

2014 Annual General Shareholders' Meeting Minutes (Translation)

Date: Thursday, 26 June 2014

Time: 9:00 a.m. Taipei time

Place: Auditorium of Taipei Hero House

No. 20, Changsha Street, Section 1, Taipei, Taiwan

Shareholders present:

Total number of outstanding shares: 5,144,267,447 shares (excluding 749,110 shares owned by

FENC's subsidiaries)

Total shares represented by shareholders present: 4,395,320,858 shares

Percentage of shares held by shareholders: 85.441%

Directors: Mr. Douglas Tong Hsu, Mr. Johnny Shih, Mr. Peter Hsu, and Mr. Shaw Y. Wang

Supervisors: Mr. T. H. Chang, Ms. Alice Hsu, and Mr. Champion Lee

Chairman: Mr. Douglas Tong Hsu, Chairman of the Board of Directors

Recorder: Ms. Grace Yang



A. Meeting called to order

(The aggregate shares of the shareholders present in person or by proxy constituted a quorum.)

B. Chairman's address (Omitted)

C. Reported Items:

- 1. 2013 business operations (Omitted)
- 2. 2013 financial statements (See Attachment I)
- 3. Supervisor's review report of 2013 business operations and financial statements (Omitted)
- 4. Information of the corporate bonds issued in 2013 (Omitted)
- 5. The measurement subsequent to initial recognition of investment properties was altered to fair value model (Omitted)

D. Approval items

1. To accept 2013 business report and financial statements

The Board of Directors proposes and recommends that each shareholder vote FOR the acceptance of 2013 business report and financial statements.

Explanatory Notes:

- i. FENC's 2013 business report and financial statements (including consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and balance sheets, statements of comprehensive income, statements of changes in equity, statements of cash flows) have been audited by independent auditors, Mr. Cho Ming Hsing and Mr. Huang Shu-Chieh of Deloitte & Touche, and have been examined by and determined to be correct and accurate by Supervisors of FENC. We thereby submit this report.
- ii. Please accept the aforesaid business report and financial statements.

Voting Results: 4,395,320,858 shares were represented at the time of voting (including e-voting); 3,560,359,703 shares voted for the proposal, representing 81.00% of the total represented shares, 18,572 shares voted against the proposal, while 834,942,583 shares voted abstained the proposal.

RESOLVED, that the 2013 business report and financial statements be and hereby were accepted as submitted.

2. To approve the proposal for distribution of 2013 profits

The Board of Directors proposes and recommends that each shareholder vote FOR the distribution of 2013 profits.

Explanatory Notes:

- i. Cash dividends to common shareholders: Totaling NT\$6,688,521,525. Each common shareholder will be entitled to receive a cash dividend of NT\$1.3 per share.
- ii. Stock dividends from capital surplus to common shareholders: Totaling NT\$1,029,003,320. Each common shareholder will be entitled to receive a stock dividend of 20 common shares for each 1,000 common shares held by such shareholder.
- iii. After being approved at the Annual General Shareholders' Meeting, the cash and stock dividends to common shareholders will be distributed on a record date to be determined by the Board of Directors.
- iv. Should FENC subsequently repurchase its common shares or issue new common shares according to Article 28-2 of the ROC Securities and Exchange Law and other relevant regulations, the total number of common shares outstanding may change, and the ultimate cash and stock to be distributed to each common share may need to be adjusted accordingly. It is proposed that the Board of Directors of FENC be authorized to adjust the cash and stock to be distributed to each common share based on the total amount of profits resolved to be distributed, the amount of capital surplus resolved to be capitalized, and the number of actual common shares outstanding on the record date for distribution.
- v. The 2013 profit allocation proposal is attached as Attachment II.
- vi. Please approve the aforesaid proposal for the distribution of 2013 profits.

Voting Results: 4,395,320,858 shares were represented at the time of voting (including e-voting); 3,565,187,802 shares voted for the proposal, representing 81.11% of the total represented shares, 35,711 shares voted against the proposal, while 830,097,345 shares voted abstained the proposal.

RESOLVED, the proposal for distribution of 2013 profits be and hereby was accepted as proposed.

E. Discussion Items

1. To approve the revisions to the "Articles of Incorporation of Far Eastern New Century Corporation"

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments of the Articles of Incorporation.

Explanatory Notes:

- i. It is proposed that Article 16 and Article 29 be amended, Article 16-1 and 23-1 be added of the "Articles of Incorporation of Far Eastern New Century Corporation".
- ii. The overview table for the "Articles of Incorporation of Far Eastern New Century Corporation" Before and After amendments is attached as Attachment III.
- iii. Please approve the proposal for the amendments of the "Articles of Incorporation of Far Eastern New Century Corporation".

Voting Results: 4,395,320,858 shares were represented at the time of voting (including e-voting); 3,482,417,822 shares voted for the proposal, representing 79.23% of the total represented shares, 30,323 shares voted against the proposal, while 912,872,713 shares voted abstained the proposal.

RESOLVED, the proposal for the revisions of the "Articles of Incorporation of Far Eastern New Century Corporation" be and hereby was accepted as proposed.

2. To approve the issuance of 2013 stock dividends from capital surplus

The Board of Directors proposes and recommends that each shareholder vote FOR the issuance of 2013 stock dividends from capital surplus.

Explanatory Notes:

- i. For the purpose of improving the financial and capital structure, it is proposed that FENC's paid-in capital be increased by capitalizing the stock dividends from capital surplus to common shareholders of NT\$1,029,003,320. A total number of 102,900,332 common shares, at par value of NT\$10 each share, shall be issued for such capital increase. Each common shareholder will be entitled to receive a stock dividend of 20 common shares for each 1,000 common shares held by such shareholder.
- ii. After being approved at the Annual General Shareholders' Meeting and accepted by the regulatory authority in charge, the new shares will be distributed on a record date to be determined by the Board of Directors.
- iii. Should FENC subsequently repurchase its common shares or issue new common shares according to Article 28-2 of the ROC Securities and Exchange Law and other relevant regulations, the total number of common shares outstanding may change, and the ultimate numbers of stock to be distributed to each common share may need to be adjusted accordingly. It is proposed that the Board of Directors of FENC be authorized to adjust the numbers of stock to be distributed to each common share based on the total amount of profits resolved to be distributed, the amount of capital surplus resolved to be capitalized, and the number of actual common shares outstanding on the record date for distribution.
- iv. In accordance with Article 240 of the Company Act, if the stock dividends include any fractional shares which are less than one full share, the distribution will be made in the form of cash rounded to the nearest dollar amount calculated at par value. Such fractional shares will be purchased by the Employee Stock Ownership Trust (ESOT) of FENC.
- v. The shareholders' rights and obligations of the new shares are the same as those of the existing shares.

- vi. The present total authorized capital of FENC is NT\$60,000,000,000, divided into 6,000,000,000 shares of NT\$10 each. Until the end of 2013, the total paid-in capital amounted to NT\$51,450,165,570, divided into 5,145,016,557 shares of NT\$10 each. The un-issued capital was NT\$8,549,834,430, divided into 854,983,443 shares of NT\$10 each.
- vii. After the capitalization of 2013 stock dividends from capital surplus, the total number of issued common shares will be 5,247,916,889 shares, at par value of NT\$10 each share. The paid-in capital will amount to NT\$52,479,168,890.
- viii. Please approve the proposal for the issuance of 2013 stock dividends from capital surplus.

Voting Results: 4,395,320,858 shares were represented at the time of voting (including e-voting); 3,565,176,594 shares voted for the proposal, representing 81.11% of the total represented shares, 54,159 shares voted against the proposal, while 830,090,105 shares voted abstained the proposal.

RESOLVED, the proposal for the issuance of 2013 stock dividends from capital surplus be and hereby was accepted as proposed.

3. To approve amending the company bylaw of "Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation"

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments of the company bylaw.

Explanatory Notes:

- i. Pursuant to the letter issued by Financial Supervisory Commission (Letter No. FSC 1020053073), it is proposed that Article 2, Article 3, Article 5, Article 6, Article 7, Article 8, Article 9, Article 10, and Article 12 of the company bylaw of "Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation" be amended.
- ii. The overview table of "Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation" Before and After amendments is attached as Attachment IV.
- iii. Please approve the proposal for amendments of the aforesaid bylaw.

Voting Results: 4,395,320,858 shares were represented at the time of voting (including e-voting); 3,482,396,735 shares voted for the proposal, representing 79.23% of the total represented shares, 45,744 shares voted against the proposal, while 912,878,379 shares voted abstained the proposal.

RESOLVED, the proposal for amending the company bylaw of "Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation" be and hereby was accepted as proposed.

F. Extemporary motion: None

Shareholder (Number: 0314803) proposes that the Company establish a mergers & acquisitions team to collaborate with Hon Hai Precision Industry Company Ltd. for the acquisition (merger) of other large telecom companies.

G. Meeting adjourned

The English version is the translation of the Chinese version and if there is any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.

Attachment I

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, Amount	2013	December 31, Amount	2012	January 1, 2 Amount	2012
CURRENT ASSETS		, •	12	, 0	121110 41110	,•
Cash and cash equivalents	\$ 26,645,574	7	\$ 30,645,166	9	\$ 19,305,661	6
Financial assets at fair value through profit or loss - current Available-for-sale financial assets - current	1,191,688 989,348	-	1,058,519 2,272,149	- 1	954,871 3,496,456	1
Held-to-maturity financial assets - current	99,962	-	100,000	-	· · · · · =	-
Derivative financial assets for hedging - current Financial assets carried at cost - current	4,442 42,587	-	21,962	-	1,500	-
Bond investments with no active market	2,606,689	1	3,145,035	1	9,025,221	3
Notes and accounts receivable, net Notes and accounts receivable from related parties	26,884,947 856,754	7	27,892,166 731,426	8	32,168,924 684,104	10
Amounts due from customers for construction contracts	1,473,786	-	1,551,686	1	1,572,245	1
Other receivables Other receivables from related parties	1,641,758 1,258,834	1	1,837,097 1,283,844	1	966,369 1,084,665	-
Current tax assets	48,216	-	114,392	-	99,293	-
Inventories	24,184,972	6	21,617,120	6	23,946,055	7
Prepayments Other financial assets - current	3,799,470 3,946,576	1 1	2,817,079 2,874,067	1 1	3,338,837 3,187,326	1
Guarantee deposits - current	52,292	-	48,207	-	65,174	-
Other current assets	1,934,219	1	1,269,243		1,601,868	1
Total current assets	97,662,114	25	99,279,158	29	101,498,569	31
NONCURRENT ASSETS Available-for-sale financial assets - non-current	5,257,220	2	4,489,491	1	4,032,047	1
Held-to-maturity financial assets - non-current	-	-	99,871	-	199,768	-
Financial assets carried at cost - non-current Bond investment with no active market - non-current	926,908	-	1,130,424 256,508	-	1,038,213 261,384	-
Investments accounted for using the equity method	47,683,367	12	46,677,090	14	44,512,553	13
Property, plant and equipment Investment properties, net	129,620,260 35,307,315	34 9	116,637,790 36,155,930	34 11	116,968,528 35,365,567	35 11
Concession	37,734,135	10	5,090,449	1	5,608,938	2
Goodwill Other intangible assets	11,928,782 4,184,122	3	11,980,944 3,818,998	4 1	11,982,600 3,369,539	4
Deferred tax assets	2,812,572	1	1,834,329	1	1,402,473	-
Prepayment for equipment	944,727	-	2,881,210	1	1,585,957	1
Guarantee deposits Other financial assets - non-current	576,314 4,071,707	- 1	582,788 7,543,319	2	499,731 115,805	-
Long-term prepayments for lease	7,406,266	2	2,315,715	1	1,737,843	1
Other non-current assets	239,647	-	314,901		182,192	
Total noncurrent assets	288,693,342	<u>75</u>	241,809,757	71	228,863,138	69
TOTAL	<u>\$ 386,355,456</u>	<u>100</u>	<u>\$ 341,088,915</u>	<u>100</u>	<u>\$ 330,361,707</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES	ф. 20.052.040	7	¢ 25 907 202	0	¢ 27.005.204	0
Short-term borrowings Short-term bills payable	\$ 28,053,848 5,117,694	7 1	\$ 25,807,392 6,286,740	8 2	\$ 27,995,384 10,765,090	8 3
Financial liabilities at fair value through profit or loss - current	590	-	619	-	4,708	-
Derivative financial liabilities for hedging - current Notes and accounts payable	17,452,151	5	19,253,330	- 6	2,667 21,823,881	- 7
Notes and accounts payable to related parties	261,571	-	292,283	-	432,078	-
Amounts due to customers for construction contracts Payables to suppliers of machinery and equipment	412,498 3,133,810	- 1	160,779 4,012,183	- 1	504,941 2,210,448	- 1
Other payable	12,595,337	3	11,243,873	3	9,687,831	3
Other payable to related parties Current tax liabilities	75,977 3,115,500	- 1	43,119 2,688,208	- 1	27,971 1,700,572	-
Provisions - current	193,328	-	160,425	-	171,474	-
Guarantee deposits received - current	334,939	-	401,798	-	504,806	- 1
Receipts in advance Unearned revenue	1,199,481 2,667,808	1	1,107,451 2,643,111	1	2,153,720 2,895,090	1
Current portion of long-term liabilities	8,845,696	2	3,991,578	1	2,525,144	1
Other current liabilities	2,317,709	1	1,807,603	1	2,432,120	1
Total current liabilities NONCURRENT LIABILITIES	<u>85,777,937</u>	22	79,900,492	24	85,837,925	26
Derivative financial liabilities for hedging - non-current	421,280	-	287,522	-	-	-
Bonds payable	65,638,787 43,622,704	17 12	41,726,021 32,232,012	12 10	28,327,158 33,124,195	9 10
Long-term borrowings Provisions - non-current	705,863	-	654,791	-	509,799	-
Deferred tax liabilities	10,454,464	3	10,267,307	3	10,305,320	3
Accrued pension liabilities Guarantee deposits received - non-current	2,781,776 645,013	1	3,392,655 739,923	1	3,000,773 630,861	1
Deferred credit-gains on inter-related parties accounts	150,185	-	150,738	-	151,296	-
Other non-current liabilities	476,788		509,628		604,723	
Total noncurrent liabilities	124,896,860	33	89,960,597	26	76,654,125	23
Total liabilities	210,674,797	55	169,861,089	50	162,492,050	49
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY Capital stock	51.450.165	12	50 441 229	15	49 072 172	15
Common stock Capital surplus	51,450,165 4,681,042	<u>13</u> <u>1</u>	50,441,338 4,744,045	<u>15</u> 1	48,972,173 940,486	15
Retained earnings						
Legal reserve Special reserve	12,687,509 25,448,036	3 7	11,820,720 25,471,594	3 8	10,710,699 25,472,605	3 8
Unappropriated earnings	13,955,940	4	15,100,772	4	21,637,279	7
Total retained earnings Other equity	<u>52,091,485</u> 4,634,101	<u>14</u>	<u>52,393,086</u> 2,430,425	<u>15</u>	<u>57,820,583</u> 3,495,446	<u> 18</u>
Treasury stocks	(25,063)		(25,063)	1	(25,063)	1
Total equity attributable to owners of the company	112,831,730	29	109,983,831	32	111,203,625	34
NON-CONTROLLING INTERESTS	62,848,929	16	61,243,995	18	56,666,032	17
Total equity	175,680,659	<u>45</u>	171,227,826	50	167,869,657	51
TOTAL	<u>\$ 386,355,456</u>	<u>100</u>	\$ 341,088,915	<u>100</u>	\$ 330,361,707	100
						

