporate chops. 8. Hierarchy of decision-making authority and delegation thereof. 9. Announcing and reporting procedures. 10. Penalty for violation of the Regulations or the Procedures by managers and personnel in charge. 11. For circumstances in which an entity for which the Company makes any endorsement/guarantee is a subsidiary whose net value is lower than half of its paid-in capital, relevant follow-up monitoring and control measures shall be expressly prescribed. 12. Other particulars required by the Financial Supervisory Commission (hereinafter referred to as the "FSC"). In the case of a subsidiary with shares having no par value or a par value other than NT$10, for the paid-in capital in the calculation under Subparagraph 11 of the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted. The Company shall, before making endorsements or guarantees for others, carefully evaluate whether it complies with the provisions of the Regulations and the Operational Procedures, and shall proceed upon submitting the appraisal results of Paragraph 1, Subparagraph 5 of this Article to the Board of Directors for resolution. However, the endorsements/guarantees between the Company and a company in which the Company holds, directly or indirectly, 100% of the voting shares, are exempted from the attachment of appraisal results when submit to the Board of Directors for resolution. The Company making endorsements/guarantees shall establish a log book in which details of the objects and amount of the endorsements/guarantees objects, board of directors' approval dates	4. Procedures for making endorsements/guarantees. 5. Detailed review procedures, including: (1) The necessity of and reasonableness of endorsements/guarantees. (2) Credit status and risk assessment of the entity for which the endorsement/guarantee is made. (3) The impact on the Company's business operations, financial condition, and shareholders' equity. (4) Whether collateral must be obtained and appraisal of the value thereof. 6. Procedures for controlling and managing endorsements/guarantees by subsidiaries. 7. Procedures for use and custody of corporate chops. 8. Hierarchy of decision-making authority and delegation thereof. 9. Announcing and reporting procedures. 10. Penalty for violation of the Regulations or the Procedures by managers and personnel in charge. 11. For circumstances in which an entity for which the Company makes any endorsement/guarantee is a subsidiary whose net value is lower than half of its paid-in capital, relevant follow-up monitoring and control measures shall be expressly prescribed. 12. Other particulars required by the Financial Supervisory Commission (hereinafter referred to as the "FSC"). In the case of a subsidiary with shares having no par value or a par value other than NT$10, for the paid-in capital in the calculation under Subparagraph 11 of the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted. The Company shall, before making endorsements or guarantees for others, carefully evaluate whether it complies with the provisions of the Regulations and the Operational Procedures, and shall proceed upon submitting the appraisal results of Paragraph 1, Subparagraph 5 of this Article to the Board of Directors for resolution. However, the endorsements/guarantees between the Company and a company in which the Company holds, directly or indirectly, 100% of the voting shares, are exempted from the attachment of appraisal results when submit to the Board of Directors for resolution. The Company making endorsements/guarantees shall establish a	

or the execution date approved by the chairman, the date of the endorsements/guarantees, and the matters required to be carefully evaluated under above-mentioned provisions, shall be recorded in detail in the log book	log book in which details of the objects and amount of the endorsements/guarantees objects, board of directors' approval dates or the execution date approved by the chairman, the date of the endorsements/guarantees, and the matters required to be carefully evaluated under above-mentioned provisions, shall be recorded in detail in the log book	
Article 9 Information Disclosure Procedures The Company shall, before the tenth day of each month to publicly announce and report the balance of endorsement/guarantee for the previous month of the Company and its subsidiaries. The Company whose balance of endorsements/guarantees reaches one of the following levels shall publicly announce and report such event within two days commencing immediately from the Date of Event: 1. The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net value as stated in its latest financial statement. 2. 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 value as stated in its latest financial statement. 3. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT$10 million or more and the aggregate amount of all endorsements/guarantees for, investment of a long-term nature in, and balance of loans to, such enterprise reaches 30 percent or more of Company's net value as stated in its latest financial statement. 4. The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT$30 million or more, and reaches 5 percent or more of the Company's net value as stated in its latest financial statement. the Company shall announce and report on behalf of any subsidiary thereof that is not a public company of Taiwan any matters that such subsidiary is required to publicly announce and report pursuant to Subparagraph 4 of the preceding paragraph. The term "announce and report" as used in the Procedures means the process of entering data to the information reporting	Article 9 Information Disclosure Procedures The Company shall, before the tenth day of each month to publicly announce and report the balance of endorsement/guarantee for the previous month of the Company and its subsidiaries. The Company whose balance of endorsements/guarantees reaches one of the following levels shall publicly announce and report such event within two days commencing immediately from the Date of Event: 1. The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net value as stated in its latest financial statement. 2. 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 value as stated in its latest financial statement. 3. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT$10 million or more and the aggregate amount of all endorsements/guarantees for, the carrying amount of investment accounted for using equity method, and balance of loans to, such enterprise reaches 30 percent or more of public company's net value as stated in its latest financial statement. 4. The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT$30 million or more, and reaches 5 percent or more of the Company's net value as stated in its latest financial statement. The term "announce and report" as used in the Procedures means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC). The term "announce and report" as used in the Operational Procedures means the process of entering data to the information reporting website designated by FSC.	Amendments in line with laws.

website designated by the Financial Supervisory Commission (FSC). "Date of the Event": Refers to the contracting day, the payment day, the transaction day, the title transferring date, the day of board resolution or other date when the transaction party and the transaction amount can be ascertained (whichever is earlier).	"Date of the Event "in the Operational Procedures: Refers to the contracting day, the payment day, the transaction day, the title transferring date, the day of board resolution or other date when the transaction party and the transaction amount can be ascertained (whichever is earlier).	
Article 17 The Procedures shall be approved by the Audit Committee and approved by board of directors by resolution, and shall be submitted to a shareholders' meeting for approval; If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to a shareholders' meeting for discussion, the same applies when the Procedures are amended. When the Procedures are submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the Board of Directors' meeting.	Article 17 The Procedures shall be approved by the Audit Committee and approved by board of directors by resolution, and shall be submitted to a shareholders' meeting for approval; If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to a shareholders' meeting for discussion, the same applies when the Procedures are amended. When the Procedures are submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. Where an Audit Committee has been established by the Company, when the Operational Procedures for Endorsements and Guarantees are adopted or amended, shall be subject to mutatis mutandis application of Article 5.	Amendments in line with laws.
Article 18 These operational procedures were established on June 30, 2003. The first amendment was on June 6, 2013. The second amendment was on April 15, 2015.	Article 18 These operational procedures were established on June 30, 2003. The first amendment was on June 6, 2013. The second amendment was on April 15, 2015. The third amendment was on June 10, 2019.	Amendment Date of additional listing

Attachment 7

Winstek Semiconductor Co., Ltd.