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Year Ended December 31				
	2013		2012		
	Amount	%	Amount	%	
OPERATING REVENUES					
Net sales	\$ 155,953,627	65	\$ 156,365,608	66	
Telecommunications service income	68,147,021	29	67,674,377	29	
Gain on disposal of investments, net	530,650	_	103,530	_	
Construction income	6,046,806	3	5,209,748	2	
Other operating revenue	8,162,553	3	7,439,084	3	
Total operating revenues	238,840,657	100	236,792,347	100	
OPERATING COSTS					
Cost of sales	155,962,513	65	154,617,223	65	
Cost of telecommunications services	27,151,232	11	29,231,099	12	
Construction cost	5,745,691	2	4,475,708	2	
Other operating cost	3,497,304	2	4,175,212	2	
Total operating costs	192,356,740	_80	192,499,242	81	
GROSS PROFIT	46,483,917		44,293,105	<u>19</u>	
REALIZED CONSTRUCTION INCOME	555	_	556	_	
OPERATING EXPENSES					
Selling and marketing	22,052,202	9	22,262,649	10	
General and administrative	10,448,419	5	9,114,037	4	
Research and development	675,902		700,375		
Total operating expenses	33,176,523	14	32,077,061	14	
OPERATING INCOME	13,307,949	6	12,216,600	5	
NONOPERATING INCOME AND EXPENSES					
Share of the profit of associates	4,197,698	2	3,057,869	1	
Interest income	448,607	-	450,906	-	
Other income - other	1,184,876	1	937,482	-	
Exchange gain, net	310,965	-	-	-	
Gain on financial assets (liabilities) at fair value	,				
through profit or loss, net	402,456	_	171,068	_	
Interest expense	(1,432,622)	(1)	(1,414,201)	-	
Other expense	(338,228)	-	(407,442)	-	
Loss on disposal of property, plant and equipment,	, , ,		. , ,		
net	(1,356,800)	(1)	(1,105,548)	-	
		. ,		ntinued)	

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Year Ended December 31					
	2013		2012			
	Amount	%	Amount	%		
(Loss) gain on disposal of investment properties, net	(518)	_	1,075	_		
Loss on disposal of intangible properties, net	(1,912)	-	(604)	-		
Exchange loss, net	-	-	(276,387)	-		
Impairment loss on assets	(214,451)		(202,860)			
Total nonoperating income and expenses	3,200,071	1	1,211,358	1		
INCOME BEFORE INCOME TAX	16,508,020	7	13,427,958	6		
INCOME TAX EXPENSE	(2,223,481)	<u>(1</u>)	(2,226,494)	(1)		
NET INCOME	14,284,539	6	11,201,464	5		
OTHER COMPREHENSIVE INCOME						
Exchange differences on translating foreign						
operations	2,474,593	1	(1,987,566)	(1)		
Unrealized gain on available-for-sale financial assets	515,409	-	167,070	-		
Loss from cash flow hedges	(132,503)	-	(200,397)	-		
Actuarial gain (loss) arising from defined benefit			/			
plans	128,401	-	(618,813)	-		
Share of the other comprehensive (loss) income of	(644.214)		029 020			
associates and joint venture	(644,214)	-	938,029	-		
Income tax (loss) gain relating to components of other comprehensive income	(20,574)		101,679			
other comprehensive income	(20,374)	_	101,079			
Total other comprehensive income (loss)	2,321,112	1	(1,599,998)	(1)		
TOTAL COMPREHENSIVE INCOME	<u>\$ 16,605,651</u>	7	\$ 9,601,466	4		
NET INCOME ATTRIBUTABLE TO:	- 20- 004		4.04.			
Owner of the Company	7,207,081	3	4,917,568	2		
Non-controlling interests	7,077,458	3	6,283,896	3		
	<u>\$ 14,284,539</u>	<u>6</u>	<u>\$ 11,201,464</u>	5		
TOTAL COMPREHENSIVE INCOME						
ATTRIBUTABLE TO:						
Owner of the Company	9,540,356	4	3,344,419	1		
Non-controlling interests	7,065,295	3	6,257,047	3		

(Continued)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Year Ended December 31						
	2013	2012					
	Amount	%	Amount	%			
	<u>\$ 16,605,651</u>	7	<u>\$ 9,601,466</u>	4			
EARNINGS PER SHARE (NEW TAIWAN							
DOLLARS)							
Basic	<u>\$ 1.50</u>		<u>\$ 1.02</u>				
Diluted	\$ 1.49		\$ 1.02				

(Concluded)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars, Except dividend per share)

	Equity Attributable to Owners of the Company											
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Other Equity Unrealized Gain (Loss) on Available-for- sale Financial Assets	Cash Flow Hedges	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2012	\$ 48,972,173	\$ 940,486	\$ 10,710,699	\$ 25,472,605	\$ 21,637,279	\$ -	\$ 3,500,409	\$ (4,963)	\$ (25,063)	\$111,203,625	\$ 56,666,032	\$ 167,869,657
Appropriation of the 2011 earnings Legal reserve Cash dividends - NT\$1.7 per share Stock dividends - NT\$0.3 per share Cash dividends distributed by subsidiaries	- - 1,469,165 -	- - - -	1,110,021 - - -	- - - -	(1,110,021) (8,325,270) (1,469,165)	- - - -	- - - -	- - - -	- - - -	(8,325,270) - -	- - (6,547,666)	(8,325,270) - (6,547,666)
Net income for the year ended December 31, 2012	-	-	-	-	4,917,568	-	-	-	-	4,917,568	6,283,896	11,201,464
Other comprehensive income (loss) for the year ended December 31, 2012	_		_		(508,128)	(2,534,967)	1,538,270	(68,324)	=	(1,573,149)	(26,849)	(1,599,998)
Total comprehensive income (loss) for the year ended December 31, 2012	-	_		_	4,409,440	(2,534,967)	1,538,270	(68,324)	_	3,344,419	6,257,047	9,601,466
Change in equity in associates	-	-	-	(17)	(10,087)	-	-	-	-	(10,104)	-	(10,104)
Partial acquisition (disposal) of interests in subsidiaries	-	3,802,347	-	(163)	(32,235)	-	-	-	-	3,769,949	3,167,668	6,937,617
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	1,700,914	1,700,914
Change in capital surplus from dividends distributed to subsidiaries	-	1,212	-	-	-	-	-	-	-	1,212	-	1,212
Reversal of special reserve				(831)	831				_			
BALANCE AT DECEMBER 31, 2012	50,441,338	4,744,045	11,820,720	25,471,594	15,100,772	(2,534,967)	5,038,679	(73,287)	(25,063)	109,983,831	61,243,995	171,227,826
Appropriation of the 2012 earnings Legal reserve Cash dividends - NT\$1.3 per share Stock dividends - NT\$0.2 per share Cash dividends distributed by subsidiaries	- - 1,008,827 -	- - - -	866,789 - - -	- - - -	(866,789) (6,557,374) (1,008,827)	- - - -	- - -	- - - -	- - -	(6,557,374) - -	- - - (7,716,375)	(6,557,374) - (7,716,375)
Net income for the year ended December 31, 2013	-	-	-	-	7,207,081	-	-	-	-	7,207,081	7,077,458	14,284,539
Other comprehensive income (loss) for the year ended December 31, 2013					129,599	2,814,699	(565,947)	(45,076)	-	2,333,275	(12,163)	2,321,112
Total comprehensive income (loss) for the year ended December 31, 2013	-		<u> </u>		7,336,680	2,814,699	(565,947)	(45,076)	<u> </u>	9,540,356	7,065,295	16,605,651
Change in equity in associates	-	-	-	-	(67,027)	-	-	-	-	(67,027)	-	(67,027)
Disposal of investment in associates	-	404	-	(9,952)	8,532	-	-	-	-	(1,016)	(28)	(1,044)
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	2,186,778	2,186,778
Change in capital surplus from dividends distributed to subsidiaries	-	955	-	-	-	-	-	-	-	955	-	955
Partial acquisition (disposal) of interests in subsidiaries	-	(64,362)	-	-	(3,633)	-	-	-	-	(67,995)	69,264	1,269
Reversal of special reserve	<u>=</u>		_	(13,606)	13,606		_		_	=	_	_
BALANCE AT DECEMBER 31, 2013	<u>\$ 51,450,165</u>	\$ 4,681,042	<u>\$ 12,687,509</u>	<u>\$ 25,448,036</u>	<u>\$ 13,955,940</u>	<u>\$ 279,732</u>	<u>\$ 4,472,732</u>	<u>\$ (118,363)</u>	<u>\$ (25,063)</u>	<u>\$112,831,730</u>	<u>\$ 62,848,929</u>	<u>\$ 175,680,659</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Year End	led December 31
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 16,508,020	\$ 13,427,958
Adjustments for:	Ψ 10,500,020	Ψ 13,421,730
Depreciation	14,241,311	14,958,320
Amortization	2,440,269	2,049,305
Allowance for doubtful accounts	182,216	270,219
Interest expenses	1,432,622	1,414,201
Interest income	(448,607)	(450,906)
Dividend revenue	(219,921)	(207,151)
Loss on disposal of property, plant and equipment, net	1,356,800	1,105,548
Loss (gain) on disposal of investment properties, net	518	(1,075)
Loss on disposal of intangible assets, net	1,912	604
Share of the profit of associates	(4,197,698)	(3,057,869)
Gain on disposal of investments, net	(538,642)	(109,143)
Impairment loss on assets	214,451	202,860
Realized construction income	(555)	(556)
Net (gain) loss on unrealized foreign currency exchange	(87,999)	4,876
Deferred loss on derivative assets for hedging	18,802	63,995
Net changes in operating assets and liabilities	10,002	03,773
Financial assets at fair value through profit or loss	(133,169)	(103,648)
Notes and accounts receivable	820,686	4,006,539
Notes and accounts receivable from related parties	(125,328)	(47,322)
Amounts due from customers for construction contracts	77,900	20,559
Other receivables	624,521	(874,428)
Other receivables from related parties	(31,630)	(35,425)
Inventories	(2,567,852)	2,327,854
Prepayments	(974,120)	(194,987)
Other current assets	(664,976)	418,308
Financial liabilities at fair value through profit or loss	(29)	(4,089)
Notes and accounts payable	(1,801,179)	(2,570,551)
Notes and accounts payable to related parties	(30,712)	(139,795)
Amounts due to customers for construction contracts	251,719	(344,162)
Other payables	1,274,408	1,523,968
Other payables to related parties	32,858	15,148
Provisions	83,975	133,943
Receipts in advance	92,030	(1,046,269)
Other current liabilities	510,106	(624,517)
Accrued pension liabilities	(498,747)	(133,081)
Unearned revenue	24,697	(251,979)
Cash generated from operations	27,868,657	31,747,252
Interest received	461,392	453,958
Dividend received	2,368,646	3,199,261
Interest paid	(1,398,487)	(1,324,756)
Income tax paid	(2,525,131)	(1,715,997)
•		(Continued)
		•

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Year End	ed December 31
	2013	2012
Net cash generated from operating activities	26,775,077	32,359,718
The task generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	(893,414)	(254,280)
Proceeds of the disposal of available-for-sale financial assets	2,501,734	1,204,552
Decrease in bond investments with no active market	805,353	5,880,186
Proceeds of redemption of held-to-maturity financial assets at maturity	100,000	-
Acquisition of financial assets carried at cost	(100,012)	(126,000)
Proceeds of the disposal of financial assets carried at cost	117,256	980
Proceeds from capital reduction of financial assets carried at cost	33,693	-
Acquisition of investments accounted for using equity-method	(568,919)	(1,577,163)
Proceeds of the disposal of investments accounted for using		
equity-method	854,693	-
Net cash outflow on acquisition of subsidiaries	(42,758)	-
Acquisition of property, plant, equipment and prepayment for		
equipments	(24,988,218)	(17,536,874)
Proceeds of the disposal of property, plant and equipment	106,151	236,663
Decrease (increase) in guarantee deposits	2,389	(72,430)
Decrease (increase) in other receivable from related parties	56,640	(163,754)
Acquisition of intangible assets	(1,532,655)	(1,391,874)
Proceeds of the disposal of intangible assets	-	38
Proceeds of disposal of investment properties	-	21,045
Acquisition of investment properties	(1,550)	(305,361)
Increase in prepayments for lease	(4,993,200)	-
Increase in concession	(33,756,959)	(501,599)
Decrease (increase) in other financial assets	2,399,103	(7,114,255)
Decrease (increase) in other non-current assets	60,240	(143,563)
Net cash used in investing activities	(59,840,433)	(21,843,689)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	2,246,456	(2,187,992)
Decrease in short-term bills payables	(1,169,000)	(4,479,000)
Proceeds of the issue of bonds	32,776,500	16,400,000
Repayments of bonds payable	(2,980,000)	(1,899,000)
Proceeds of long-term borrowings	151,627,266	124,426,002
Repayment of long-term borrowings	(141,160,125)	(124,918,277)
(Decrease) increase in guarantee deposits received	(161,769)	6,054
Decrease in other non-current liabilities	(32,840)	(95,095)
Dividends paid	(14,264,363)	(14,929,534)
Increase in non-controlling interest	2,188,047	8,633,494
mercase in non-condoming interest	<u></u>	<u> </u>
Net cash generated from financing activities	29,070,172	956,652
6		(Continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Year End	ded December 31
	2013	2012
EFFECTS OF EXCHANGE RATE CHANGES	(4,408)	(133,176)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(3,999,592)	11,339,505
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	30,645,166	19,305,661
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 26,645,574	\$ 30,645,166

(Concluded)

BALANCE SHEETS (In Thousands of New Taiwan Dollars, Except Par Value)

California Cal		December 31, 2013		December 31,	2012	January 1, 2012		
Part	ASSETS							
Part	CURRENT ASSETS							
Bool servements with an active number - current 155497		\$ 9,542,173	5	\$ 4,381,262	2	\$ 2,444,308	2	
Mones and accounts receivable net	Financial assets at fair value through profit or loss - current		-	25,345	-	48,308	-	
Mone and accounts sective their ror taked purises 1,560,411 1 709,756 1 1,711,411 1,700,756 1 1,711,411 1,700,756 1 1,711,411 1,700,756 1 1,711,411 1,711,411 1,711,411,411 1,711,411,411 1,711,411,411 1,711,411,411 1,711,411,411,411 1,711,411,411,411,411,411,411,411,411,41				-	-	-	-	
Characterisable form relained parties			4				6	
Curron tra series 4.401,85 2 58,16 2 22,79 2 1 1 1 1 1 1 1 1 1			1 -		1 -	•	-	
Care tax assets			2		_		-	
Personal P	1	2,314	-	45,593	-	27,722	-	
Total current assets			3		3		4	
Total current asserts					-		-	
Non-CIRRENT ASSITED A 2000-100-100-100-100-100-100-100-100-100	Other current assets						-	
Patallah Series and Francial asserts - non-current	Total current assets	30,633,722	<u>15</u>	21,334,414	<u>11</u>	21,770,291	<u>12</u>	
Prince 1								
Property plant and equipment 1970/98/69 73 14289489 77 12839049 77 77 77 77 77 77 77		902,112	1			,	1	
Property plant and equipment, left 12,1969,288 11 1982,782 11 18,187,533 10 10 10 10 10 10 10		- 147 078 649	73				- 77	
Separational properties, net 15,297 10,033 1 21,097 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006 1,006	~ · ·							
Perform for assess 2010.62 344,910 241,525 5.								
Pepsyments for equipment 327,575 280,135 505,097 1			-		-		-	
Camerantec deposits G2,792 G7,515 5,5157 G7,515 G7,515							-	
Mathematical assets non-current Mathematical assets Mathemat						,	-	
Total non-current assets 171,591,820 180,048 112,579 Total non-current assets 171,591,820 85 165,423,718 80 159,801,520 88 TOTAL 202,225,542 100 \$186,758,122 100 \$181,571,811 Total non-current assets 171,591,820 100 \$186,758,122 100 \$181,571,811 TOTAL TOTAL TOTAL TOTAL 171,591,500 181,571,811 TOTAL TOTAL TOTAL TOTAL 171,591,500 181,571,811 TOTAL TOTAL TOTAL 171,500 181,571,811 TOTAL TOTAL TOTAL 171,500 181,571,511 TOTAL TOTAL TOTAL 171,500 181,571,511 181,571,511 TOTAL TOTAL TOTAL 171,500 181,571,511 181,571,511 181,571,511 181,571,511 TOTAL TOTAL TOTAL TOTAL 171,571 181,571,511 181,571,511 181,571,511 181,571,511 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571 181,571,571					-		-	
Total non-current assers					-		-	
Contract Contract	Total non-current assets		85		89		88	
CURRENT LIABILITIES								
CURRENT LIABILITIES	TOTAL	<u>\$ 202,223,342</u>	<u>100</u>	<u>\$ 180,738,122</u>	<u>100</u>	<u>\$ 161,5/1,611</u>	<u>100</u>	
Short-term borrowings \$6,20,388 3 \$6,116,442 3 \$5,472,199 3	LIABILITIES AND EQUITY							
Short-term borrowings \$6,20,388 3 \$6,116,442 3 \$5,472,199 3	CUDDENT LIABILITIES							
Financial liabilities at fair value through profit or loss - current 272 3,470,075 2 3,470,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,075 2 3,070,0		\$ 6.260.388	3	\$ 6116442	3	\$ 5.472.199	3	
Notes and accounts payable 4,145,447 2 3,449,797 2 3,970,075 2 Notes and accounts payable to related parties 948,157 - 933,977 1 1,108,388 1 Payables to suppliers of machinery and equipment 1,173 - 750 - 5,143 - Other payable 3,644,611 2 3,783,002 2 3,304,885 - Provisions - current 12,171 - 2,581 - 44,795 - Receipt in advance 3238,753 37,4931 - 364,251 - Current portion of long-term liabilities 7,246,540 4 2,380,000 1 1,787,851 1 Other current liabilities 33,497,006 17 32,343,579 8 2,883,72 - NON-CURRENT LIABILITIES 34,790,061 17 32,343,579 18 21,344,014 12 Bonds payable 34,790,061 17 32,343,579 18 21,344,014 12 Log, serm borrowings 27							-	
Payables to suppliers of machinery and equipment 1,173 7,90 5,143 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,245 7,	Notes and accounts payable	4,145,447	2	3,449,797	2		2	
Second S			-		1		1	
Provisions - current 12.171 - 2.581 - 44.795 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705 - 16.705					-		-	
Receipt in advance							2	
Current portion of long-term liabilities 7,246,540 4 2,380,000 1 1,878,631 1 Other current liabilities 754,607 - 677,080 - 688,837 - Total current liabilities 23,342,137 11 17,719,219 9 16,933,215 9 NON-CURRENT LIABILITIES 8 34,790,061 17 32,343,579 18 21,344,014 12 12 12,052,466 12 28,450,000 16 16 16 16 16 16 16 16 16 16 17,774,25 1 1,741,042 1 2,015,496 1 2,143,414 1 2,000,684 1 2,015,496 1 2,143,414 1 2,000,684 1 2,015,496 1 2,143,414 1 2,000,684 1 2,017,774,259 1 1,141,042 1 3 3 2,000,684 1 2,017,774,275 1 1,441,042 1 3 3 3 2,055,057 3 53,434,971 <					-		-	
Total current liabilities 23,342,137 11 17,719,219 9 16,933,215 9			4		1		1	
NON-CURRENT LIABILITIES Sonds payable 34,790,061 17 32,343,579 18 21,344,014 12 12 12 14 14 12 12	Other current liabilities	754,607		677,080		688,837		
Bonds payable 34,790,061 17 32,343,579 18 21,344,014 12 Long-term borwings 27,961,684 14 22,869,463 12 28,450,000 16 Deferred tax liabilities 2,000,684 1 2,015,496 1 2,143,414 1 Accrued pension liabilities 1,245,392 1 1,777,425 1 1,441,042 1 Guarantee deposit received 3,059 - 2,259 - 65,586 - Deferred credit - gain on inter-related parties account 50,795 - 55,886 - - Total non-current liabilities 66,051,675 33 59,055,072 32 53,434,971 30 Total liabilities 89,393,812 44 76,774,291 41 70,368,186 39 EQUITY Capital supplus 4,681,042 2 5,441,338 27 48,972,173 27 Capital surplus 4,681,042 2 4,744,045 3 940,486 - <tr< td=""><td>Total current liabilities</td><td>23,342,137</td><td><u>11</u></td><td>17,719,219</td><td>9</td><td>16,933,215</td><td>9</td></tr<>	Total current liabilities	23,342,137	<u>11</u>	17,719,219	9	16,933,215	9	
Bonds payable 34,790,061 17 32,343,579 18 21,344,014 12 Long-term borwings 27,961,684 14 22,860,463 12 28,450,000 16 Deferred tax liabilities 2,000,684 1 2,015,496 1 2,143,414 1 Accrued pension liabilities 1,245,392 1 1,777,425 1 1,441,042 1 Guarantee deposit received 3,059 - 2,259 - 65,586 - Deferred credit - gain on inter-related parties account 50,795 - 55,886 - - Total non-current liabilities 66,051,675 33 59,055,072 32 53,434,971 30 Total liabilities 89,393,812 44 76,774,291 41 70,368,186 39 EQUITY Capital supplus 4,681,042 2 5,441,338 27 48,972,173 27 Capital surplus 4,681,042 2 4,744,045 3 940,486 - <tr< td=""><td>NON-CURRENT LIABILITIES</td><td></td><td></td><td></td><td></td><td></td><td></td></tr<>	NON-CURRENT LIABILITIES							
Long-term borrowings 27,961,684 14 22,860,463 12 28,450,000 16 Deferred tax liabilities 2,000,684 1 2,105,496 1 2,143,041 1 Accrued pension liabilities 1,2445,392 1 1,777,425 1 1,441,042 1 Guarantee deposit received 3,059 - 2,259 - 615 - 615 Deferred credit - gain on inter-related parties account 50,795 - 55,850 - 55,886 -		34,790,061	17	32,343,579	18	21,344,014	12	
Accrued pension liabilities 1,245,392 1 1,777,425 1 1,441,042 1 Guarantee deposit received 3,059 - 2,259 - 615 - Deferred credit - gain on inter-related parties account 50,795 - 55,850 - 55,886 - Total non-current liabilities 66,051,675 33 59,055,072 32 53,434,971 30 Total liabilities 89,393,812 44 76,774,291 41 70,368,186 39 EQUITY Capital stocks 51,450,165 26 50,441,338 27 48,972,173 27 Capital surplus 4,681,042 2 4,744,045 3 940,486 - Retained earnings 12,687,509 6 11,820,720 6 10,710,699 6 Special reserve 25,448,036 13 25,471,594 14 25,472,605 14 Unappropriated earnings 13,955,940 7 15,100,772 8 21,637,279 1	Long-term borrowings	27,961,684						
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Capital surplus 4,681,042 2 4,744,045 3 940,486 - Retained earnings 12,687,509 6 11,820,720 6 10,710,699 6 Special reserve 25,448,036 13 25,471,594 14 25,472,605 14 Unappropriated earnings 13,955,940 7 15,100,772 8 21,637,279 12 Total retained earnings 52,091,485 26 52,393,086 28 57,820,583 32 Other equity 4,634,101 2 2,430,425 1 3,495,446 2 Treasury shares (25,063) - (25,063) - (25,063) - (25,063) - Total equity 112,831,730 56 109,983,831 59 111,203,625 61	•	51,450,165	26	50,441,338	27	48,972,173	27	
Legal reserve 12,687,509 6 11,820,720 6 10,710,699 6 Special reserve 25,448,036 13 25,471,594 14 25,472,605 14 Unappropriated earnings 13,955,940 7 15,100,772 8 21,637,279 12 Total retained earnings 52,091,485 26 52,393,086 28 57,820,583 32 Other equity 4,634,101 2 2,430,425 1 3,495,446 2 Treasury shares (25,063) - (25,063) - (25,063) - Total equity 112,831,730 56 109,983,831 59 111,203,625 61			2		3			
Special reserve 25,448,036 13 25,471,594 14 25,472,605 14 Unappropriated earnings 13,955,940 7 15,100,772 8 21,637,279 12 Total retained earnings 52,091,485 26 52,393,086 28 57,820,583 32 Other equity 4,634,101 2 2,430,425 1 3,495,446 2 Treasury shares (25,063) - (25,063) - (25,063) - Total equity 112,831,730 56 109,983,831 59 111,203,625 61	Retained earnings							
Unappropriated earnings 13,955,940 7 15,100,772 8 21,637,279 12 Total retained earnings 52,091,485 26 52,393,086 28 57,820,583 32 Other equity 4,634,101 2 2,430,425 1 3,495,446 2 Treasury shares (25,063) - (25,063) - (25,063) - Total equity 112,831,730 56 109,983,831 59 111,203,625 61				, , , , , , , , , , , , , , , , , , ,				
Total retained earnings 52,091,485 26 52,393,086 28 57,820,583 32 Other equity 4,634,101 2 2,430,425 1 3,495,446 2 Treasury shares (25,063) - (25,063) - (25,063) - Total equity 112,831,730 56 109,983,831 59 111,203,625 61	•							
Other equity 4,634,101 2 2,430,425 1 3,495,446 2 Treasury shares (25,063) - (25,063) - (25,063) - Total equity 112,831,730 56 109,983,831 59 111,203,625 61							32	
Treasury shares (25,063) - (25,063) - (25,063) - Total equity 112,831,730 56 109,983,831 59 111,203,625 61					1			
								
TOTAL <u>\$ 202,225,542</u> <u>100</u> <u>\$ 186,758,122</u> <u>100</u> <u>\$ 181,571,811</u> <u>100</u>	Total equity	112,831,730	56	109,983,831	59	111,203,625	<u>61</u>	
	TOTAL	<u>\$ 202,225,542</u>	<u>100</u>	<u>\$ 186,758,122</u>	<u>100</u>	<u>\$ 181,571,811</u>	<u>100</u>	

STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Years Ended December 31					
	2013		2012			
	Amount	%	Amount	%		
OPERATING REVENUE						
Net sales	\$ 61,905,623	100	\$ 60,669,847	100		
Other operating revenue	13,459	-	12,648	-		
o mer operating to remut			12,0.0			
Total operating revenue	61,919,082	100	60,682,495	100		
OPERATING COSTS						
Cost of goods sold	57,691,879	93	55,713,636	92		
Other operating cost	12,609	-	10,312	_		
1 0						
Total operating costs	57,704,488	93	55,723,948	92		
GROSS PROFIT	4,214,594	7	4,958,547	8		
OPERATING EXPENSES	2.706.406	~	2.040.602	~		
Selling and marketing	2,786,486	5	3,049,602	5		
General and administrative	1,204,129	2	1,258,164	2		
Research and development	664,283	<u> </u>	622,731	1		
Total operating expenses	4,654,898	8	4,930,497	8		
PROFIT (LOSS) FROM OPERATIONS	(440,304)	(1)	28,050			
NON-OPERATING INCOME AND EXPENSES						
Share of profit of associates	8,012,097	13	6,014,527	10		
Interest income	82,448	-	8,828	-		
Rental income	21,954	-	11,820	-		
Dividend income	15,883	-	19,549	-		
Other income - other	580,288	1	232,823	-		
Gain on disposal of property plant and equipment	20,181	-	31,680	-		
Gain on disposal of investment	5,626	-	36	-		
Gain on financial assets (liabilities) at fair value						
through profit or loss, net	189,620	-	78,728	-		
Interest expense	(860,591)	(1)	(801,151)	(1)		
Other expense	(248,823)	(1)	(340,250)	(1)		
Exchange loss, net	(89,281)	-	(281,737)	-		
Impairment loss on assets	(8,546)		(164,960)			
Total non-operating income and expenses	7,720,856	12	4,809,893	8		
INCOME BEFORE INCOME TAX	7,280,552	11	4,837,943	8		

(Continued)

STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Years Ended December 31						
	2013		2012				
	Amount	%	Amount	%			
INCOME TAX (EXPENSE) BENEFIT	(73,471)		79,625	_			
NET INCOME	7,207,081	<u>11</u>	4,917,568	8			
OTHER COMPREHENSIVE INCOME Unrealized gain on available-for-sale financial assets Actuarial gain (loss) arising from defined benefit	97,628	-	66,179	-			
plans	60,778	_	(576,948)	(1)			
Share of other comprehensive income of associates	2,185,201	4	(1,160,461)	(2)			
Income tax (loss) gain relating to components of other comprehensive income	(10,332)		98,081	1			
Other comprehensive income, net of income tax	2,333,275	4	(1,573,149)	<u>(2</u>)			
TOTAL COMPREHENSIVE INCOME	\$ 9,540,356	<u>15</u>	\$ 3,344,419	<u>6</u>			
EARNINGS PER SHARE (NEW TAIWAN DOLLARS)							
Basic	<u>\$ 1.50</u>		<u>\$ 1.02</u>				
Diluted	<u>\$ 1.49</u>		<u>\$ 1.02</u>				

(Concluded)

STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars; Except Dividend Per Share)

						Other Equity				
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for- sale Financial Assets	Unrealized Loss on Cash Flow Hedge	Treasury Stocks	Total Equity
BALANCE AT JANUARY 1, 2012	\$ 48,972,173	\$ 940,486	\$ 10,710,699	\$ 25,472,605	\$ 21,637,279	\$ -	\$ 3,500,409	\$ (4,963)	\$ (25,063)	\$ 111,203,625
Appropriation of the 2011 earnings Legal reserve Cash dividends - NT\$1.7 per share Stock dividends - NT\$0.3 per share	- - 1,469,165	- - -	1,110,021	- - -	(1,110,021) (8,325,270) (1,469,165)	- - -	- - -	- - -	- - -	(8,325,270)
Net income for the year ended December 31, 2012	-	-	-	-	4,917,568	-	-	-	-	4,917,568
Other comprehensive income (loss) for the year ended December 31, 2012	_	<u>-</u>	_		(508,128)	(2,534,967)	1,538,270	(68,324)		(1,573,149)
Total comprehensive income (loss) for the year ended December 31, 2012	_	_	-	_	4,409,440	(2,534,967)	1,538,270	(68,324)	_	3,344,419
Change in equity in associates	-	3,679,776	-	(17)	(42,322)	-	-	-	-	3,637,437
Partial acquisition (disposal) of interests in subsidiaries	-	122,571	-	(163)	-	-	-	-	-	122,408
Change in capital surplus from dividends distributed to subsidiaries	-	1,212	-	-	-	-	-	-	-	1,212
Reversal of special reserve	_	_	_	(831)	<u>831</u>	_	_	<u>-</u> _	_	_
BALANCE, DECEMBER 31, 2012	50,441,338	4,744,045	11,820,720	25,471,594	15,100,772	(2,534,967)	5,038,679	(73,287)	(25,063)	109,983,831
Appropriation of the 2012 earnings Legal reserve Cash dividends - NT\$1.3 per share Stock dividends - NT\$0.2 per share	- - 1,008,827	- - -	866,789 - -	- - -	(866,789) (6,557,374) (1,008,827)	- - -	- - -	- - -	- - -	(6,557,374)
Net income for the year ended December 31, 2013	-	-	-	-	7,207,081	-	-	-	-	7,207,081
Other comprehensive income (loss) for the year ended December 31, 2013		_		-	129,599	2,814,699	(565,947)	<u>(45,076</u>)	_	2,333,275
Total comprehensive income (loss) for the year ended December 31, 2013	_			_	7,336,680	2,814,699	(565,947)	(45,076)	_	9,540,356
Change in equity in associates	-	(63,958)	-	(9,952)	(62,128)	-	-	-	-	(136,038)
Change in capital surplus from dividends distributed to subsidiaries	-	955	-	-	-	-	-	-	-	955
Reversal of special reserve		-		(13,606)	13,606	_		_	-	
BALANCE, DECEMBER 31, 2013	<u>\$ 51,450,165</u>	<u>\$ 4,681,042</u>	<u>\$ 12,687,509</u>	<u>\$ 25,448,036</u>	\$ 13,955,940	<u>\$ 279,732</u>	<u>\$ 4,472,732</u>	<u>\$ (118,363)</u>	<u>\$ (25,063)</u>	<u>\$ 112,831,730</u>

STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31			
		2013		2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	\$	7,280,552	\$	4,837,943
Adjustments for:	Ψ	7,200,332	Ψ	7,037,773
Depreciation		1,618,620		1,414,029
Amortization		9,223		8,910
Interest expenses		860,591		801,151
Interest income		(82,448)		(8,828)
Dividend income		(15,883)		(19,549)
Gain on disposal of property, plant and equipment		(20,181)		(31,680)
Share of the profit of associates		(8,012,097)		(6,014,527)
Gain on disposal of investment		(5,626)		(36)
Impairment loss on assets		8,546		164,960
Causality loss		, <u> </u>		9,350
Net changes in operating assets and liabilities				,
Financial assets at fair value through profit or loss		(21,171)		22,963
Notes and accounts receivable		927,150		1,363,280
Notes and accounts receivable from related parties		(270,645)		(319,626)
Other receivables		(10,040)		(23,240)
Other receivables from related parties		(97,288)		(55,275)
Inventories		(241,652)		1,233,594
Prepayments		(191,904)		(48,505)
Other current assets		(164,176)		215,929
Financial liabilities at fair value through profit or loss		(347)		(4,089)
Notes and accounts payable		695,650		(520,278)
Notes and accounts payable to related parties		14,198		(174,411)
Other payables		(178,426)		250,863
Receipts in advance		(46,178)		10,680
Other current liabilities		77,527		(11,757)
Accrued pension liabilities		(471,25 <u>5</u>)		(240,565)
Cash generated from operations		1,662,740		2,861,286
Interest received		15,445		8,828
Dividend received		9,900,829		7,380,414
Interest paid		(791,918)		(674,016)
Income tax paid	_	(1,488)	_	(25,092)
Net cash generated from operating activities	_	10,785,608		9,551,420
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in bond investments with no active market		(145,947)		-
Proceeds of the disposal of financial assets carried at cost		36,953		-
Proceeds of capital reduction from financial assets carried at cost		17,285		-
Acquisition of investments accounted for using equity-method		(4,066,530)		(3,547,717) (Continued)

STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2013	2012
Proceeds of the disposal of investments accounted for using		
equity-method	_	235,491
Proceeds of capital reduction from equity-method investment	_	616,092
Acquisition of property, plant, equipment and prepayment for		,
equipments	(3,688,496)	(3,058,937)
Proceeds of the disposal of property, plant and equipment	48,510	48,334
(Increase) decrease in guarantee deposits	4,723	(13,998)
Increase in other receivable from related parties	(3,899,000)	-
Acquisition of intangible assets	(5,283)	(7,277)
Decrease (increase) in other non-current assets	90,521	(85,070)
Net cash used in investing activities	(11,607,264)	(5,813,082)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	143,946	644,243
Proceeds of the issue of bonds	9,673,938	13,366,500
Repayments of bonds payable	(2,380,000)	(1,899,000)
Proceeds of long-term borrowings	132,077,235	112,528,296
Repayment of long-term borrowings	(126,976,014)	(118,117,833)
Increase in guarantee deposits received	800	1,644
Dividends paid	<u>(6,557,338</u>)	<u>(8,325,234)</u>
Net cash generated from (used in) financing activities	5,982,567	(1,801,384)
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,160,911	1,936,954
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	4,381,262	2,444,308
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 9,542,173</u>	\$ 4,381,262

(Concluded)

Attachment II

Far Eastern New Century Corporation Profit Allocation Proposal

Unit: NT\$

Net income of 2013	7,207,080,300
Less	
10% legal reserve	720,708,030
Adjustments due to changes in investees' equity in equity-method investments	62,128,554
Plus	
Adjustments due to changes in other comprehensive income	129,599,210
Adjustments due to changes in special reserve	13,606,983
Unappropriated retained earnings of previous years	3,039,893,118
Adjustments in retained earnings due to first-time adoption of IFRS	3,627,889,374
Earnings available for distribution as of 31 December 2013	13,235,232,401
Distribution items:	
Cash dividends to common shareholders (NT\$1.3 per share)	6,688,521,525
Stock dividends from capital surplus to common shareholders (NT\$0.2 per share at par value, i.e., 20 shares for each 1,000 shares owned)	1,029,003,320
Total distribution	7,717,524,845
Unappropriated earnings	6,546,710,876

Note:

Year 2013 profits are distributed according to the Article 26 and Article 27 of the Articles of Incorporation of Far Eastern New Century Corporation. Bonus of employees of NT\$287,678,345 and compensation for Directors and Supervisors of NT\$215,758,759 are booked as company expenses and excluded from the net income.

Attachment III

Amendments to "Articles of Incorporation of Far Eastern New Century Corporation"

Section	Current Articles	Proposed Changes	Reasons
Article 16	There shall be 10 to15 Directors and 3	There shall be 10 to15 Directors and 3	In order to
	Supervisors of the Company, who are elected and	Supervisors of the Company, who are elected and	establish the
	appointed from the persons with legal capacity at	appointed from the persons with legal capacity at	Company's
	the shareholders' meeting. The total shares	the shareholders' meeting. The total shares	Audit Committee
	number of the registered shares of the Company	number of the registered shares of the Company	in the future, the
	held by all of the Directors and Supervisors shall	held by all of the Directors and Supervisors shall	number of
	be determined according to the provisions of	be determined according to the provisions of	independent
	"Rules and Review Procedures for Director and	"Rules and Review Procedures for Director and	directors in
	Supervisor Ownership Ratios at Public	Supervisor Ownership Ratios at Public	paragraph 2 is
	Companies".	Companies".	amended
	The Course and independent discordance about and the	O's dear and death d'an atom about he adouted form the	accordingly.
	The Company's independent directors shall not be	3 independent directors shall be elected from the	
	less than two in number and should be at least	list of persons with legal capacity.	
	one-fifth of total director seats.		
	Directors and Supervisors shall be elected by	Directors and Supervisors shall be elected by	
	adopting candidate nomination system in	adopting candidate nomination system in	
	accordance with the Article 192-1 of Company Act.	accordance with the Article 192-1 of Company Act.	
	A shareholder shall elect from the nominees listed	A shareholder shall elect from the nominees listed	
	in the roster of candidates. The election of	in the roster of candidates. The election of	
	independent, non-independent directors and	independent, non-independent directors and	
	Supervisors should be held together. Moreover, in	Supervisors should be held together. Moreover, in	
	order to ensure the election of at least two	order to ensure the election of at least two	
	independent directors of each election, the	independent directors of each election, the	
	independent and non-independent directors	independent and non-independent directors	
	elected should be calculated separately.	elected should be calculated separately.	
Article 16-1		Pursuant to Article 14-4 of the Securities and	According to
		Exchange Act, the Company will establish an	Article 14-4 of
		Audit Committee. The Audit Committee shall make	the Securities
		up of the entire number of independent directors,	and Exchange
		is responsible of executing powers relegated to	Act and official
		supervisors by the Company Act, Securities and	letter No. FSC
		Exchange Act and other laws and regulations. The	10200531121
		supervisors will cease to function and be ipso facto	from R.O.C.
		dismissed on the date of instituting of the Audit	Financial
		Committee. The organizing members, exercise of powers and	Supervisory
		other matters to be abided by the Audit Committee	Commission on December 31,
		shall follow related laws, regulations or rules or	2013, the
		regulation of the Company. The organization	supervisory
		regulations of the Audit Committee shall be	supervisory system will
		adopted by the Board of Director.	cease operation
		adopted by the Board of Bhooter.	and be replaced
			by an audit
			committee after
			the re-election
			the re-election

Section	Current Articles	Proposed Changes	Reasons
			the Board of
			Directors.
Article 23-1		The Company shall take out liability insurance for	This article is
		Directors, Supervisors and officers with respect to	added in
		their liabilities resulting from exercising their duties	accordance with
		during their terms of occupancy.	Article 39 & 40
			of the
			"Corporate
			Governance
			Best-Practice
			Principles for
			TWSE/GTSM
			Listed
			Companies".
Article 29	These Articles of Incorporation were drafted on	These Articles of Incorporation were drafted on	To record the
	December 15, 1952, and came into effect	December 15, 1952, and came into effect	latest
	following its approval by a resolution of the	following its approval by a resolution of the	amendment.
	General Shareholders' Meeting and the competent	General Shareholders' Meeting and the competent	
	authorities. Amendments shall take effect	authorities. Amendments shall take effect	
	following their approval at the shareholders'	following their approval at the shareholders'	
	meetings.	meetings.	
	First amendment on July 1, 1953;	First amendment on July 1, 1953;	
	Second amendment on January 22, 1954;	Second amendment on January 22, 1954;	
	Third amendment on September 1, 1956;	Third amendment on September 1, 1956;	
	Fourth amendment on January 15, 1957;	Fourth amendment on January 15, 1957;	
	Fifth amendment on June 13, 1959;	Fifth amendment on June 13, 1959;	
	Sixth amendment on August 25, 1959;	Sixth amendment on August 25, 1959;	
	Seventh amendment on March 31, 1960;	Seventh amendment on March 31, 1960;	
	Eighth amendment on October 26, 1960;	Eighth amendment on October 26, 1960;	
	Ninth amendment on February 25, 1961;	Ninth amendment on February 25, 1961;	
	Tenth amendment on May 25, 1961;	Tenth amendment on May 25, 1961;	
	Eleventh amendment on May 2, 1962;	Eleventh amendment on May 2, 1962;	
	Twelfth amendment on August 7, 1964;	Twelfth amendment on August 7, 1964;	
	Thirteenth amendment on December 19, 1964;	Thirteenth amendment on December 19, 1964;	
	Fourteenth amendment on January 20, 1966;	Fourteenth amendment on January 20, 1966;	
	Fifteenth amendment on June 22, 1966;	Fifteenth amendment on June 22, 1966;	
	Sixteenth amendment on June 24, 1967;	Sixteenth amendment on June 24, 1967;	
	Seventeenth amendment on December 23, 1967;	Seventeenth amendment on December 23, 1967;	
	Eighteenth amendment on June 8, 1968;	Eighteenth amendment on June 8, 1968;	
	Nineteenth amendment on May 31, 1969;	Nineteenth amendment on May 31, 1969;	
	Twentieth amendment on June 17, 1970;	Twentieth amendment on June 17, 1970;	
	Twenty-first amendment on January 25, 1972;	Twenty-first amendment on January 25, 1972;	
	Twenty-second amendment on June 20, 1972;	Twenty-second amendment on June 20, 1972;	
	Twenty-third amendment on April 30, 1973;	Twenty-third amendment on April 30, 1973;	
	Twenty-fourth amendment on October 17, 1973;	Twenty-fourth amendment on October 17, 1973;	
	Twenty-fifth amendment on May 8, 1974;	Twenty-fifth amendment on May 8, 1974;	
	Twenty-sixth amendment on May 19, 1975;	Twenty-sixth amendment on May 19, 1975;	
	Twenty-seventh amendment on April 14, 1976;	Twenty-seventh amendment on April 14, 1976;	
	Twenty-eighth amendment on September 15,	Twenty-eighth amendment on September 15,	
	1976;	1976;	

Section	Current Articles	Proposed Changes	Reasons
	Twenty-ninth amendment on April 6, 1977;	Twenty-ninth amendment on April 6, 1977;	
	Thirtieth amendment on April 18, 1978;	Thirtieth amendment on April 18, 1978;	
	Thirty-first amendment on February 9, 1979;	Thirty-first amendment on February 9, 1979;	
	Thirty-second amendment on April 14, 1979;	Thirty-second amendment on April 14, 1979;	
	Thirty-third amendment on April 28, 1980;	Thirty-third amendment on April 28, 1980;	
	Thirty-fourth amendment on April 15, 1981;	Thirty-fourth amendment on April 15, 1981;	
	Thirty-fifth amendment on April 21, 1982;	Thirty-fifth amendment on April 21, 1982;	
	Thirty-sixth amendment on April 21, 1982;	Thirty-sixth amendment on April 21, 1982;	
	Thirty-seventh amendment on May 5, 1983;	Thirty-seventh amendment on May 5, 1983;	
	Thirty-eighth amendment on May 2, 1984;	Thirty-eighth amendment on May 2, 1984;	
	Thirty-ninth amendment on May 10, 1985;	Thirty-ninth amendment on May 10, 1985;	
	Fortieth amendment on April 23, 1987;	Fortieth amendment on April 23, 1987;	
	Forty-first amendment on April 20, 1988;	Forty-first amendment on April 20, 1988;	
	Forty-second amendment on April 20, 1989;	Forty-second amendment on April 20, 1989;	
	Forty-third amendment on April 23, 1990;	Forty-third amendment on April 23, 1990;	
	Forty-fourth amendment on April 26, 1991;	Forty-fourth amendment on April 26, 1991;	
	Forty-fifth amendment on May 12, 1992;	Forty-fifth amendment on May 12, 1992;	
	Forty-sixth amendment on May 14, 1993;	Forty-sixth amendment on May 14, 1993;	
	Forty-seventh amendment on May 9, 1994;	Forty-seventh amendment on May 9, 1994;	
	Forty-eighth amendment on May 4, 1995;	Forty-eighth amendment on May 4, 1995;	
	Forty-ninth amendment on May 27, 1996;	Forty-ninth amendment on May 27, 1996;	
	Fiftieth amendment on May 23, 1997;	Fiftieth amendment on May 23, 1997;	
	Fifty-first amendment on May 22, 1998;	Fifty-first amendment on May 22, 1998;	
	Fifty-second amendment on May 21, 1999;	Fifty-second amendment on May 21, 1999;	
	Fifty-third amendment on May 15, 2000;	Fifty-third amendment on May 15, 2000;	
	Fifty-fourth amendment on May 18, 2001;	Fifty-fourth amendment on May 18, 2001;	
	Fifty-fifth amendment on June 12, 2002;	Fifty-fifth amendment on June 12, 2002;	
	Fifty-sixth amendment on June 9, 2003;	Fifty-sixth amendment on June 9, 2003;	
	Fifty-seventh amendment on June 4, 2004;	Fifty-seventh amendment on June 4, 2004;	
	Fifty-eighth amendment on June 14, 2005,	Fifty-eighth amendment on June 14, 2005,	
	Fifty-ninth amendment on June 13, 2006,	Fifty-ninth amendment on June 13, 2006,	
	Sixtieth amendment on October 13, 2009	Sixtieth amendment on October 13, 2009	
	Sixty-first amendment on June 22, 2010	Sixty-first amendment on June 22, 2010	
	Sixty-second amendment on June 24, 2011	Sixty-second amendment on June 24, 2011	
	Sixty-third amendment on June 25, 2013	Sixty-third amendment on June 25, 2013	
		Sixty-fourth amendment on June 26, 2014	

Attachment IV

Amendments to "Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation"