Comparison Table of the Provisions of "Operational Procedures for Loaning of Company Funds" before and after the Amendments

Original Article	Articles after amendment	Explanation
Article 1 The Operational Procedures is compiled by the provisions of Article 36-1 of the Securities Exchange Act and the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" (hereinafter referred to as "the Regulations") promulgated by the competent authority. The Company shall handle the loans of funds in accordance with the provisions of the Procedures. However, if other laws and regulations stipulate otherwise, such provisions shall prevail.	Article 1 The Operational Procedures is compiled by the provisions of Article 36-1 of the Securities Exchange Act and the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" (hereinafter referred to as "the Regulations") promulgated by the competent authority. The Company shall handle the loans of funds in accordance with the provisions of the Procedures. However, if other laws and regulations stipulate otherwise, such provisions shall prevail. However, if the relevant financial laws and regulations stipulate otherwise, such provisions shall prevail.	Amendments in line with laws.
Article 5 The Procedures shall be approved by the Audit Committee and approved by board of directors by resolution, and shall be submitted to a shareholders' meeting for approval; If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to a shareholders' meeting for discussion, the same applies when the Procedures are amended. When the Procedures are submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the Board of Directors' meeting.	Article 5 The Procedures shall be approved by the Audit Committee and approved by board of directors by resolution, and shall be submitted to a shareholders' meeting for approval; If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to a shareholders' meeting for discussion, the same applies when the Procedures are amended. When the Procedures are submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. Where an Audit Committee has been established by the Company, when the Operational Procedures for Loaning of Company Funds are adopted or amended, they shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution, and the preceding Paragraph 2 do not apply. If approval of more than half of all Audit Committee members as required in the	Amendments in line with laws.

	preceding paragraph is not obtained, the Procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting. The terms "all Audit Committee members" in paragraph 4 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.	
Article 6 These operational procedures were established on June 30, 2003. The first amendment was on June 6, 2013. The second amendment was on April 15, 2015.	Article 6 These operational procedures were established on June 30, 2003. The first amendment was on June 6, 2013. The second amendment was on April 15, 2015. The third amendment was on June 10, 2019.	Amendment Date of additional listing

Appendix I

Articles of Incorporation of Winstek Semiconductor Co., Ltd.

Chapter 1 General Provisions

Article 1: The Company shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be "台星科股份有限公司." in the Chinese language. ("Winstek Semiconductor Co., Ltd." in the English language).

Article 2: The scope of business of the Company shall be as follows:

I. CB01010 Machinery Manufacturing Industry.

II. CC01110 Data Storage and Processing Equipment Manufacturing Industry.

III. CC01070 Wireless Communication Machinery and Equipment Manufacturing Industry.

IV. CC01080 Electronic Components Manufacturing Industry.

V. E701010 Communication Engineering Industry.

VI. F401030 Manufacturing Export Industry.

VII. G801 010 Storage Industry.

VIII. I301010 Information Software Service Industry.

IX. I501010 Product Design Industry.

X. IZ99990 Other Industrial and Commercial Service Industry (R&D and Testing of Integrated Circuits, IC and Testing Units)

XI. F11919010 Electronic Materials Wholesale Business.

XII. F219010 Electronic Materials Retail Business.

XIII. Except for licensing business, the Company may engage in business not prohibited or restricted by law.

Article 3: The Company may, based on the needs and by a resolution of the Board of Directors (the "Board"), provide a guarantee for companies and reinvest in other businesses. The total amount of the Company's reinvestment shall exceed 40% of the Company's paid-in capital.

Article 4: The Company shall have its head office in Hsinchu county, and shall be free to establish branch offices in appropriate locations wherever the Company deems it necessary. The establishment and termination of branch offices shall be determined by the Board of Directors.

Article 5: Public announcements of the Company shall be made in accordance with Article 28 of the Company Law of the Republic of China.

Chapter 2 Shares

Article 6: The total capital stock of the Company shall be in the amount of NT$4 billion, divided into 4 million shares with a par value of NT$10 per share. The Board of Directors shall be authorized to paid-up in installments. A total of 12,500,000 shares among the above

total capital stock NT$120,050,000 shall be reserved for issuing employee stock options.

Article 7: The share certificates of the Company shall all be name-bearing share certificates, shall be numbered, shall be signed or sealed by three or more directors of the Company, shall be indicated items on the paragraphs of Article 162 of the Company Law of the Republic of China, and shall be issued upon the approval of the competent authority or its authorized issuance registration authority. The Company shall, upon the request of the securities depository institution, combine and issue large-denomination securities after the public issuance of stocks. The Company may issue shares without printing share certificate(s). The shares issued in the preceding paragraph shall be registered or kept by the securities depository institution.

Article 8: The Company shall follow the "Guidelines for Stock Operations for Public Companies".

Article 9: Delete.

Article 10: Delete.

Article 11: Delete.

Article 12: Delete.

Article 13: Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefits is scheduled to be paid by the Company.

Chapter 3 Shareholders' Meeting

Article 14: Shareholders’ meetings of the Company are of two types, (1) regular meetings and (2) special meetings. Regular meetings shall be convened within six months after the end of each fiscal year. Special meetings shall be convened if necessary.

Except as provided in the Company Law of the Republic of China, the aforementioned shareholders' meeting shall be convened by the Board of Directors.

Article 14-1: Written notices shall be sent to all shareholders for shareholders' meetings, at least thirty (30) days in advance, in case of regular meetings; and at least fifteen (15) days in advance, in case of special meetings. The meeting date, location and the purpose(s) for convening any such meeting shall be clearly stated in the written notices sent out the shareholders by post or email. For shareholders' whose name-bearing share certificates are less than 1,000 shares, the shareholders' meeting notices shall be made by public announcement in accordance with other relevant law.

Article 15: Each share of stock shall be entitled to one vote, except in the circumstances provided for non-voting shares in Article 179 of the Company Law of the Republic of China.

Article 16: The shareholders' meeting shall be presided over by the Chairman of the Board of Directors of the Company. In his absence, he/she shall designate one of the Directors to act on his/her behalf. In the absence of such a designation, one of the Directors shall preside. In case that shareholders' meeting convened by other person who received the convening right, he/she shall act as the chairman of the meeting. In an event that there is more than one Director who has power to convene such meeting, such Directors shall agree among themselves as to who shall act as the chairman of the meeting.

Article 17: Except as provided in the Company Law of the Republic of China, shareholders' meetings may be held if attended by shareholders representing more than one half of total issued and outstanding capital stock of the Company, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting.

According to regulatory requirements, shareholders may vote via a written form or an electronic voting system.

The resolutions of the shareholders' meeting shall be recorded in the minutes and shall be signed by or sealed with the chop of the chairman of the meeting. Such minutes shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting. The distribution of the minutes of shareholders' meeting may be affected by means of public announcement.

Chapter 4 Directors

Article 18: The Company shall have nine to eleven Directors, appointing by the Board of Shareholders. The term of office for Directors shall be three (3) years, and all Directors shall be eligible for re-election. The aforesaid Board of directors must have at least three independent directors. Directors shall be elected by adopting candidates nomination system. The shareholders shall elect the directors from among the nominees candidates list. The election of independent directors and non-independent directors shall be held together; provided, however, the number of Independent directors and non-independent directors elected shall be calculated separately. The professional qualifications, shareholding, concurrent posts restrictions, nomination and election methods of independent directors and other matters that should be complied with, shall be handled in accordance with the relevant regulations of the securities competent authority. The aggregate shareholding ratio of all Directors shall be subject to the provisions of the securities competent authority.