Section	Current Articles	Proposed Changes	Reasons
Article 2	Assets in these Procedures include:	Assets in these Procedures include:	
	1) Securities: stocks, government bonds,	1) Securities: stocks, government bonds,	
	corporate bonds, bank debentures, domestic	corporate bonds, bank debentures, beneficiary	
	beneficiary certificates, overseas mutual funds,	certificates of mutual funds, depository receipts,	
	depository receipts, call/put warrants,	call/put warrants, beneficiary securities,	
	beneficiary securities, asset-backed securities	asset-backed securities and other investments.	
	and other long and short term investments.		
	2) Real estate and other fixed assets;	2) Real estate (including land, houses and	To amend the
		buildings, investment properties, right to use	wording of
		land) and equipment;	paragraph 2 in
	3) Club memberships;	3) Club memberships;	accordance with
	4) Patents, copyrights, trademarks, licenses and	4) Patents, copyrights, trademarks, licenses and	International
	other intangible assets;	other intangible assets;	Financial Reporting
	5) Derivative products;	5) Derivative products;	Standards ("IFRSs"
	6) Assets acquired or disposed through merger,	6) Assets acquired or disposed through merger,	hereafter).
	spin-off, acquisition or transfer of shares in	spin-off, acquisition or transfer of shares in	
	accordance with law;	accordance with law;	
	7) Other key assets.	7) Other key assets.	
Article 3	1) "Derivatives": Forward contracts, option	1) "Derivatives": Forward contracts, option	
	contracts, futures contracts, leverage contracts,	contracts, futures contracts, leverage contracts,	
	and swap contracts and compound contracts	and swap contracts and compound contracts	
	combining the above products whose value is	combining the above products whose value is	
	derived from assets, interest rates, foreign	derived from assets, interest rates, foreign	
	exchange rates, indexes or other interests. The	exchange rates, indexes or other interests. The	
	term "forward contracts" does not include	term "forward contracts" does not include	
	insurance contracts, performance contracts,	insurance contracts, performance contracts,	
	after-sales service contracts, long-term leasing	after-sales service contracts, long-term leasing	
	contracts, or long-term purchase (sales)	contracts, or long-term purchase (sales)	
	agreements.	agreements.	
	"Assets acquired or disposed through	"Assets acquired or disposed through	1. To amend the
	mergers, demergers, acquisitions or transfer of	mergers, demergers, acquisitions or transfer of	wording of
	shares in accordance with act of law": Refers to	shares in accordance with act of law": Refers to	paragraph 2 in
	assets acquired or disposed through mergers,	assets acquired or disposed through mergers,	accordance with
	demergers or acquisitions conducted under the	demergers or acquisitions conducted under the	Article 156 of the
	Business Mergers and Acquisitions Act,	Business Mergers and Acquisitions Act,	Company Act.
	Financial Holding Company Act, Financial	Financial Holding Company Act, Financial	
	Institution Merger Act and other acts, or to	Institution Merger Act and other acts, or to	
	transfer of shares [from another company]	transfer of shares [from another company]	
	through issuance of new shares of its own as the	through issuance of new shares of its own as the	
	consideration therefore (hereinafter "transfer of	consideration therefore (hereinafter "transfer of	
	shares") under Article 156, paragraph 6 of the	shares") under Article 156, paragraph 8 of the	
	Company Act.	Company Act.	
	3) "Related party": As defined in Statement of	3) "Related party or Subsidiary": As defined in	2. To combine with
	o, Related party. As defined in Statement of	o, nelated party of Subsidiary : As delined in	2. TO COMBINE WITH

Section	Current Articles	Proposed Changes	Reasons
	Financial Accounting Standards ("SFAS") No. 6	the Regulations Governing the Preparation of	the initial paragraph
	published by ROC Accounting Research and	Financial Reports by Securities Issuers.	3 and 4, and define
	Development Foundation (hereinafter "ARDF").		related party or
			subsidiary in
	4) "Subsidiary": As defined in Statement of		accordance with
	Financial Accounting Standards ("SFAS") No. 5		Regulations
	and 7 published by the ARDF;		Governing the
			Preparation of
			Financial Reports
	5) "Professional appraiser": Refers to a real	4) "Professional appraiser": Refers to a real	by Securities
	property appraiser or other person duly	property appraiser or other person duly	Issuers.
	authorized by an act of law to engage in the	authorized by an act of law to engage in the	3. To amend the
	value appraisal of real property or other fixed	value appraisal of real property or equipment;	wording of
	assets;		paragraph 4 in
			accordance with
	6) "Date of occurrence": Refers to the date of	<u>5)</u> "Date of occurrence": Refers to the date of	IFRSs; the initial
	contract signing, date of payment, date of	contract signing, date of payment, date of	paragraphs 5-7 are
	consignment trade, date of transfer, dates of	consignment trade, date of transfer, dates of	moved to
	boards of directors resolutions, or other date that	boards of directors resolutions, or other date that	paragraph 4-6.
	can confirm the counterpart and monetary	can confirm the counterpart and monetary	
	amount of the transaction, whichever date is	amount of the transaction, whichever date is	
	earlier; provided, for investment for which approval of the	earlier; provided, for investment for which approval of the	
	Competent Authorities is required, the earlier of	Competent Authorities is required, the earlier of	
	the above date or the date of receipt of approval	the above date or the date of receipt of approval	
	by the Competent Authorities shall apply;	by the Competent Authorities shall apply;	
	7) "Mainland area investment": Refers to	6) "Mainland area investment": Refers to	
	investments in China approved by the Ministry of	investments in China approved by the Ministry of	
	Economic Affairs Investment Commission or	Economic Affairs Investment Commission or	
	conducted in accordance with the provisions of	conducted in accordance with the provisions of	
	the Regulations Governing Permission for	the Regulations Governing Permission for	
	Investment or Technical Cooperation in the	Investment or Technical Cooperation in the	
A (1.1. =	Mainland Area.	Mainland Area.	
Article 5	The Company's total investment in securities	The Company's total investment in securities	To amend the
	shall not exceed one hundred and fifty per cent	shall not exceed one hundred and fifty per cent	wording of
	(150%) of its shareholders' equity reflected in	(150%) of its shareholders' equity reflected in	paragraph 1 in accordance with
	the latest financial reports; furthermore individual	the latest financial reports; furthermore individual	IFRSs.
	securities in which it may invest shall not exceed sixty per cent (60%) of its shareholders' equity	securities in which it may invest shall not exceed sixty per cent (60%) of its shareholders' equity	II NO5.
	reflected in the latest financial reports, and	reflected in the latest financial reports, and	
	investments in non-operational real estate and	investments in non-operational real estate and	
	other fixed assets shall not exceed fifty per cent	equipment shall not exceed fifty per cent (50%)	
	(50%) of its shareholders' equity reflected in the	of its shareholders' equity reflected in the latest	
	latest financial reports.	financial reports.	
	Total equity investments by the Company and its	Total equity investments by the Company and its	
	subsidiaries shall not exceed one hundred and	subsidiaries shall not exceed one hundred and	
	fifty per cent (150%) of its shareholders' equity	fifty per cent (150%) of its shareholders' equity	
	reflected in the latest financial reports. The	reflected in the latest financial reports. The	
	operational regulations of the Taiwan Securities	operational regulations of the Taiwan Securities	

Section	Current Articles	Proposed Changes	Reasons
	Exchange Co., Ltd. and other relevant laws and	Exchange Co., Ltd. and other relevant laws and	
	regulations shall govern the calculation of	regulations shall govern the calculation of	
	percentages referred to herein.	percentages referred to herein.	
	The latest financial report referred to herein shall	The latest financial report referred to herein shall	
	be the Company's financial statements duly	be the Company's financial statements duly	
	audited or reviewed by certified public	audited or reviewed by certified public	
	accountants prior to its acquisition or disposition	accountants prior to its acquisition or disposition	
	of assets.	of assets.	
Article 6	Acquisition or Disposition of Securities	Acquisition or Disposition of Securities	The Executive
	1) Evaluation process	1) Evaluation process	Yuan's Financial
	a) For investments in securities, the Finance	a) For investments in securities, the Finance	Supervisory
	Department or other relevant units shall	Department or other relevant units shall	Commission has
	undertake the relevant financial analysis and	undertake the relevant financial analysis and	reorganized to
	projection of potential returns as well as	projection of potential returns as well as	Financial
	evaluation of potential investment risks in	evaluation of potential investment risks in	Supervisory
	relation to the said investment.	relation to the said investment.	Commission on
			July 1, 2012. The
	b) Investments by the Company in securities	b) Investments by the Company in securities	wording of item 1 of
	traded on centralized exchange markets or over	traded on centralized exchange markets or over	paragraph 2 is
	the counter markets shall be decided by the	the counter markets shall be decided by the	amended in
	responsible unit in accordance with the	responsible unit in accordance with the	accordance with
	prevailing market conditions; investments by the	prevailing market conditions; investments by the	the paragraph 3 of
	Company in securities not traded on centralized	Company in securities not traded on centralized	Article 3.
	exchange markets or over the counter markets	exchange markets or over the counter markets	
	shall require the latest audited or reviewed	shall require the latest audited or reviewed	
	financial reports of the target company as	financial reports of the target company as	
	reference for the evaluation of transaction price,	reference for the evaluation of transaction price,	
	taking into consideration the net asset value per	taking into consideration the net asset value per	
	share, profitability and future potential, etc.	share, profitability and future potential, etc.	
	2) Experts' opinions	2) Experts' opinions	
	a) The Company acquiring or disposing of	a) The Company acquiring or disposing of	
	securities shall, prior to the date of the	securities shall, prior to the date of the	
	transaction occurred, obtain financial statements	transaction occurred, obtain financial statements	
	of the issuing company for the most recent	of the issuing company for the most recent	
	period, certified or reviewed by a certified public	period, certified or reviewed by a certified public	
	accountant, for reference in appraising the	accountant, for reference in appraising the	
	transaction price, and if the dollar amount of the	transaction price, and if the dollar amount of the	
	transaction is twenty per cent (20%) of the	transaction is twenty per cent (20%) of the	
	Company's paid-in capital or NT\$300 million or	Company's paid-in capital or NT\$300 million or	
	more, the Company shall, prior to the date of the	more, the Company shall, prior to the date of the	
	transaction occurred, also engage a certified	transaction occurred, also engage a certified	
	public accountant to provide an opinion	public accountant to provide an opinion	
	regarding the reasonableness of the transaction	regarding the reasonableness of the transaction	
	price. Should the aforesaid accountant needs	price. Should the aforesaid accountant needs	
	to refer to experts' opinions, Auditing Standards	to refer to experts' opinions, Auditing Standards	
	No. 20 published by the Accounting Research	No. 20 published by the R.O.C. Accounting	
	and Development Foundation (ARDF) shall be	Research and Development Foundation (ARDF)	
	abided by. This requirement does not apply,	shall be abided by. This requirement does not	
	however, to publicly quoted price of securities	apply, however, to publicly quoted price of	

Section	Current Articles	Proposed Changes	Reasons
	that have an active market, or where otherwise	securities that have an active market, or where	
	provided by regulations of the Executive Yuan's	otherwise provided by regulations of the	
	Financial Supervisory Commission (FSC).	Financial Supervisory Commission (FSC).	
	b) Where assets are acquired or disposed by	b) Where assets are acquired or disposed by	
	way of judicial auctions, documentary proof	way of judicial auctions, documentary proof	
	furnished by the courts may replace valuation	furnished by the courts may replace valuation	
	reports or accountants' opinions.	reports or accountants' opinions.	
	3) Process in determining authorized investment	3) Process in determining authorized investment	
	limit and responsible units	limit and responsible units	
	Prior to the Company acquiring or disposing	Prior to the Company acquiring or disposing	
	securities, the Finance Department shall firstly	securities, the Finance Department shall firstly	
	submit the Board of Directors the relevant	submit the Board of Directors the relevant	
	information for approval before undertaking the	information for approval before undertaking the	
	said transaction. Where the urgency of the	said transaction. Where the urgency of the	
	matter does not permit prior approval, the	matter does not permit prior approval, the	
	General Manager (or any person so authorized	General Manager (or any person so authorized	
	by the General Manager) shall have the	by the General Manager) shall have the	
	authority to approve/disapprove investments which amount is below NT\$ 10 million; the	authority to approve/disapprove investments which amount is below NT\$ 10 million; the	
	Chairman (or any person so authorized by the	Chairman (or any person so authorized by the	
	Chairman) shall have the authority to	Chairman (or any person so authorized by the Chairman) shall have the authority to	
	approve/disapprove investments which amount	approve/disapprove investments which amount	
	is in excess of NT\$ 10 million. In any case, the	is in excess of NT\$ 10 million. In any case, the	
	said transactions shall be submitted to the	said transactions shall be submitted to the	
	immediate following meeting of the Board of	immediate following meeting of the Board of	
	Directors for ratification.	Directors for ratification.	
	Directors for fatilication.	Directors for fatilication.	
Article 7	Acquisition or disposition of real property or	Acquisition or disposition of real property or	To amend the
	other fixed assets	equipment	wording from "other
	1) Evaluation process	1) Evaluation process	fixed assets" to
	a) For investments in real property and <u>fixed</u>	a) For investments in real property and	"equipment" in
	assets, the Accounting Department or other	equipment, the Accounting Department or other	accordance with
	relevant units shall undertake the projection of	relevant units shall undertake the projection of	IFRSs.
	potential returns as well as evaluation of	potential returns as well as evaluation of	
	potential investment risks in relation to the said	potential investment risks in relation to the said	
	investment based on the current operation and	investment based on the current operation and	
	financial conditions and future development	financial conditions and future development	
	plan.	plan.	
	b) The proposed acquisition or disposition of real	b) The proposed acquisition or disposition of real	
	property shall require analysis reports taking	property shall require analysis reports taking	
	reference to their current published value,	reference to their current published value,	
	appraised values and transactions prices for	appraised values and transactions prices for	
	neighboring real properties, etc., along with	neighboring real properties, etc., along with	
	suggested transaction conditions and prices.	suggested transaction conditions and prices.	
	c) The proposed acquisition or disposition of	c) The proposed acquisition or disposition of	
	other fixed assets shall be carried out by way of	equipment shall be carried out by way of any of	
	any of the following: price inquiry; price	the following: price inquiry; price comparison;	
	comparison; negotiated prices or tender.	negotiated prices or tender.	