Article 18-1: In compliance with Articles 14-4 of the Securities and Exchange Law, the Company shall establish, which shall consist of all independent directors. The Audit Committee's responsibilities, organizational rules, authorities, and other matters to complied with shall be conducted in accordance with the relevant regulations of the securities competent authority and the Company.

Article 19: The Board of Directors is organized by the Directors, and the Directors shall elect from among themselves a Chairman of the Board of Directors, by a majority in a meeting attended by over two-thirds of the Directors. The Chairman of the Board of Directors shall have the authority to represent the Company.

Article 20: The powers and authority of the Board of Directors are as the left:

I. Decision of the Business Plans

II. Review important rules and contracts.

III. Establishment and abolition of branches.

IV. Preparation of budgets and final accounts.

V. Appointment and dismissal of key employees.

VI. Decision of material borrowings of the Company.

VII. Decision of material business and investment of the Company.

VIII. Decision of employee stock subscription method.

IX. Other matters as stipulated in the Company Law of the Republic of China and the Articles of Incorporation.

Article 21: Unless otherwise provided for in the Company Law of the Republic of China, the Board of Directors shall be convened by the chairman of the board who shall be the chairman of board of directors. In case the chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, the chairman of the Board of Directors shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the Board of Directors. Board Meetings shall be convened with specific reasons and each director shall be notified seven days prior to the meeting in written form, by email or fax. If any emergency occurs, the Board of Directors' meeting may be convened at any time in written form, by email or fax.

Article 22: Unless otherwise provided for in the Company Law of the Republic of China, the resolution at the Board of Directors shall be adopted by a majority of the directors' present who represent majority of all directors.

Article 23: When a Director is unable to attend a board meeting in person for any cause, he/she shall appoint another director to attend such meeting. However, when a director attends the Board of Directors as a proxy, he/she shall be appointed as a proxy for one other director only.

Article 23-1: The Board of Directors is authorized to determine the salary for the Chairman and the Directors, considering the extent and value of the services provided for the management of the Company and the standards of the industry.

Article 23-2: All directors of the Company shall take out liability insurance for the actual needs of their business scope during their term of office to reduce and disperse the risk of damage to all directors, the Company and Shareholders. the Board of Directors is fully authorized to handle all matters relating to the liability insurance of all directors.

Chapter 5 Supervisor

Article 24: Deleted.

Article 25: Deleted.

Article 26: Deleted.

Chapter 6 Manager

Article 27: The Company may have a number of managers who shall conduct all the business of the Company in accordance with the policies set forth in the resolutions of the Board of Directors and the relevant laws and regulations, and whose appointment, dismissal and remuneration shall be governed by Article 29 of the Company Law of the Republic of China.

Article 28: Deleted.

Chapter 7 Accounting

Article 29: The fiscal year of the Company shall be from January 1 of each year to December 31 of the same year.

Article 30: At the end of each fiscal year, the following reports shall be prepared by the Board of

Directors, and submitted to the regular shareholders' meeting for acceptance:

I. Business Report.

II. Financial Statements.

III. Proposal Concerning Appropriation of Earnings or Covering of Losses.

Article 30-1: If there are annual profits within a fiscal year, the Company shall set aside 0.1% to 15% of its annual profits as profit-sharing bonuses to its employees. When the employee's compensation is distributed in shares or cash, qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, are entitled to receive shares or cash. However, the Company shall have reserved a sufficient amount to offset its accumulated losses.

If there are annual profits, the Company shall set aside 1%~3% of its annual profits as compensation to its directors, depending on the situation of the business. However, the Company shall have reserved a sufficient amount to offset its accumulated losses.

Article 31: When allocating the earnings at the end of each fiscal year, the Company shall first offset its losses in previous years and set aside a legal capital reserve at 10% of the remaining net profits; then set aside special capital reserve if necessary. If there are still earnings, together with the accumulated undistributed earnings in the previous years, the Board of Directors may reserve a portion of such earnings based on business situation, draw the earnings allocation plan and submit to the board of shareholders for resolution.

Article 31-1: The Company's dividend policy shall take into consideration its fiscal earnings result, investment environment, capital requirement, budgeting and operating plans, financial structure and earnings dilution. The dividend shall be distributed not less than 10% of the net income after-tax in current fiscal year, and shall be retained without allocation under the condition that the EPS is below NT$ 0.5 or the dividend distribution might result in a breach of contract. Earnings of the Company may be distributed by way of stock dividend and/or cash dividend, of which the cash dividend shall not be less than 10% of the total dividends.

Chapter 8 Supplementary Provisions

Article 32: The Company's organizational rules and working rules are prescribed separately.

Article 33: In regard to all matters not specified in these Articles of Incorporation, the Company Law of the Republic of China shall govern.

Article 34: This Articles of Incorporation was formulated on April 21, 2000.

The first Amendment was on May 8, 2000.

The second Amendment was on August 5, 2001.

The third Amendment was on September 6, 2001.

The fourth Amendment was on May 28, 2002.

The fifth Amendment was on June 30, 2003.

The sixth Amendment was on April 15, 2004.

The seventh Amendment was on June 23, 2005.

The eighth Amendment was on June 14, 2006.

The ninth Amendment was on June 13, 2007.

The tenth Amendment was on October 5, 2007.

The eleventh Amendment was on June 20, 2009.

The twelfth Amendment was on June 5, 2012.

The thirteenth Amendment was on September 22, 2015.

The fourteenth Amendment was on June 14, 2017

Winstek Semiconductor Co., Ltd.

Chairman of the board: Huang Hsing Yang

Appendix II

Winstek Semiconductor Co., Ltd.

Rules and Procedures of Shareholders' Meeting

I. Shareholders' Meeting of the Company (the "Meeting"), unless specified otherwise by regulations, shall be conducted in accordance with these Rules and Procedures. Any matter not provided in

II. This Company shall prepare shareholders attending the Meeting with an attendance book for the purpose of signing in. Shareholders may submit the attendance card for the purpose of signing in.

The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the attendance book or the attendance cards submitted by the shareholders.

III. Attendance and voting at a shareholders meeting shall be calculated based the number of shares.

IV. The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

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

If a shareholders meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting.

VI. Attorneys, PA, or related persons appointed by the Company shall attend a shareholders meeting in a non-voting capacity.

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

VII. The process of the Meeting shall be tape-recorded or videotaped and these tapes shall be preserved for at least 1 year.

VIII. The chairman shall call the meeting to order at the time scheduled for the Meeting. If the number of shares represented by shareholders present at the Meeting has not yet constituted the quorum at the time schedules for the Meeting, the chairman may postpone the time for the Meeting. The postponement should be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one-third of the total outstanding shares, tentative resolutions may be adopted in accordance with Article 175, paragraph 1 of the Company Law of the Republic of China.

If during the process of the Meeting the number of outstanding shares represented by the shareholders becomes sufficient to constitute the quorum, the chairman may resubmit the

tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Law of the Republic of China.

IX. The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

The above provisions apply mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved.

The shareholder cannot designate any other person as chairman and continue the meeting at the same or another place after the meeting is adjourned. However, if the chairman adjourns the Meeting in violation of the Rules and Procedures, the shareholders may designate, by a majority of the votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

X. When a shareholder present at the Meeting would like to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or Attendance Card number), and the name of the shareholder. The sequence of speeches by shareholders would be decided by the chairman.

If a shareholder present at the Meeting submits a Speech Note but does not speak, no speech shall be deemed to have been made by such shareholder. When the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of other shareholders; otherwise the chairman shall stop such interruption.

XI. Unless otherwise permitted by the chairman, each shareholder shall not speak more than twice (each time not exceeding 5 minutes) for each discussion item.

In case the speech of any shareholder violates the above rules or exceeds the scope of the discussion item, the chairman may terminate the speech of such shareholder.

XII. Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one person to attend the Meeting.

When a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

XIII. After the speech of a shareholder, the chairman may respond in person or appoint relevant personnel to respond.

XIV. The chairman may announce to end the discussion of any resolution and put it into voting if the chairman regards it as appropriate.

XV. The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder of the Company.

The results of voting shall be announced on-site at the Meeting and placed on record.

XVI. During the Meeting, the chairman may, at his discretion, set time for intermission.

XVII. Except otherwise specified in the Company Law of the Republic of China and the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chairman.

XVIII. If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed rejected and no further voting is necessary.

XIX. The chairman may conduct the disciplinary officers or the security guards to assist in maintaining order of the Meeting place. The disciplinary officers or the security guards shall wear badges marked "Disciplinary Officers" for identification purpose.

XX. These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

This regulation was formulated on May 28, 2002.

Appendix III

Winstek Semiconductor Co., Ltd.

Procedures for Acquisition or Disposal of Assets

Article 1: This Regulations is formulated in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies promulgated by the competent authority Financial Supervisory Commission (hereinafter referred to as the FSC). However, if other laws and regulations stipulate otherwise, such provisions shall prevail.

Article 2: The term "Assets" used herein includes the following:

I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficiary securities, asset-backed securities, etc.

II. Real property (including lands, plants and buildings, investment property, right to use land, and construction enterprise inventory) and equipment.

III. Memberships.

IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets.

V. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).

VI. Derivatives.

VII. Assets acquired or disposed through merger, spin-off, acquisition, or share transfer in accordance with law.

VIII. Other major assets.

Article 3: Terms used in the Regulations are defined as follows:

I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from assets, interest rate, foreign exchange rate, index of prices or rates or other interests, and hybrid contracts combining the above contracts. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter referred to as "transfer of shares") under Article 156-6 of the Company Law of the Republic of China.

III. "Related parties": The financial reports of the Company are prepared in accordance with the International Financial Reporting Standards (IFRS). The term "related parties "means the companies meeting with the definition stipulated in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

IV. "Subsidiaries": The financial reports of the Company are prepared in accordance with the International Financial Reporting Standards (IFRS). The term "subsidiaries" means the companies meeting with the definition stipulated in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

V. "Professional Appraiser": Refers to any appraisers/appraisal institutions specialized in real estate and equipment.

VI. "Date of the Event": Refers to the contracting day, the payment day, the transaction day, the title transferring date, the day of board resolution or other date when the transaction party and the transaction amount can be ascertained (whichever is earlier); for investments required to be approved by government authority, the Date of the Event will be any of the above-mentioned dates or the date on which the approval letter of government authority is received, whichever is earlier.

VII. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

Article 4: Appraisal procedures for the Acquisition or Disposal of Assets

I. The acquisition of assets shall be based on the internal authorization rules and approved by the approval.

II. The determination means of the terms and conditions of the transaction

(I) The acquisition or disposal of securities that have been purchased or sold on the centralized trading market or OTC venue shall be determined in accordance with the prevailing equity or bond prices, and shall be handled in accordance with Subparagraph 2 of Paragraph 2, Article 7.

(II) The acquisition or disposal of securities that have been purchased or sold on the centralized trading market or OTC venue shall consider the net value per share, profitability, future development potential, market interest rate, bond coupon rate, debtor's credit, etc., and shall be handled in accordance with Subparagraphs 3 and 4 of Paragraph 2, Article 7.

(III) The acquisition or disposal of real property and other fixed assets shall be stated on the reasons in the project report by the original user unit, of which the present value, assessed present value, actual transaction price of adjacent real property shall be referred and publicly announced by the property authority, and shall be handled in accordance with Subparagraph 1 of Paragraph 2, Article 7.

(IV) The acquisition or disposal of memberships shall be either by price comparison or negotiation.

(V) The acquisition or disposal of intangible assets shall be handled in accordance with relevant laws and regulations and contract provisions.

(VI) The acquisition or disposal of derivatives shall be handled in accordance with the relevant provisions of Article 10 of the Procedures.

(VII) The acquisition or disposal of assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law, shall

be handled in accordance with the relevant provisions of Article 11 of the Procedures.

Article 5: Operational Procedures for Acquisition and Disposal of Assets

I. The levels of authority delegated

(I) The authorization for the acquisition or disposal of assets by the Company shall be handled in accordance with the delegation of authorization approved by the Board of Directors.

(II) In the event of the acquisition or disposal of assets by the Company under any of the circumstances set forth in Subparagraph 1 of Paragraph 2, Article 7, and Paragraph 2 of Article 9, under the Procedures, the Company may do so only after the approval of the Board of Directors and the notification to the independent directors or the recognition of the Audit Committee, and shall submit the report to the next board of directors meeting.

(III) The acquisition or disposal of memberships and intangible assets shall be handled by the implementation units after submitting relevant materials to the Board of Directors for approval.

(IV) The acquisition or disposal of derivatives shall be handled in accordance with the relevant the provisions of Article 10 of the Procedures.

(V) Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law, shall be handled in accordance with the relevant provisions of Article 11 of the Procedures.

For the acquisition or disposal of assets by the Company approved by the Board of Directors in accordance with the provisions of the preceding paragraph or other laws, if any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each independent directors of the Audit Committee.

When the transaction for the acquisition and disposal of assets are submitted for discussion by the Board of Directors pursuant to the preceding Paragraph 1 to 6, the Board of Directors shall take into full consideration each independent director's opinions, and their consents or objections and reasons of whose shall be recorded in the minutes of the Board of Directors meeting.

II. Responsible Departments

For the Company's long-term and short-term securities investment, the department responsible therefor should be Finance Division; For the Company's real estate and other fixed assets, the department responsible therefor should be application department or another related department.

III. Assets shall be registered, managed and used in accordance with the "Regulations Governing Assets" after acquisition.

IV. Securities investment shall be reasonably evaluated in accordance with generally accepted accounting principles, and appropriate proper reserves for losses on falling price shall be made. Various of securities certificates shall kept after registration by the financial unit.