2) Valuation reports for real property or other fixed assets. In the case of real property or other fixed assets acquired or disposed by the Company other than as a result of transactions with the government, entrusted construction on the Company's own property, entrusted construction or land leased by the Company, or acquisition or disposition of equipments and facilities for business operation purposes, where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following provisions shall be complied with: 2) Valuation reports for real property or equipments equipment. In the case of real property or equipment acquired or disposed by the Company other than as a result of transactions with the government, entrusted construction on the Company's own property, entrusted construction on land leased by the Company, or acquisition or disposition of equipments for business operation purposes, where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following provisions shall be complied with:	
In the case of real property or other fixed assets acquired or disposed by the Company other than as a result of transactions with the government, entrusted construction on the Company's own property, entrusted construction on land leased by the Company, or acquisition or disposition of equipments and facilities for business operation purposes, where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following	
acquired or disposed by the Company other than as a result of transactions with the government, entrusted construction on the Company's own property, entrusted construction on land leased by the Company, or acquisition or disposition of equipments and facilities for business operation purposes, where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following	
as a result of transactions with the government, entrusted construction on the Company's own property, entrusted construction on land leased by the Company, or acquisition or disposition of equipments and facilities for business operation purposes, where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following as a result of transactions with the government, entrusted construction on the Company's own property, entrusted construction on land leased by the Company, or acquisition or disposition of equipments for business operation purposes, where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following	
entrusted construction on the Company's own property, entrusted construction on land leased by the Company, or acquisition or disposition of equipments and facilities for business operation purposes, where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following	
property, entrusted construction on land leased by the Company, or acquisition or disposition of equipments and facilities for business operation purposes, where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following	
by the Company, or acquisition or disposition of equipments and facilities for business operation purposes, where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following	
equipments and facilities for business operation purposes, where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following equipments for business operation purposes, where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following	
purposes, where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following	
amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following	
the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following	
or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following	
the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following the transaction occurred, require professional appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following	
appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following appraiser to furnish their valuation report (which report shall specify the matters set out in Appendix 1 herein); furthermore, the following	
report shall specify the matters set out in Appendix 1 herein); furthermore, the following Appendix 1 herein); furthermore, the following	
Appendix 1 herein); furthermore, the following Appendix 1 herein); furthermore, the following	
provisions shall be complied with: provisions shall be complied with:	
a) Where due to special circumstances it is a) Where due to special circumstances it is	
necessary to give a limited price, specified price, necessary to give a limited price, specified price,	
or special price as a reference basis for the or special price as a reference basis for the	
transaction price, the transaction shall be transaction price, the transaction shall be	
submitted for approval in advance by the Board submitted for approval in advance by the Board	
of Directors, and the same procedure shall be of Directors, and the same procedure shall be	
followed for any future changes to the terms and followed for any future changes to the terms and	
conditions of the transaction. conditions of the transaction.	
b) Where the transaction amount is NT\$ 1 billion b) Where the transaction amount is NT\$ 1 billion	
or more, two (2) or more professional appraiser or more, two (2) or more professional appraiser	
shall be engaged to provide their appraisals. shall be engaged to provide their appraisals.	
Shall be engaged to provide their appraisals.	
c) Where the appraisal prices from professional c) Where the appraisal prices from professional	
appraiser come under one of the following, appraiser come under one of the following,	
accountants shall be engaged to handle the accountants shall be engaged to handle the	
matter pursuant to the provisions of Auditing matter pursuant to the provisions of Auditing	
Standards No. 20 promulgated by ARDF; Standards No. 20 promulgated by ARDF;	
furthermore the said accountants shall be furthermore the said accountants shall be	
required to provide their opinions in respect of required to provide their opinions in respect of	
the reasons for such discrepancy and the the reasons for such discrepancy and the	
fairness of the transaction price: fairness of the transaction price:	
i) The appraisal results differ from the i) The appraisal results differ from the	
transaction amount by twenty per cent (20%) transaction amount by twenty per cent (20%)	
or greater; or greater;	
ii) The difference between the appraisal ii) The difference between the appraisal	
result provided by two or more professional result provided by two or more professional	
appraisers and the transaction price is ten appraisers and the transaction price is ten	
per cent (10%) or greater. When the per cent (10%) or greater. When the	
appraisal prices of acquired assets are higher appraisal prices of acquired assets are higher	

Section	Current Articles	Proposed Changes	Reasons
	than the transaction price, or the appraisal	than the transaction price, or the appraisal	
	prices of assets being disposed are lower	prices of assets being disposed are lower	
	than the transaction price, the said	than the transaction price, the said	
	accountants' opinions can be exempted.	accountants' opinions can be exempted.	
	d) Report made by the professional appraiser	d) Report made by the professional appraiser	
	shall not be dated beyond three (3) months prior	shall not be dated beyond three (3) months prior	
	to the date of the contract; however where an	to the date of the contract; however where an	
	appropriate value published during the same	appropriate value published during the same	
	period but not exceeding six (6) months, the	period but not exceeding six (6) months, the	
	original professional appraiser may issue its	original professional appraiser may issue its	
	opinion in respect of the said value.	opinion in respect of the said value.	
	e) Where real property or other fixed assets are	e) Where real property or other fixed assets are	
	acquired or disposed by way of judicial auctions,	acquired or disposed by way of judicial auctions,	
	documentary proof furnished by the courts may	documentary proof furnished by the courts may	
	replace appraisal reports or accountants'	replace appraisal reports or accountants'	
	opinions.	opinions.	
	оринене.	ориноло.	
	3) Process in determining authorized investment	3) Process in determining authorized investment	
	limit and responsible units	limit and responsible units	
	Prior to the Company acquiring or disposing real	Prior to the Company acquiring or disposing real	
	property or other fixed assets, the Accounting	property or equipment, the Accounting	
	Department shall firstly submit the Board of	Department shall firstly submit the Board of	
	Directors the relevant information for approval	Directors the relevant information for approval	
	before undertaking the said transaction. Where	before undertaking the said transaction. Where	
	the urgency of the matter does not permit prior	the urgency of the matter does not permit prior	
	approval, the General Manager (or any person	approval, the General Manager (or any person	
	so authorized by the General Manager) shall	so authorized by the General Manager) shall	
	have the authority to approve/disapprove	have the authority to approve/disapprove	
	investments which amount is below NT\$ 10	investments which amount is below NT\$ 10	
	million; the Chairman (or any person so	million; the Chairman (or any person so	
	authorized by the Chairman) shall have the	authorized by the Chairman) shall have the	
	authority to approve/disapprove investments	authority to approve/disapprove investments	
	which amount is in excess of NT\$ 10 million. In	which amount is in excess of NT\$ 10 million. In	
	any case, the said transactions shall be	any case, the said transactions shall be	
	submitted to the immediate following meeting of	submitted to the immediate following meeting of	
	the Board of Directors for ratification.	the Board of Directors for ratification.	
Article 8	Transactions of Real Property with Related	Transactions of Real Property with Related	
	Parties	Parties	
	Where the Company acquires or disposes	Where the Company acquires or disposes	
	real property from or to related parties, without	real property from or to related parties, without	
	prejudice to the applicability of the aforesaid	prejudice to the applicability of the aforesaid	
	articles in respect of real property, the Company	articles in respect of real property, the Company	
	shall pursuant to the provisions of this Article	shall pursuant to the provisions of this Article	
	undertake the relevant resolution and appraisal	undertake the relevant resolution and appraisal	
	of the fairness of transaction conditions, etc.,	of the fairness of transaction conditions, etc.,	
	and shall pursuant to the provisions of this	and shall pursuant to the provisions of this	
	Article obtain appraisal reports made by	Article obtain appraisal reports made by	
	professional appraisers or accountants' opinions	professional appraisers or accountants' opinions	

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	when the transaction amount is ten per cent	when the transaction amount is ten per cent	
	(10%) of the total assets of the Company or	(10%) of the total assets of the Company or	
	more. In deciding whether the other party to the	more. In deciding whether the other party to the	
	transaction is a related party, in addition to the	transaction is a related party, in addition to the	
	forms as provided by law, the Company shall	forms as provided by law, the Company shall	
	also consider the substantive relationship.	also consider the substantive relationship.	
	·	•	1. In consideration
	2) Evaluation and Procedures	2) Evaluation and Procedures	of the low risk of
	The Company shall, if it acquires or disposes	The Company shall, if it acquires or disposes	trading government
	real property from or to related parties, or if it	real property from or to related parties, or if it	bonds or bonds
	acquires or disposes other assets except real	acquires or disposes other assets except real	under repurchase
	property from or to related parties and the said	property from or to related parties and the said	and resale
	transaction amount is twenty per cent (20%) of	transaction amount is twenty per cent (20%) of	agreements, or
	the paid-in capital of the Company, or ten per	the paid-in capital of the Company, or ten per	subscription or
	cent (10%) of the total assets of the Company,	cent (10%) of the total assets of the Company,	redemption of
	or NT\$300 million or more, submit the Board of	or NT\$300 million or more, except in trading of	domestic money
			•
	Directors for approval and Supervisors for	government bonds or bonds under repurchase	market funds with
	recognition the following information prior to the	and resale agreements, or subscription or	related parties, and
	signing of the transaction contract and making	redemption of domestic money market funds.	in accordance with
	payments:	submit the Board of Directors for approval and	Article 14 of
		Supervisors for recognition the following	"Regulations
		information prior to the signing of the transaction	Governing the
		contract and making payments:	Acquisition and
			Disposal of Assets
	a) Purpose of acquiring or disposing the said	a) Purpose of acquiring or disposing the said	by Public
	assets, its necessity and projected benefits;	assets, its necessity and projected benefits;	Companies" ("Regulations"
	b) Reasons for transacting with related parties;	b) Reasons for transacting with related parties;	hereafter), the
			paragraph 2 is
	c) Information relating to the appraisal of the	c) Information relating to the appraisal of the	amended for those
	fairness of the proposed transaction conditions	fairness of the proposed transaction conditions	transactions may
	pursuant to items 3) a) and d) herein, when	pursuant to items 3) a) and d) herein, when	not need to be
	acquiring real property from related parties;	acquiring real property from related parties;	approved by the
			Board of Directors
	d) Date and price of acquisition by the related	d) Date and price of acquisition by the related	and recognized by
	party, party to the transaction and relationship	party, party to the transaction and relationship	the Supervisors.
	between the said party and the Company and	between the said party and the Company and	•
	related party;	related party;	
	e) Forecast of monthly cash income within one	e) Forecast of monthly cash income within one	
	(1) year from the date of the contract;	(1) year from the date of the contract;	
	furthermore evaluation shall be conducted in	furthermore evaluation shall be conducted in	
	respect of the necessity of the transaction and	respect of the necessity of the transaction and	
	the fairness of the use of fund; and	the fairness of the use of fund; and	
	f) Pursuant to the paragraph 1 of this Article, the	f) Pursuant to the paragraph 1 of this Article, the	
	appraisal reports made by the professional	appraisal reports made by the professional	
	appraisers or accountants' opinions.	appraisers or accountants' opinions.	
	g) Restrictions on this transaction and other key	g) Restrictions on this transaction and other key	
	•	•	
	contractual issues. Where the position of	contractual issues. Where the position of	

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	Independent Director has been created, when a	Independent Director has been created, when a	
	matter is submitted for discussion by the Board	matter is submitted for discussion by the Board	
	of Directors pursuant to the preceding	of Directors pursuant to the preceding	
	paragraph, the Board of Directors shall take into	paragraph, the Board of Directors shall take into	
	full consideration each Independent Director's	full consideration each Independent Director's	
	opinions. If an Independent Director objects to or	opinions. If an Independent Director objects to or	
	expresses reservations about any matter, it shall	expresses reservations about any matter, it shall	
	be recorded in the minutes of the board meeting.	be recorded in the minutes of the board meeting.	
	be recorded in the minutes of the board meeting.	be recorded in the minutes of the board meeting.	
	3) Evaluation of the Fairness of Transaction	3) Evaluation of the Fairness of Transaction	
	Costs	Costs	
	a) In the case of the Company obtaining real	a) In the case of the Company obtaining real	
	property from related parties, it shall evaluate	property from related parties, it shall evaluate	
	the fairness of the transaction costs in the	the fairness of the transaction costs in the	
	following manner:	following manner:	
	N A delition as the related want to	i) Addition to the reducted road by	
	i) Addition to the related party's transaction	i) Addition to the related party's transaction	
	price the necessary interest on funding and	price the necessary interest on funding and	
	the costs to be borne by the purchaser.	the costs to be borne by the purchaser.	
	"Necessary interest on funding" shall be	"Necessary interest on funding" shall be	
	calculated by the weighted average interest	calculated by the weighted average interest	
	rate over the period during which the asset is	rate over the period during which the asset is	
	purchased on the amount of money borrowed	purchased on the amount of money borrowed	
	by the Company in its purchase of the said	by the Company in its purchase of the said	
	asset, subject to it being not higher than the	asset, subject to it being not higher than the	
	maximum interest rate charged by	maximum interest rate charged by	
	non-financial institutions as published by the	non-financial institutions as published by the	
	Ministry of Finance.	Ministry of Finance.	
	ii) In the case of related party having	ii) In the case of related party having	
	previously pledged the subject matter with	previously pledged the subject matter with	
	financial institutions, the total appraised value	financial institutions, the total appraised value	
	for the subject matter by the said financial	for the subject matter by the said financial	
	institution for the purposes of the extension of	institution for the purposes of the extension of	
	the loan shall be used, subject to the total	the loan shall be used, subject to the total	
	cumulative amount of loans by the said	cumulative amount of loans by the said	
	financial institution not being lesser than	financial institution not being lesser than	
	seventy per cent (70%) of the appraised	seventy per cent (70%) of the appraised	
	value of such subject matter and that the loan	value of such subject matter and that the loan	
	period was for a period of one (1) year or	period was for a period of one (1) year or	
	more. The aforesaid shall not apply where	more. The aforesaid shall not apply where	
	the said financial institution and the party to	the said financial institution and the party to	
	the transaction are themselves related	the transaction are themselves related	
	parties.	parties.	
	,	• ***	
	b) Where both the land and the buildings on it	b) Where both the land and the buildings on it	
	are purchased in to, the transaction costs for	are purchased in to, the transaction costs for	
	both the land and the buildings shall be	both the land and the buildings shall be	
	separately evaluated using either of the	separately evaluated using either of the	
	abovementioned methods.	abovementioned methods.	

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	c) In the case of the Company acquiring real	c) In the case of the Company acquiring real	
	property from related parties, in addition to the	property from related parties, in addition to the	
	appraisal of the costs of the said real property in	appraisal of the costs of the said real property in	
	the manner provided above, the Company shall	the manner provided above, the Company shall	
	furthermore engage accountants to review and	furthermore engage accountants to review and	
	provide their opinions in respect of the same.	provide their opinions in respect of the same.	
	d) Under any one of the following circumstances	d) Under any one of the following circumstances	
	in which the Company acquires real property	in which the Company acquires real property	2. In
	from related parties, it need only undertake	from related parties, it need only undertake	consideration of
	items 1) and 2) herein; the evaluation of fairness	items 1) and 2) herein; the evaluation of fairness	engaging a
	of transaction cost as provided for in items a), b)	of transaction cost as provided for in items a), b)	related party to
	and c) hereunder shall not apply:	and c) hereunder shall not apply:	build real
			property, either
	i) The related party having obtained the real	i) The related party having obtained the real	on the
	property by way of inheritance or gift;	property by way of inheritance or gift;	company's own
			land or on
	ii) The time lapse between the related party's	ii) The time lapse between the related party's	rented land are
	contract for acquisition of the real property	contract for acquisition of the real property	the same with
	and this transaction exceeds five (5) years; or	and this transaction exceeds five (5) years; or	joint
			development
	iii) The Company obtaining the real property	iii) The Company obtaining the real property	contract; the
	by way of joint-development contract entered	by way of joint-development contract entered	item 4 of
	with the related party.	with the related party, or through engaging a	paragraph 3 is
		related party to build real property, either on	amended
		the company's own land or on rented land.	accordingly.
	e) Where the evaluated results pursuant to items	e) Where the evaluated results pursuant to items	
	a) and b) hereinabove are lower than the	a) and b) hereinabove are lower than the	
	transaction price, the Company shall follow	transaction price, the Company shall follow	
	items f) and g) hereunder; however, under one	items f) and g) hereunder; however, under one	
	of the following situations, with the objective	of the following situations, with the objective	
	evidence, professional appraisal for the real	evidence, professional appraisal for the real	
	property and the accountants' opinion of the	property and the accountants' opinion of the	
	fairness of the transaction being provided, the	fairness of the transaction being provided, the	
	aforesaid shall not apply:	aforesaid shall not apply:	
	i) The related party having undertaken	i) The related party having undertaken	
	construction on undeveloped land or rental	construction on undeveloped land or rental	
	land, may offer evidence in respect of its	land, may offer evidence in respect of its	
	conformity to one the following conditions:	conformity to one the following conditions:	
	23.1.3.1.1.1. to one the following conditions.	same the one the following conditions.	
	A. The undeveloped land being valued in	A. The undeveloped land being valued in	
	the methods provided hereinabove, and	the methods provided hereinabove, and	
	the buildings being valued by adding	the buildings being valued by adding	
	reasonable development profits to their	reasonable development profits to their	
	construction costs, and the total amount	construction costs, and the total amount	
	exceeding the actual transaction price.	exceeding the actual transaction price.	
	"Reasonable development profits" herein	"Reasonable development profits" herein	
	shall comprise of the average gross profit	shall comprise of the average gross profit	
	margin of the related party's construction	margin of the related party's construction	