V. If the equity investment and convertible corporate bonds are original share

subscriptions, the securities with the Company as investor shall be acquired within 30 days from the date of issue of shares or corporate bonds of the investee in accordance with the Company Law of the Republic of China. If it is acquired by transfer, the equity transfer procedure shall be handled immediately.

VI. Price comparison, bidding or negotiation:

The acquisition methods shall be price comparison, bidding and bargaining, etc., based on the size of the case.

VII. Adjudication:

It is resolved by the Board of Directors and delegated authority to handle as necessary.

VIII. If necessary, it shall enter into relevant contracts with the transaction counterparty, and pay special attention to protect the rights and interests of the Company when signing the contracts.

All real property and other fixed assets shall be insured immediately upon acquisition to prevent the loss of the Company.

Article 6: Public Announcement and Regulatory Filing Procedures

I. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website by nature and in the appropriate format as prescribed by regulations within 2 days counting inclusively from the Date of Event of the event:

(I) Acquisition or disposal of real property thereof from or to a related party, or acquisition or disposal of assets other than real property thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more. provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds.

(II) Merger, demerger, acquisition, or transfer of shares.

(III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Procedures adopted by the Company.

(IV) In addition to the transactions, the disposal of assets by a financial institution, the disposal of the creditor's claims, the amount of the transaction, the transaction amount reaches 20 percent or more of the Company's paid-in capital or NT$300 million. provided, this shall not apply to the following circumstances:

1、 Trading of government bonds.

2、 Where done by professional investors—securities trading on foreign and domestic securities exchanges or OTC markets, or subscription by a securities firm of securities in the primary market and subscription in accordance with the rules.

3、 Trading of bonds under repurchase and resale agreements, or

subscription or redemption of domestic money market funds.

4、 Acquisition or disposal of assets of machinery and equipment thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount is less than NT$500 million;

5、 Acquisition or disposal by a public company in the construction business of real property or thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount is less than NT$500 million.

6、 Where land is acquired under an arrangement on engaging others to build on the Company's own land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction is less than NT$500 million.

The amount of transactions above shall be calculated as follows:

(1) The amount of each transaction.

(2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.

(3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property thereof within the same development project within the preceding year.

(4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the Date of Event of the current transaction. Items publicly announced in accordance with the Procedures need not be counted toward the transaction amount.

II. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

III. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding paragraph, a public report of relevant information shall be made on the information reporting website designated by the SFI within 2 days counting inclusively from the Date of Event of the event:

(I) Change, termination, or rescission of a contract signed in regard to the original transaction.

(II) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.

(III) Changes to the originally publicly announced and reported information.

IV. Information required to be publicly announced and reported by the subsidiaries of the Company:

(I) The acquisition or disposal of assets by the Company's subsidiaries shall also be handled in accordance with Article 13.

(II) Information required to be publicly announced and reported in accordance with the provisions of the Operational Procedures on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company.

(III) The term "the transaction amount reaches 20 percent of the Company's paid-in capital" as stated in the public announcement and regulatory filing standards of subsidiaries of the Company shall be subject to the paid-in capital of the Company.

V. Public Announcement and Regulatory Filing Procedures

In accordance with Article 7 and Paragraph 2 of article 5 of the Procedures, when the Company acquires or disposes the assets, the Company shall publicly announce and report the event, and within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors or the Date of Event of the event, the financial unit shall prepare draft the announcement, publicly announce and report the event after submitting to the general manager for approval, in accordance with the provisions of Article 8 of the Procedures, and submit relevant materials to the relevant units for declaration.

VI. Public Announcement and Regulatory Filing Procedures

When the Company makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported.

Article 7: Asset Appraisal and Valuation Procedures

I. Appraisal Procedures

(I) Real property and other fixed assets:

For real property and other fixed assets, each unit shall draw up capital expenditure plan in advance, submit to the financial unit to compile capital expenditure budget after conducting feasibility appraisal, and implement and control according to the plan content.

(II) Short-term securities:

The financial unit shall appraise the possible assumed risks and the obtainable benefits based on the fund surplus status, and conduct the transaction upon the approval of the authority and responsibility director.

(III) Long-term securities investments:

An investment appraisal team shall be established by the implementation

unit to carry out the feasibility appraisal.

II. Valuation

(I) Real property and other fixed assets

In acquiring of real property or equipment reach a threshold requiring public announcement and regulatory filing under the Procedures, thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, or acquiring or disposing of equipment thereof held for business use, shall obtain an appraisal report prior to the Date of Event of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price or specified price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure above shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.

2. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained.

3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, a CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No.20 published by the ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

   (1) The discrepancy between the result of the appraisal report and the transaction amount exceeds 20%.

   (2) The discrepancy between the two appraisal reports is over 10% of the transaction amount.

4. If the contract is appraised before execution, the appraisal report should be issued within 3 months before the contract date. provided that if the object's publicly announced value is still the same and the appraisal report was issued no longer than 6 months, the original Professional Appraiser may present supplemental opinions.

(II) Long-term and short-term securities investments:

Before the Date of the Event of the acquisition or disposal of securities, the latest financial statements of the object company audited or reviewed by certified public accountant should be obtained for the assessment and reference of transaction price. Should the transaction price reach 20 percent of the Company's paid-in capital or NT$300 million, opinions in respect of a rational transaction price have to be sought from certified public accountant before the Date of the Event of the acquisition or disposal of securities. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development

Foundation (ARDF). However, these requirements are not applicable if such securities have a public price from an active market or if the Financial Supervisory Commission (FSC) require otherwise.

(III) If the Company's acquisition or disposal of memberships or intangible assets reaches 20 percent of the Company's paid-in capital or NT$300 million, excluding transactions with a government agency, opinions in respect of a rational transaction price shall be sought from CPA prior to the Date of Event of the subject acquisition or disposal of assets. The CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

(IV) The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 6, Paragraph 2 herein, and "within one year" refers to one year preceding the Date of Event of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained in accordance with the Regulations need not be counted toward the transaction amount.

(V) For acquisition or disposal of assets through auction procedures of courts, the appraisal report or CPA's opinion can be replaced by documents issued by the court.

Article 8: Scope and Limits of Investment

In addition to acquiring assets held for business use, the Company may also invest in the purchase of real estate and securities not held for business use. The limits are as follows respectively:

I. The total amount of real property not held for business use shall not exceed one times the net value of the Company.

II. The acquisition of other fixed assets shall not exceed 50% of the paid-in capital of the Company.

III. The total acquisition amount of short-term securities shall not exceed 150 percent of the net value of the Company: the limit for individual long-term investments shall be 50 percent of the net value of the Company, and the limit for individual short-term investments shall be 10 percent of the net value of the Company.

In addition to acquiring assets held for business use, the subsidies of the Company may also invest in the purchase of real estate and securities not held for business use. The limits are as follows respectively:

(I) The total amount of real property not held for business use shall not exceed one times the net value of the Company.

(II) The acquisition of other fixed assets shall not exceed 50% of the paid-in capital of the Company.

(III) The total acquisition amount of long-term and short-term securities shall not exceed 150 percent of the net value of the Company: the limit for individual long-term investments shall be 50 percent of the net value of the Company, and the limit for individual short-term investments shall be 10 percent of the net value of the Company.

Article 9: Procedures Related to the Acquisition or Disposal of Assets by the Company from Related Parties

I. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the Article 7 and this Article.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Paragraph 4, Article 7 herein.

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

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

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

(II) The reason for choosing the related party as a transaction counterparty.

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

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

(V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.

(VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.

(VII) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 7, Paragraph 4 herein, and "within the preceding year" as used herein refers to the year preceding the Date of Event of the current transaction. Items that have been approved by the Board of Directors and recognized by the Audit Committee in accordance with the Regulations need not be counted toward the transaction amount.

With respect to the acquisition or disposal of machinery and equipment held for business use, when to be conducted between a public company and its parent or subsidiaries, the Company's board of directors may pursuant to Article 8 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.

When a matter is submitted for discussion by the Board of Directors pursuant to the provisions of preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

III. The Company that acquires real property thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:

(I) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.

(II) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed above.

(III) The Company that acquires real property thereof from a related party and appraises the cost of the real property thereof in accordance with the preceding two subparagraphs shall also engage a CPA to check the appraisal and render a specific opinion.

Where the Company acquires real property thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with this Article, Paragraph 1 and 2:

1. The related party acquired the real property thereof through inheritance or as a gift.

2. The time frame between the Related Party's acquisition date of real property and the current transaction signing date has been above 5 years.

3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.

IV. When the results of the Company's appraisal conducted in accordance with Paragraph 1 and Paragraph 2 of this Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Paragraph 5 of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

(I) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:

1. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale.

3. Leasing transactions by unrelated parties within the preceding year involving other floors of the same property, where the transaction terms are similar after calculation of reasonable price discrepancies in floor prices in accordance with standard property leasing practices.

(II) Where the Company acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighborhood or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the Date of Event of the acquisition of the real property thereof.

V. Where the Company acquires real property thereof from a related party and the results of appraisals conducted in accordance with the above-mentioned provisions are uniformly lower than the transaction price, the following steps shall be taken:

(I) A special reserve shall be set aside in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act against the difference between the real

property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. And where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, Paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.

(II) Each independent director of the Audit Committee shall comply with Article 218 of the Company Law of the Republic of China.

(III) Actions taken pursuant to the above-mentioned Subparagraph 1 and Subparagraph 2 shall be reported to a shareholders meeting, and the details of the transaction shall be publicly disclosed in the annual report and any investment prospectus.

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

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

Article 10: Derivative transactions shall be handled in accordance with the Company's "Operational Procedures for Engaging in Derivatives".

Article 11: Operational Procedures for Handling Mergers, Demergers, Acquisitions, and Transfers of Shares of Enterprises

I. The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the Board of Directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage.

II. The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in the preceding Paragraph when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. However, this restriction shall not apply to any matter that may be approved by a shareholders' meeting to be resolved by a resolution of a shareholders' meeting.

Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up

measures, and the preliminary date of the next shareholders meeting.

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

A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the SFI is notified in advance of extraordinary circumstances and grants consent.

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

(I) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.

(II) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.

(III) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in Subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding Paragraph 3 and Paragraph 4.

IV. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

V. The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances

permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

(I) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.

(II) An action, such as a disposal of major assets, that affects the Company's financial operations.

(III) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.

(IV) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.

(V) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.

(VI) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

VI. The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

(I) Handling of breach of contract.

(II) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.

(III) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.

(IV) The method of handling changes in the number of participating entities or companies.

(V) Preliminary progress schedule for plan execution, and anticipated completion date.

(VI) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

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

meeting to resolve on the matter anew.

VIII. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by relevant provisions.

Article 12: If the relevant personnel violate the provisions of the Procedures, the competent authority and the Company shall punish or adjust their positions in accordance with the relevant regulations.

Article 13: Acquisition and Disposal of Assets by Subsidiaries

I. The Company's subsidiary that is itself a public company in Taiwan, shall establish its procedures for the acquisition or disposal of assets in accordance with the Announcement of the Securities and Futures Management Committee of the Ministry of Finance on October 20, 1999 (1999) Taiwan Financial Certificate (1) Letter No. 81769, and submit to the shareholders' meeting of both parties for approval; the same applies when the Procedures are amended.

II. Acquisition or disposal of assets by a subsidiary of the Company shall be handled in accordance with the "Operational Procedures for Acquisition and Disposal of Assets", and submitted to the general manager of the parent company for approval.

III. Acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan, reach a threshold requiring public announcement and regulatory filing, shall be reported by the Company.

The paid-in capital of 20 percent of the public company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital, it reaches a threshold requiring public announcement and regulatory filing under Subparagraph 5 of Paragraph 1, Article 30.

Article 14: Other major items

I. When acquiring or disposing assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions for at least 5 years, except where another act provides otherwise.

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

III. When the Company intends to acquire or dispose of real property, the Company may not proceed until it compiles the monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, evaluating the necessity of the transaction and reasonableness of the funds utilization, submits to the Board of Directors for approval and to the Audit Committee for recognition, and reports to next shareholders meeting.

IV. The Company's acquisition or disposal of assets reach a threshold requiring public announcement and regulatory filing under the Procedures, and the transaction counterparty is a de facto related party, the content of the announcement shall be disclosed in the notes to the financial statements, and submitted and reported to

the shareholders' meeting.

Article 15: Entry into Force and Amendment

Where the Operational Procedures for Acquisition and Disposal of Assets are amended, they shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution.

If approval of more than half of all Audit Committee members as required in the preceding paragraph is not obtained, the Procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

After the approval of the Board of Directors, the Procedures shall be submitted to each independent director and to the shareholders' meeting for approval. If a director expresses dissent and is required to be submitted to the meeting for discussion, if any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each independent directors of the Audit Committee for discussion. the Board of Directors shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the Board of Directors' meeting; the same applies when the Procedures are amended.

The terms "all Audit Committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 16: Article 16: For the calculation of 10 percent of total assets under the Regulations,

The total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

In the case of the Company whose shares have no par value or a par value other than NT$10 - for the calculation of transaction amounts of 20 percent of paid-in capital under the Regulations, 10 percent of equity attributable to owners of the parent shall be substituted.

Article 17: This regulation was formulated on June 30, 2003. The first amendment was in On June 5, 2012. The second amendment was on June 6, 2013. The third amendment was on June 6, 2014.

Appendix IV

Winstek Semiconductor Co., Ltd.