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	department within the last three (3) years,	department within the last three (3) years,	
	or the latest gross profit margin for the	or the latest gross profit margin for the	
	construction industry published by the	construction industry published by the	
	Ministry of Finance, whichever is the	Ministry of Finance, whichever is the	
	lower;	lower;	
	B. Successful transactions by non-related	B. Successful transactions by non-related	
	parties	parties	
	involving other floors of the same subject	involving other floors of the same subject	
	matter or of the neighboring areas within	matter or of the neighboring areas within	
	the past one (1) year, with comparable	the past one (1) year, with comparable	
	areas, and their transaction conditions	areas, and their transaction conditions	
	being comparable to those of transactions	being comparable to those of transactions	
	with evaluations of acceptable price	with evaluations of acceptable price	
	difference between floor levels or areas in	difference between floor levels or areas in	
	accordance with the practice for sale and	accordance with the practice for sale and	
	purchase of real property.	purchase of real property.	
	C. Successful rental cases by non-related	C. Successful rental cases by non-related	
	parties involving other floors of the	parties involving other floors of the	
	subject matter within the past one (1) year	subject matter within the past one (1) year	
	and with non-related parties, their	and with non-related parties, their	
	conditions being comparable to those of	conditions being comparable to those of	
	rental agreements in which there are	rental agreements in which there are	
	estimates of acceptable difference	estimates of acceptable difference	
	between floor levels in accordance with	between floor levels in accordance with	
	the practice for rental of real property.	the practice for rental of real property.	
	ii) The Company providing evidence that the	ii) The Company providing evidence that the	
	transaction conditions of its purchase of real	transaction conditions of its purchase of real	
	property from related party are comparable	property from related party are comparable	
	with those successful cases within the	with those successful cases within the	
	neighboring areas within the past one (1)	neighboring areas within the past one (1)	
	year and between non-related parties and	year and between non-related parties and	
	with approximately similar space. "Successful	with approximately similar space. "Successful	
	cases within the neighboring areas" shall in	cases within the neighboring areas" shall in	
	principle include those in the same or	principle include those in the same or	
	adjacent street and within a radius of five	adjacent street and within a radius of five	
	hundred (500) meters of the subject matter or	hundred (500) meters of the subject matter or	
	where their published current values are	where their published current values are	
	approximately similar. "Approximately similar	approximately similar. "Approximately similar	
	space" shall in principle include the spaces of	space" shall in principle include the spaces of	
	those transacted cases between non-related	those transacted cases between non-related	
	parties that are not less than fifty per cent (50%) of that of the subject matter.	parties that are not less than fifty per cent (50%) of that of the subject matter.	
	(5070) of that of the subject finalier.	(3070) of that of the subject finalier.	
	f) Where the appraisal results pursuant to the	f) Where the appraisal results pursuant to the	
	preceding items are all lower than the	preceding items are all lower than the	
	transaction price, the Company shall undertake	transaction price, the Company shall undertake	
	the following:	the following:	

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	i) With respect to the difference between the	i) With respect to the difference between the	
	transaction price for the real property and the	transaction price for the real property and the	
	evaluated costs, set aside special profit/loss	evaluated costs, set aside special profit/loss	
	reserve, in compliance with Article 41(1) of	reserve, in compliance with Article 41(1) of	
	the Securities and Exchange Law, which	the Securities and Exchange Law, which	
	shall not be distributed or allocated in the	shall not be distributed or allocated in the	
	form of stock dividends. Where investors of	form of stock dividends. Where investors of	
	the Company that adopt the equity	the Company that adopt the equity	
	accounting in respect of their investments in	accounting in respect of their investments in	
	the Company are public companies, the	the Company are public companies, the	
	investor shall set aside special profit/loss	investor shall set aside special profit/loss	
	reserve for the amount according to their	reserve for the amount according to their	
	respective shareholding;	respective shareholding;	
	ii) The Supervisors shall undertake measures	ii) The Supervisors shall undertake measures	
	in compliance with Article 218 of the	in compliance with Article 218 of the	
	Company Act;	Company Act;	
	iii) The shareholders' meeting shall be	iii) The shareholders' meeting shall be	
	informed of measures under items i) and ii)	informed of measures under items i) and ii)	
	hereinabove, with details of the transaction to	hereinabove, with details of the transaction to	
	be disclosed in the Company's annual report	be disclosed in the Company's annual report	
	or prospectus.	or prospectus.	
	or prospectae.	or prospectae.	3. ln
	g) Where the Company has set aside a special	g) Where the Company has set aside a special	accordance
	reserves under preceding paragraph may not	reserves under preceding paragraph may not	with the
	utilize the special reserve until it has recognized	utilize the special reserve until it has recognized	IFRSs, the
	a loss on decline in market value of the assets it	a loss on decline in market value of the assets it	wording in
	purchased at premium, or they have been	purchased at premium, or they have been	paragraph 4
	disposed of, or adequate compensation had	disposed of, or adequate compensation had	is amended
	been made, or status quo ante has been	been made, or status quo ante has been	accordingly.
	restored, or there is other evidence confirming	restored, or there is other evidence confirming	
	that there was nothing unreasonable about the	that there was nothing unreasonable about the	4. In
	transaction, and FSC has given its consent.	transaction, and FSC has given its consent.	consideration of
			the risk of
	h) When the Company obtains real property	h) When the Company obtains real property	acquiring or
	from a related party, it shall also comply with the	from a related party, it shall also comply with the	disposing of
	provisions of the preceding paragraph (f) and (g)	provisions of the preceding paragraph (f) and (g)	assets is taken
	if there is other evidence indicating that the	if there is other evidence indicating that the	by the
	acquisition was not an arm's length transaction.	acquisition was not an arm's length transaction.	Company, the significant
	4) Process in determining authorized investment	4) Process in determining authorized investment	amount of
	limit and responsible units	limit and responsible units	transaction with
	Prior to the Company acquiring or disposing	Prior to the Company acquiring or disposing	the related
	machineries for operational purposes from or to	equipments for operational purposes from or to	party base on
	its subsidiaries, the Accounting Department shall	its subsidiaries, the Accounting Department shall	the self scale of
	firstly submit the Board of Directors the relevant	firstly submit the Board of Directors the relevant	the Company.
	information for approval before undertaking the	information for approval before undertaking the	According to
	said transaction. When the dollar amount of the	said transaction. When the dollar amount of the	Article 33-2 of
	said transactions is below NT\$300 million; the	said transactions is below NT\$300 million; the	Regulations,
	Chairman shall have the authority to	Chairman shall have the authority to	paragraph 5 is

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	approve/disapprove the said transactions. In any	approve/disapprove the said transactions. In any	added.
	case, the said transactions shall be submitted to	case, the said transactions shall be submitted to	
	the immediate following meeting of the Board of	the immediate following meeting of the Board of	
	Directors for ratification.	Directors for ratification.	
		5) With respect to the regulations of 10 percent	
		of total assets, the calculation is based upon	
		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.	
Article 9	Acquisition of Club Membership or Intangible	Acquisition of Club Membership or Intangible	
	Assets	Assets	
	1) Evaluation and Process	1) Evaluation and Process	
	a) Acquisition or disposition of club	a) Acquisition or disposition of club	
	memberships shall be by way of suggestions in	memberships shall be by way of suggestions in	
	respect of transaction conditions and prices,	respect of transaction conditions and prices,	
	taking into consideration fair market price, and	taking into consideration fair market price, and	
	compiled into analysis report. Where the	compiled into analysis report. Where the	
	transaction is NT\$ 3 million or below, the said	transaction is NT\$ 3 million or below, the said	
	analysis report shall be submitted to the General	analysis report shall be submitted to the General	
	Manager for approval before submitting to the	Manager for approval before submitting to the	
	Board of Directors at the immediate following	Board of Directors at the immediate following	
	meeting for review. Where the transaction is	meeting for review. Where the transaction is	
	above NT\$ 3 million, the approval of the Board	above NT\$ 3 million, the approval of the Board	
	of Directors shall be required before proceeding	of Directors shall be required before proceeding	
	with the same.	with the same.	
	b) Acquisition or disposition of intangible assets	b) Acquisition or disposition of intangible assets	In consideration
	shall be by way of suggestions in respect of	shall be by way of suggestions in respect of	of the common
	transaction conditions and prices, taking into	transaction conditions and prices, taking into	practices and the
	consideration expert's valuation report or fair	consideration expert's valuation report or fair	major principles,
	market price, and compiled into analysis reports	market price, and compiled into analysis reports.	item 2 of paragraph
	for approval by the Board of Directors before	Where the transaction is NT\$ 3 million or below,	1 is amended in
	proceeding with the same.	the said analysis report shall be submitted to the	accordance with
	proceduring war and same.	General Manager for approval before submitting	the procedures on
		to the Board of Directors at the immediate	acquisition and
		following meeting for review. Where the	disposal of club
		transaction is above NT\$ 3 million, the approval	membership.
		of the Board of Directors shall be required before	
		proceeding with the same.	
	2) Expert's Valuation Report on Club	2) Expert's Valuation Report on Club	
	Membership or Intangible Assets	Membership or Intangible Assets	
	a) Expert's valuation report shall be required in	a) Expert's valuation report shall be required in	
	the case of acquisition or disposition of	the case of acquisition or disposition of	
	intangible assets.	intangible assets.	
	b) Where the transaction amount for acquisition	b) Where the transaction amount for acquisition	2. According to

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	or disposition of club membership or intangible	or disposition of club membership or intangible	Article 11 of
	assets exceeds twenty per cent (20%) of the	assets exceeds twenty per cent (20%) of the	Regulations, the
	Company's paid-in capital or NT\$300 million,	Company's paid-in capital or NT\$300 million,	item 2 of paragraph
	accountants shall be engaged, prior to the date	except in transaction with government agency,	2 is amended in
	of occurrence, to provide an opinion with respect	accountants shall be engaged, prior to the date	consideration of the
	to the fairness of the transaction price; the said	of occurrence, to provide an opinion with respect	low risk to operate
	accountants shall undertake the same in	to the fairness of the transaction price; the said	or control the
	conformity with Auditing Standards No. 20	accountants shall undertake the same in	transaction price
	promulgated by the ARDF.	conformity with Auditing Standards No. 20	with a government
		promulgated by the ARDF.	agency, which must
			be the bidding final
	c) Where the club membership or intangible	c) Where the club membership or intangible	price and through
	assets are acquired or disposed by way of	assets are acquired or disposed by way of	public bidding. And
	judicial auctions, documentary proof furnished	judicial auctions, documentary proof furnished	under current
	by the courts may replace valuation reports or	by the courts may replace valuation reports or	regulations, it is not
	accountants' opinions.	accountants' opinions.	necessary to obtain
			a professional
	3) Implementation	3) Implementation	opinion while
	The Company may only proceed with the	The Company may only proceed with the	acquiring or
	acquisition or disposition of club membership or	acquisition or disposition of club membership or	disposing of real
	intangible assets after the Accounting	intangible assets after the Accounting	property with a
	Department has submitted its application for	Department has submitted its application for	government
	approval in accordance with item 1) hereunder.	approval in accordance with item 1) hereunder.	agency.
Article 10	Acquisition or Disposition of Derivative Products	Acquisition or Disposition of Derivative Products	
	Principles and Policies for Transactions	Principles and Policies for Transactions	
	a) Types of transaction	a) Types of transaction	
	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	3, 3,	
	i) Derivative products the Company is	i) Derivative products the Company is	
	permitted to undertake shall be those	permitted to undertake shall be those	
	contracts as defined in Article 3 1)	contracts as defined in Article 3 1)	
	hereinabove.	hereinabove.	
	"NIF-standard the standard the	"N #F	
	ii) "For transactional purposes" herein shall	ii) "For transactional purposes" herein shall	
	refer to the holding or producing of derivative	refer to the holding or producing of derivative	
	products the purpose of which is to earn the	products the purpose of which is to earn the	
	difference in transaction prices of the	difference in transaction prices of the	
	products, including transaction activities in	products, including transaction activities in	
	which profits or loss are measured and	which profits or loss are measured and	
	realized in the current period by way of fair	realized in the current period by way of fair	
	value. "For non-transactional purposes" herein shall refer to those transactions for	value. "For non-transactional purposes" herein shall refer to those transactions for	
	reasons other than those provided above.	reasons other than those provided above.	
	b) Operational or Hedging Strategy	b) Operational or Hedging Strategy	
	i) "For transactional purposes": The operation	i) "For transactional purposes": The operation	
	strategy shall be one of nimbleness and	strategy shall be one of nimbleness and	
	flexibility.	flexibility.	
	ii) "For non-transactional purposes": The	ii) "For non-transactional purposes": The	

Section	Current Articles	Proposed Changes	Reasons
	hedging strategy shall be one of prudence	hedging strategy shall be one of prudence	
	and caution.	and caution.	
	c) Duties and Responsibilities	c) Duties and Responsibilities	
	i) Execution of transaction contracts and	i) Execution of transaction contracts and	
	relevant documents: By the Chairman or a	relevant documents: By the Chairman or a	
	person so appointed by him as	person so appointed by him as	
	representative of the Company.	representative of the Company.	
	ii) Execution of transaction and profit/loss	ii) Execution of transaction and profit/loss	
	evaluation:	evaluation:	
	A. The Procurement Department shall be	A. The Procurement Department shall be	
	responsible for contracts involved goods	responsible for contracts involved goods	
	related to raw materials; the Finance	related to raw materials; the Finance	
	Department shall be responsible for	Department shall be responsible for	
	contracts relating to finance.	contracts relating to finance.	
	3	3	
	B. Account opening, transaction,	B. Account opening, transaction,	
	confirmation, settlement: Director of the	confirmation, settlement: Director of the	
	relevant department to decide or	relevant department to decide or	
	authorize.	authorize.	
	C. Production of transaction slip, invoice	C. Production of transaction slip, invoice	
	and application for funding to be	and application for funding to be	
	undertaken by traders and approved by	undertaken by traders and approved by	
	supervisors at various levels before	supervisors at various levels before	
	forwarding the same to Finance, Accounting and Audit Departments.	forwarding the same to Finance, Accounting and Audit Departments.	
	Accounting and Addit Departments.	Accounting and Addit Departments.	
	D. Designated staff at all relevant	D. Designated staff at all relevant	
	departments shall be responsible for	departments shall be responsible for	
	profit/loss evaluation; evaluation forms	profit/loss evaluation; evaluation forms	
	shall be forwarded to the director of Audit	shall be forwarded to the director of Audit	
	Department.	Department.	
	iii) Accounting: The Accounting Deporture and	iii\ Accounting: The Accounting Deportment	
	iii) Accounting: The Accounting Department	iii) Accounting: The Accounting Department	
	shall formulate record slips and enter into	shall formulate record slips and enter into	
	accounts based on the various receipts, and shall complete the relevant accounting	accounts based on the various receipts, and shall complete the relevant accounting	
	reports according to the accounting cycles.	reports according to the accounting cycles.	
		. Sports asserting to the associating system.	
	iv) Audit: The Audit Department shall conduct	iv) Audit: The Audit Department shall conduct	
	regular and ad hoc audit based on the	regular and ad hoc audit based on the	
	internal audit system.	internal audit system.	
	Alamah lamat assaratahan t	Alasah lasah samasa sakar	
	v) Legal: Legal counsel shall be responsible	v) Legal: Legal counsel shall be responsible	
	for review of transaction contracts.	for review of transaction contracts.	
	vi) Unless otherwise provided, only the	vi) Unless otherwise provided, only the	
<u> </u>		· · · · · · · · · · · · · · · · · · ·	ı