Operational Procedures for Endorsements and Guarantees

Article	Contents of the Article
Article 1	All matters related to the Company's external endorsement and guarantee shall be handled in accordance with the provisions of the Procedures.
Article 2	This operational Procedure is governed by the provisions of Article 36-1 of the Securities Exchange Act (hereinafter referred to as the Act) and the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" (hereinafter referred to as "the Regulations") promulgated by the competent authority. However, if other laws and regulations stipulate otherwise, such provisions shall prevail.
Article 3	The term "endorsements/guarantees" as used in the Regulations refers to the following: I. Financing endorsements/guarantees, including: (I) Bill discount financing. (II) Endorsement or guarantee made to meet the financing needs of another company. (III) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the Company itself. II. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the Company itself or another company with respect to customs duty matters. III. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs. Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with the Regulations.
Article 4	The scope of the Company's endorsement/guarantee: (1) A subsidiary in which the Company directly or indirectly holds 100% of shares (2) Another company which the Company has agreed to acquire and will become a subsidiary in which the Company holds 100% of shares after completion, and the relevant endorsement/guarantee conditions are approved by the resolution of the Board of Directors.
Article 5	The external guarantee of the Company's relevant business shall be handled within the amount specified in article 6 and the Company's power of decision as determined by the Board of Directors, and shall be submitted to the shareholders' meeting for future reference.
Article 6	The total amount of the Company's external endorsement/guarantee shall not exceed 50% of the Company's most recent net value. The amount of the Company's endorsement/guarantee for a single enterprise shall not exceed 20% of the net value at the time when the Company endorses/guarantees. However, for the endorsements/guarantees between the Company and a company in which the Company holds, directly or indirectly, 100% of the voting shares, or another company which the Company has agreed to acquire and will become a subsidiary in which the Company holds 100% of shares after completion, and have been approved by the resolution of the Board of Directors, the amount of endorsement/guarantee may NOT be limited by the

	aforementioned total amount of external endorsement/guarantee and the limit of endorsement/guarantee for a single enterprise. Provided, however, that an endorsement/guarantee to a single enterprise shall NOT exceed 100% of the Company's most recent net value in the reviewed or audited financial statements by CPA, and plus the endorsement/guarantee between the Company and a company in which the Company doesn't directly or indirectly hold 100% of voting shares, and the total cumulative amount of external endorsement/guarantee shall not exceed 100% of the net value of the Company's most recent net value in the reviewed or audited financial statements by CPA. The Company's financial reports are prepared in accordance with IFRS. The term "net value "as referred to in this Regulation refers to the balance sheet equity attributable to the owners of the parent company as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers. "Subsidiary" and "parent company" as referred to in this Regulation shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
Article 7	The following matters shall be specified in the Operational Procedures for Endorsements/Guarantees: I. The endorsements and guarantees that are provided for endorsement. II. Where an endorsement/guarantee is made due to needs arising from business dealings, evaluation standards shall be specified for determining whether the amount of an endorsement/guarantee is commensurate the total amount of trading between the two companies. III. The ceilings on the amounts a public company is permitted to make in endorsements/guarantees, including on the Company's aggregate endorsement/guarantee amount and the amount of its endorsements/guarantees for any single entity, as well as on the aggregate endorsement/guarantee amount, and the amount of endorsements/guarantees for any single entity, that the Company and its subsidiaries as a whole are permitted to make. If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net value of the Company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders meeting. IV. Procedures for making endorsements/guarantees. V. Detailed review procedures, including: (I) The necessity of and reasonableness of endorsements/guarantees. (II) Credit status and risk assessment of the entity for which the endorsement/guarantee is made. (III) The impact on the Company's business operations, financial condition, and shareholders' equity. (IV) Whether collateral must be obtained and appraisal of the value thereof. VI. Procedures for controlling and managing endorsements/guarantees by subsidiaries. VII. Procedures for use and custody of corporate chops. VIII. Hierarchy of decision-making authority and delegation thereof. IX. Announcing and reporting procedures. X. Penalty for violation of the Regulations or the Procedures by managers and personnel in charge. XI. For circumstances in which an entity for which the Company makes any endorsement/guarantee is a subsidiary whose net value is lower than half of its paid-in capital, relevant follow-up monitoring and control measures shall be expressly prescribed.

	XII. Other particulars required by the Financial Supervisory Commission (hereinafter referred to as the "FSC"). In the case of a subsidiary with shares having no par value or a par value other than NT$10, for the paid-in capital in the calculation under Subparagraph 11 of the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted. The Company shall, before making endorsements or guarantees for others, carefully evaluate whether it complies with the provisions of the Regulations and the Operational Procedures, and shall proceed upon submitting the appraisal results of Paragraph 1, Subparagraph 5 of this Article to the Board of Directors for resolution. However, the endorsements/guarantees between the Company and a company in which the Company holds, directly or indirectly, 100% of the voting shares, are exempted from the attachment of appraisal results when submit to the Board of Directors for resolution. The Company making endorsements/guarantees shall establish a log book in which details of the objects and amount of the endorsements/guarantees objects, board of directors approval dates or the execution date approved by the chairman, the date of the endorsements/guarantees, and the matters required to be carefully evaluated under above-mentioned provisions, shall be recorded in detail in the log book
Article 8	Procedures for use and custody of corporate chops: (I) The Company shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees. (II) The corporate chop of endorsements and guarantees shall be kept in the custody of a designated person and may be used to seal only in prescribed the "Operational Procedures of Corporate Chop" of the Company. The designated person for custody shall be approved by the Board of Directors; the same applies to any changes.
Article 9	Information Disclosure Procedures The Company shall, before the tenth day of each month to publicly announce and report the balance of endorsement/guarantee for the previous month of the Company and its subsidiaries. The Company whose balance of endorsements/guarantees reaches one of the following levels shall publicly announce and report such event within two days commencing immediately from the Date of Event: I. The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net value as stated in its latest financial statement. II. 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 value as stated in its latest financial statement. III. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT$10 million or more and the aggregate amount of all endorsements/guarantees for, investment of a long-term nature in, and balance of loans to, such enterprise reaches 30 percent or more of Company's net value as stated in its latest financial statement. IV. The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT$30 million or more, and reaches 5 percent or more of the Company's net value as stated in its latest financial statement. The term "announce and report" as used in the Procedures means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).

	The term "announce and report" as used in the Operational Procedures means the process of entering data to the information reporting website designated by FSC. "Date of the Event": Refers to the contracting day, the payment day, the transaction day, the title transferring date, the day of board resolution or other date when the transaction party and the transaction amount can be ascertained (whichever is earlier).
Article 10	Where the Company needs to exceed the limits set out in the Operational Procedures for Endorsements/Guarantees to satisfy its business requirements, it shall obtain approval from the Board of Directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement/guarantee. It shall also amend the Operational Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit. The Company offers the position of independent director. In Board of Directors' discussion, the opinions of each independent director shall be taken into full consideration; independent directors' specific assent or dissent and reasons for dissent shall be included in the minutes of the Board of Directors' meeting.
Article 11	Where as a result of changes of condition the entity for which an endorsement/guarantee is made no longer meets the requirements of the Regulations or the operational Procedure, or the amount of endorsement/guarantee exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to each independent directors of the Audit Committee, and shall complete the rectification according to the timeframe set out in the plan. The Company shall discharge the endorsement/guarantee amount or the amount in excess on the date the agreement term expires or within a designated period pursuant to an internal plan formulated by the financial unit and approved by the chairman of the board. The above timeframe shall be reported to the Board of Directors.
Article 12	The term "announce and report" as used in the Operational Procedures means the process of entering data to the information reporting website designated by FSC.
Article 13	The Company shall evaluate or record the contingent loss for endorsements/guarantees, and shall adequately disclose information on endorsements/guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures.
Article 14	Internal Audit: The Company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees for Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify each independent directors of the Audit Committee in writing of any material violation found.
Article 15	Managers and personnel in charge who violate the Procedures will be punished according the Company's "Reward and Punishment Regulations", depending on the severity of the circumstances.
Article 16	Other Requirements The subsidiaries may provide endorsements/guarantees only pursuant to the Procedures. The parent company shall incorporate such matter into its endorsement/guarantee procedure.
Article 17	The Procedures shall be approved by the Audit Committee and approved by board of directors by resolution, and shall be submitted to a shareholders' meeting for approval; If any director expresses dissent and it is contained in the minutes or a written

	statement, the Company shall submit the director's dissenting opinion to a shareholders' meeting for discussion, the same applies when the Procedures are amended. When the Procedures are submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the Board of Directors' meeting.
Article 18	These operational procedures were established on June 30, 2003. The first amendment was on June 14, 2010. The second amendment was on June 6, 2013. The third amendment was on April 15, 2015.

Appendix V

Winstek Semiconductor Co., Ltd.

Operational Procedures for Loaning of Company Funds

Contents of the Article
Article 1 The Operational Procedures are compiled by the provisions of Article 36-1 of the Securities Exchange Act and the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" (hereinafter referred to as "the Regulations") promulgated by the competent authority. The Company shall handle the loans of funds in accordance with the provisions of the Procedures. However, if other laws and regulations stipulate otherwise, such provisions shall prevail.
Article 2 Entities to which the Company may loan funds: The Company's funds shall not be loaned to others. Provided, however, that the Company's funds loan to (1) the subsidiary in which the Company directly or indirectly holds 100% of shares (2) Another company which the Company has agreed to acquire and will become a subsidiary in which the Company holds 100% of shares after completion, and the relevant conditions and duration of loans are approved by the resolution of the Board of Directors and in accordance with Article 3 of the Regulations. The total amount of the Company's loans to others shall not exceed 30% of the net value of the Company in its most recent financial reports audited or reviewed by CPA. The amount of the Company's funds loaned to individual borrower shall not exceed 30% of the net value of the Company in its most recent financial reports audited or reviewed by CPA.
Article 3 Managers and personnel in charge who violate the Regulations or the Procedures will be punished according the Company's "Reward and Punishment Regulations". The Manager and the personnel in charge shall follow the following fund lending procedures: 1. When applying for a loan from the Company, the borrower shall provide the basic information and financial information, and fill in an application form specifying the amount, duration, purpose and the situation of providing guarantee of the loan. 2. Duration of funds financing and interest calculation method: the duration of each loan is limited to one year. The lending rate of funds shall be flexibly adjusted based on the Company's capital cost, and shall not be lower than the highest rate of short-term borrowing from financial institutions. The interest collected on loans of the Company shall be calculated and collected on a monthly basis. In case of special circumstances, it may be adjusted according to the actual situation with the consent of the Board of Directors. 3. After the loan is appropriated, the Company shall pay constant attention to the financial, business and related credit conditions of the borrowers and the guarantors, if any collateral is provided, the Company shall also pay attention to whether the guarantee value changes or not. In case of any major change, the Company shall immediately notify the chairman of the board and deal with it appropriately according to the instructions. 4. The Company shall regularly publicly announce and declare the balance of loans of the Company and its subsidiaries in accordance with the provisions.

Article 4

Where a subsidiary of the Company intends to make loans to others, the Company shall instruct it to formulate its own Operational Procedures for Loaning Funds to Others in compliance with the Regulations, and it shall comply with the Procedures when loaning funds.

The Company's financial reports are prepared in accordance with IFRS. The term "subsidiaries" in this program shall be determined according to the regulations stipulated in the financial report of securities issuer.

Article 5

The Procedures shall be approved by the Audit Committee and approved by board of directors by resolution, and shall be submitted to a shareholders' meeting for approval; If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to a shareholders' meeting for discussion, the same applies when the Procedures are amended.

When the Procedures are submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the Board of Directors' meeting.

Article 6

These operational procedures were established on June 30, 2003.

The first amendment was on June 6, 2013.

The second amendment was on April 15, 2015.

Appendix VI

Explanations of shareholders' proposals handling at this regular meeting of shareholders:

I. Pursuant to Article 172-1 of the Company Law of the Republic of China, a shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only and limited to 300 words.

II. This year's regular meeting of shareholders of the Company will accept the application of shareholders' proposal with the period from April 5, 2019 to April 15, 2019, and has been publicly announced on the Market Observation Post System (MOPS) in accordance with the law.

III. The Company did not receive any shareholder proposals during the period of acceptance.

Appendix VII

The impact of the stock grants on the Company's business performance, and earnings per share:

I. The impact of the stock grants on the Company's business performance, earnings per share and return on shareholders' investment: Not applicable.

II. The Company did not disclose the financial forecast for 2019. It is not necessary to disclose forecast information for 2019.

Appendix VIII

Shareholding situation of all directors:

Winstek Semiconductor Co., Ltd.

Shareholding situation of all directors Unit: shares

Position	Name	Number of shares held	Shareholding ratio:
Chairman of the board	Singapore merchants Bloomeria Limited Representative: Huang Hsing Yang	70,694,438	51.88%
Director	Singapore merchants Bloomeria Limited Representative: Wu Min Hung		
Director	Singapore merchants Bloomeria Limited Representative: Yeh Ts'an Lien		
Director	Singapore merchants Bloomeria Limited Representative: Kuo Hsü Tung		
Director	Singapore merchants Bloomeria Limited Representative: Hsieh Chao Hung		
Director	Wêng Chih Li	571,507	0.42%
Independent Director	Lin Min Kai	-	-
Independent Director	Wei Jen Yu	-	-
Independent Director	Wen-chou Vincent Wang	-	-
Number of shares held by all directors		71,265,945	52.30%

Note:

1. The information listed in the table is the number of shares held by individual and all directors in the shareholders' book as at the book closure day of the regular shareholders' meeting (April 12, 2019).
2. The statutory share ownership ratios of the directors of the Company are as follows:
   (1) Total shares issued on April 12, 2019: 136,261,659 common stock shares
   (2) The statutory number of shares held by all directors is 8,175,699, and as of April 12, 2019, the number of shares held by all directors is 71,265,945.
   (3) The Company has established an Audit Committee and therefore there is no statutory number of shares held by the supervisor applicable.
   (4) The shareholding of all directors of the Company has been in compliance with the percentage of the ownership ratios standard as set forth in the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”.