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	administrator or those ranking above may	administrator or those ranking above may	
	implement the transaction for derivative	implement the transaction for derivative	
	products.	products.	
	d) Performance appraisal	d) Performance appraisal	
	The benchmark for performance appraisal shall	The benchmark for performance appraisal shall	
	be the year-end net profit or loss.	be the year-end net profit or loss.	
	e) Total contract amount and authorized limit	e) Total contract amount and authorized limit	
	i) "For transactional purposes": The total	i) "For transactional purposes": The total	
	contract amount for any single subject matter	contract amount for any single subject matter	
	at any one time shall not exceed ten per cent	at any one time shall not exceed ten per cent	
	(10%) of the Company's net asset value for	(10%) of the Company's net asset value for	
	the preceding year; subject to the amount	the preceding year; subject to the amount	
	being less than five per cent (5%) of the net	being less than five per cent (5%) of the net	
	asset value, the various supervisors of the	asset value, the various supervisors of the	
	relevant departments shall be authorized to	relevant departments shall be authorized to	
	decide on their own, followed by their report	decide on their own, followed by their report	
	to the immediate following Board of Directors	to the immediate following Board of Directors	
	meeting for report. For amounts exceeding	meeting for report. For amounts exceeding	
	five per cent	five per cent	
	(5%) of net asset value, the approval of the	(5%) of net asset value, the approval of the	
	Board of Directors shall be required before	Board of Directors shall be required before	
	proceeding with the contract.	proceeding with the contract.	
	ii) "For non-transactional purposes": Limited	ii) "For non-transactional purposes": Limited	
	to the existing and expected assets or	to the existing and expected assets or	
	liabilities of transactions; the various	liabilities of transactions; the various	
	supervisors of the relevant departments shall	supervisors of the relevant departments shall	
	be authorized to decide on their own,	be authorized to decide on their own,	
	followed by their report to the immediate	followed by their report to the immediate	
	following Board of Directors meeting for	following Board of Directors meeting for	
	review.	review.	
	f) Limit on losses	f) Limit on losses	
	i) "For transaction purposes": No pre-set limit	i) "For transaction purposes": No pre-set limit	
	on individual contracts; however the limits	on individual contracts; however the limits	
	shall apply to those contracts of the same	shall apply to those contracts of the same	
	subject matter, and the limits for total	subject matter, and the limits for total	
	contractual loss are formulated according to	contractual loss are formulated according to	
	different tools:	different tools:	
	A. Forward contracts or futures: five per	A. Forward contracts or futures: five per	
	cent (5%) of average cots;	cent (5%) of average cots;	
	B. Options: Where the Company is the	B. Options: Where the Company is the	
	purchaser, the limit for purchasing price	purchaser, the limit for purchasing price	
	shall be five per cent (5%) of the total	shall be five per cent (5%) of the total	
	contract amount. Where the Company is	contract amount. Where the Company is	

Section	Current Articles	Proposed Changes	Reasons
	the seller, the limit shall be the sale price	the seller, the limit shall be the sale price	
	plus five per cent (5%) of the total	plus five per cent (5%) of the total	
	contract amount.	contract amount.	
	C. Swaps or other composite tools: The	C. Swaps or other composite tools: The	
	amount of loss shall not exceed five per	amount of loss shall not exceed five per	
	cent (5%) of the total contract amount.	cent (5%) of the total contract amount.	
	ii) "For non-transactional purposes": No limit	ii) "For non-transactional purposes": <u>The</u>	The Company
	is required as losses/profits shall have been	upper limit of losses of individual contract is	engaging in
	mutually offset from the hedged positions.	less than 25% of that contract's notional	derivatives trading
		amount. The upper limit of losses of all the	shall set the
		contracts is less than 25% of total notional	maximum loss limit
		amount of all contracts.	on total trading and
			for individual
	2) Risk Management Measures:	2) Risk Management Measures:	contracts.
	a) Countain ortale oradit riel.	a) Countary or the gradit side.	
	a) Counterparty's credit risk – Counterparties	a) Counterparty's credit risk – Counterparties	
	shall be financial institutions of good credit	shall be financial institutions of good credit	
	standing;	standing;	
	b) Market risk in which prices turnaround – in	b) Market risk in which prices turnaround – in	
	accordance with 1) f) herein.	accordance with 1) f) herein.	
	accordance with 1717 Herein.	accordance with 1) i) herein.	
	c) Liquidity risk of products – There shall be at	c) Liquidity risk of products – There shall be at	
	least two (2) financial institutions in the market	least two (2) financial institutions in the market	
	and at the same time offering two-way pricing for	and at the same time offering two-way pricing for	
	products, before transaction are permitted.	products, before transaction are permitted.	
	,		
	d) Cash-flow risk – There shall be periodic	d) Cash-flow risk – There shall be periodic	
	disclosures of fair market prices for financial	disclosures of fair market prices for financial	
	products undertaken, for appropriate disclosure	products undertaken, for appropriate disclosure	
	of projected cash flow volume from the financial	of projected cash flow volume from the financial	
	product.	product.	
	e) Internal operation risk – In accordance with 1)	e) Internal operation risk – In accordance with 1)	
	c) herein.	c) herein.	
	f) Legal risk for execution of contracts and	f) Legal risk for execution of contracts and	
	related documents –Professional opinions of the	related documents -Professional opinions of the	
	Legal Department shall be required.	Legal Department shall be required.	
	g) Trading staff for derivative products shall not	g) Trading staff for derivative products shall not	
	also work as operational staff for the purposes of	also work as operational staff for the purposes of	
	confirmation and settlement.	confirmation and settlement.	
	h) Pick maggiroment guponiisies and control	h) Pick management appearing and control	
	h) Risk measurement, supervision and control	h) Risk measurement, supervision and control	
	staff shall be from departments that differ from	staff shall be from departments that differ from	
	those described in g) hereinabove, and shall	those described in g) hereinabove, and shall	
	furthermore report to the Board of Directors or to	furthermore report to the Board of Directors or to	
	senior managers who are not responsible for	senior managers who are not responsible for	

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	making decisions in respect of the transaction or	making decisions in respect of the transaction or	
	for the department concerned.	for the department concerned.	
	i) All positions in derivative trades shall be	i) All positions in derivative trades shall be	
	appraised on a weekly basis; where hedge	appraised on a weekly basis; where hedge	
	positions trades are entered out of business	positions trades are entered out of business	
	necessity they shall be appraised at least twice a	necessity they shall be appraised at least twice a	
	month. Appraisal reports shall be forwarded to	month. Appraisal reports shall be forwarded to	
	senior managers authorized by the Board of	senior managers authorized by the Board of	
	Directors.	Directors.	
	3) Internal Audit System	3) Internal Audit System	
	The Company's internal auditors shall regularly	The Company's internal auditors shall regularly	
	review the appropriateness of internal controls	review the appropriateness of internal controls	
	for derivative product trading, and shall on a	for derivative product trading, and shall on a	
	monthly basis conduct compliance of these	monthly basis conduct compliance of these	
	Procedures by the Trading Department, with	Procedures by the Trading Department, with	
	audit reports to be compiled thereafter; where	audit reports to be compiled thereafter; where	
	major irregularities are discovered, all	major irregularities are discovered, all	
	Supervisors shall be notified by writing.	Supervisors shall be notified by writing.	
	4) Regular Appraisal and Measures In the Event	4) Regular Appraisal and Measures In the Event	
	of Irregularities	of Irregularities	
	a) The Board of Directors shall appoint the	a) The Board of Directors shall appoint the	
	directors of Audit Department to closely monitor	directors of Audit Department to closely monitor	
	and control the trading risk for derivative trades.	and control the trading risk for derivative trades.	
	b) The Board of Directors shall appoint a person	b) The Board of Directors shall appoint a person	
	to specifically conduct regular appraisal of the	to specifically conduct regular appraisal of the	
	performance of derivative trades so as to	performance of derivative trades so as to	
	establish whether there has been conformity	establish whether there has been conformity	
	with the pre-set operation policies and whether	with the pre-set operation policies and whether	
	the risks to be undertaken in respect thereof are	the risks to be undertaken in respect thereof are	
	within the scope allowed by the Company.	within the scope allowed by the Company.	
	c) The director of the Audit Department shall	c) The director of the Audit Department shall	
	regularly review the suitability of the existing risk	regularly review the suitability of the existing risk	
	management measures and whether the	management measures and whether the	
	procedures set out in this Article have been	procedures set out in this Article have been	
	complied with; This person shall furthermore	complied with; This person shall furthermore	
	monitor the trades and profits/losses status, and	monitor the trades and profits/losses status, and	
	shall take the necessary measures and	shall take the necessary measures and	
	immediately report to the Board of Directors	immediately report to the Board of Directors	
	where irregularities are discovered; where the	where irregularities are discovered; where the	
	Company has appointed Independent Directors,	Company has appointed Independent Directors,	
	who shall attend meetings of the Board of	who shall attend meetings of the Board of	
	Directors and shall express their opinions.	Directors and shall express their opinions.	
		- ,	
	d) The Company shall set up accounts books in	d) The Company shall set up accounts books in	
	respect of derivative trades, which books shall	respect of derivative trades, which books shall	

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	record in details the types, amounts, the date of	record in details the types, amounts, the date of	
	approval by the Board of Directors and the	approval by the Board of Directors and the	
	matters for due evaluation as required under	matters for due evaluation as required under	
	items 2) i) and 4) b) and c) herein, for ease of	items 2) i) and 4) b) and c) herein, for ease of	
	checking.	checking.	
Article 12	Procedure for Public Disclosure of Information	Procedure for Public Disclosure of Information	In accordance with Article 30 of
	Items to be publicly disclosed and standard	Items to be publicly disclosed and standard	Regulations, to
	for public disclosure and report	for public disclosure and report	consider the
	a) Acquisition or disposal of real property from or	a) Acquisition or disposal of real property from or	Company's
	to a related party, or acquisition or disposal of	to a related party, or acquisition or disposal of	investment of
	assets other than real property from or to a	assets other than real property from or to a	domestic money
	related party where the transaction amount	related party where the transaction amount	market funds just
	reaches 20 percent or more of paid-in capital, 10	reaches 20 percent or more of paid-in capital, 10	for fixed income
	percent or more of the company's total assets, or	percent or more of the company's total assets, or	interest, and same
	NT\$300 million or more; provided, this shall not	NT\$300 million or more; provided, this shall not	with the bonds
	apply to trading of government bonds or bonds	apply to trading of government bonds, bonds	under repurchase
	under repurchase and resale agreements;	under repurchase and resale agreements, or	and resale
		subscription or redemption of domestic money	agreements,
		market funds;	amend the item 1 of
			paragraph 1, and
	b) Undertaking merger, demerger, merger or	b) Undertaking merger, demerger, merger or	subparagraph 2 of
	shareholding transfer;	shareholding transfer;	item 4 of paragraph
	-	-	1 accordingly.
	c) Loss in derivative trade in an amount	c) Loss in derivative trade in an amount	
	exceeding the limits for all trades or individual	exceeding the limits for all trades or individual	
	trade as stipulated in Article 10 1) f);	trade as stipulated in Article 10 1) f);	
	d) Transactions relating to assets other than	d) Transactions relating to assets other than	
	those stipulated hereinabove, or undertaking	those stipulated hereinabove, or undertaking	
	investments in Mainland, where their transaction	investments in Mainland, where their transaction	
	amounts reach twenty per cent (20%) of the	amounts reach twenty per cent (20%) of the	
	Company's paid-in capital or equal or greater	Company's paid-in capital or equal or greater	
	than NT\$300 million, with the following	than NT\$300 million, with the following	
	exceptions:	exceptions:	
	i) Sale and purchase of government bonds;	i) Sale and purchase of government bonds;	
	ii) Sale and purchase of bonds with call or put	ii) Sale and purchase of bonds with call or put	
	options;	options, or subscription or redemption of	
		domestic money market funds;	
	iii) The assets so acquired or disposed are	iii) The assets so acquired or disposed are	
	equipments for business purposes and in	equipments for business purposes and in	
	which the counterparties are not related	which the counterparties are not related	
	parties, and that the transaction amount less	parties, and that the transaction amount less	
	than NT\$ 500 million;	than NT\$ 500 million;	
	iv) Real property obtained by way of	iv) Real property obtained by way of	
	entrusted construction on own land, engaging	entrusted construction on own land, engaging	
	others to construct on rented land, division of	others to construct on rented land, division of	

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	property or profits deriving from sale of	property or profits deriving from sale of	
	property following joint-development, where	property following joint-development, where	
	the projected amount to be invested in the	the projected amount to be invested in the	
	transaction less than NT\$500 million;	transaction less than NT\$500 million;	
	e) The calculation of transaction amount for e) above as follows:	e) The calculation of transaction amount for e) above as follows:	
	i) Each single transaction amount;	i) Each single transaction amount;	
	ii) Cumulative amount for transactions with the same counterparty within one (1) year or acquisition or disposal of subject matters of	ii) Cumulative amount for transactions with the same counterparty within one (1) year or acquisition or disposal of subject matters of	
	similar nature; iii) Cumulative amount for acquisition or disposition (separate accounting for cumulative amounts in respect of acquisitions and disposals) of real property under the same development project within one (1) year;	similar nature; iii) Cumulative amount for acquisition or disposition (separate accounting for cumulative amounts in respect of acquisitions and disposals) of real property under the same development project within one (1) year;	
	iv) Cumulative amount for acquisition or disposition (separate accounting for cumulative amounts in respect of acquisitions and disposals) of the same securities within one (1) year.	iv) Cumulative amount for acquisition or disposition (separate accounting for cumulative amounts in respect of acquisitions and disposals) of the same securities within one (1) year.	
	f) "Within one (1) year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.	f) "Within one (1) year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.	
	2) Time Limit for Public Announcement and Reports	Time Limit for Public Announcement and Reports	
	Public announcement and submission of report in respect of acquisition or disposition of assets by the Company under items a) to d) above shall be undertaken within two (2) days of the occurrence of the event.	Public announcement and submission of report in respect of acquisition or disposition of assets by the Company under items a) to d) above shall be undertaken within two (2) days of the occurrence of the event.	
	3) Procedure for Public Announcement	3) Procedure for Public Announcement	
	a) The Company shall undertake public announcement and report at the web-site appointed by the FSC;	a) The Company shall undertake public announcement and report at the web-site appointed by the FSC;	
	b) The Company shall on a monthly basis, and	b) The Company shall on a monthly basis, and	

Section	Current Articles	Proposed Changes	Reasons
	before the 10th day of each month, enter at the	before the 10th day of each month, enter at the	
	information and reporting web-site appointed by	information and reporting web-site appointed by	
	the FSC, all derivative trades undertaken for the	the FSC, all derivative trades undertaken for the	
	preceding month by the Company and its	preceding month by the Company and its	
	non-public subsidiaries;	non-public subsidiaries;	
	c) Where there are errors and omissions for	c) Where there are errors and omissions for	
	which corrections are required in the Company's	which corrections are required in the Company's	
	public announcement and reports in conformity	public announcement and reports in conformity	
	with regulations, the Company shall cause all of	with regulations, the Company shall cause all of	
	the items to be re-published;	the items to be re-published;	
	d) Where any of the following events has	d) Where any of the following events has	
	occurred following the Company's public	occurred following the Company's public	
	announcement and reports in respect of its	announcement and reports in respect of its	
	transactions pursuant to regulations, the	transactions pursuant to regulations, the	
	Company shall within two (2) days, commencing	Company shall within two (2) days, commencing	
	immediately from the date of the occurrence of	immediately from the date of the occurrence of	
	the said events, undertake public announcement	the said events, undertake public announcement	
	and report in respect of the relevant information	and report in respect of the relevant information	
	at the web-site appointed by FSC:	at the web-site appointed by FSC:	
	i) Amendment, termination or cancellation of	i) Amendment, termination or cancellation of	
	the contracts relating to the original	the contracts relating to the original	
	transaction;	transaction;	
	ii) Failure of merger, demerger, acquisition or	ii) Failure of merger, demerger, acquisition or	
	shareholding transfer to be completed at the	shareholding transfer to be completed at the	
	prescribed dates.	prescribed dates.	
	F	F	
	iii) Change to the originally publicly	iii) Change to the originally publicly	
	announced and reported information	announced and reported information	
	4) Format of Pubic Apparagement	4) Format of Pubic Apparagement	
	4) Format of Pubic Announcement	4) Format of Pubic Announcement	
	The necessary items and contents of public	The necessary items and contents of public	
	announcement which the Company shall comply	announcement which the Company shall comply	
	with are referred to the appendixes of	with are referred to the appendixes of	
	"Regulations Governing the Acquisition or	"Regulations Governing the Acquisition or	
	Disposition of Assets by Public Companies".	Disposition of Assets by Public Companies".	