

Tons:

TONS LIGHTOLOGY Inc.

Handbook for the 2019 Annual Meeting of Shareholders

MEETING TIME : May 29, 2019

PLACE : No. 240, Sec. 3, Dagan Rd., Banqiao Dist., New
Taipei City, Taiwan

(Kunlun Park Citizen's Activity Center)

---Disclaimer---

THIS IS A TRANSLATION OF THE AGENDA FOR THE 2019 ANNUAL GENERAL SHAREHOLDERS' MEETING ("THE AGENDA") OF TONS LIGHTOLOGY Inc. ("THE COMPANY"). THE TRANSLATION IS INTENDER FOR REFERENCE ONLY AND NO OTHER PURPOSE. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE AGENDA SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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Tons Lightology Inc.

Procedure for the 2019 Annual Meeting of Shareholders

I. Call the Meeting to Order

II. Chairperson Remarks

III. Management Presentation

IV. Approval Items

V. Discussion

VI. Motions

VII. Adjournment

Tons Lightology Inc.
Year 2019
Agenda of Annual Meeting of Shareholders

Time: May 29, 2019 (Wednesday) at 9:00 am

Place: No. 240, Sec. 3, Dagan Rd., Banqiao Dist., New Taipei City, Taiwan
(Kunlun Park Citizen's Activity Center)

I. Call the Meeting to Order

II. Chairperson Remarks

III. Management Presentation

1. 2018 Business Report
2. Audit Committee Examination Report on the 2018 Financial Statements
3. The remuneration to employees and directors report
4. Directors and managers' performance evaluation results and relevance and rationality report on their salary remuneration
5. Report of the first stock repurchase, and the implementation

IV. Approval Items

1. Adoption of the 2018 Business Report and Financial Statements
2. Adoption of the Proposal for Distribution of 2018 Profits

V. Discussion

1. Amendments to the Company's Articles of Incorporation
2. Amendments to the Company's Procedures for the Acquisition and Disposal of Assets
3. Amendments to the Company's Endorsements and Guarantees Operating Procedures

4. Amendments to the Company's Loans and Funds Operating
Procedures

VI. Motions

VII. Adjournment

Management Presentation

Report 1

2018 Business Report.

Explanation: Please refer to the Agenda Handbooks for the 2018 Business Report [Attachment 1].

Report 2

Audit Committee Examination Report on the 2018 Financial Statements.

Explanation: Please refer to the Agenda Handbooks for the 2018 Financial Statements Examined by the Audit Committee [Attachment 2].

Report 3

The distribution of remuneration to the employees and directors.

Explanation:

- I. The Article 23.1 of the Company's Articles of Incorporation "appropriating 5~15% of the annual earnings, if any, as remuneration to employees and appropriating less than 2.5% of the annual earnings as remuneration to directors".
- II. For the 2018 net income before tax and before deducting the remuneration to employees and directors, appropriate 8.0% of such amount (equivalent to NT\$10,902,000) as remuneration to employees and appropriate 1.2% of such amount (equivalent to NT\$1,635,000) as remuneration to directors paid in cash.
- III. The appropriated remuneration to employees and directors was the same amount of the expense recognized in 2018.

Report 4

Directors and managers' performance evaluation results and relevance and rationality report on their salary remuneration.

Explanation:

- I. The performance of directors was evaluated according to the Regulations Governing Performance Evaluation of the Board of Directors and included as

a basis for the calculation of salary and compensation according to the Regulations Governing Salary and Remuneration of Directors.

- II. The performance of managers was evaluated according to the Regulations Governing Performance Evaluation and included as a basis for the calculation of salary and compensation according to the performance evaluation of employees.
- III. The Remuneration Committee and the Board of Directors resolved that the results of performance evaluation of directors and managers and correlated properly with the amounts of their salaries and remuneration.

Report 5

Please refer to the following for the report of the First Stock Repurchase, and the Implementation.

Explanation:

- I. The Board of Directors' Resolution for the First Stock Repurchase, and the Implementation

Time of Repurchase	First Time
Approval Date	February 26, 2019
Period of Repurchase	February 27, 2019 to April 26, 2019
Purpose of Repurchase	Transfer to employees
Repurchased Stock Types and Quantity	1,000,000 shares of common stocks
Estimated Price Range for Repurchase	Between NT\$ 25 to 45. The Company will continue repurchasing stock if the stock price of the Company is lower than the bottom of the stipulated repurchase price range.
Percentage of Estimated Repurchased Stock to the Total Quantity of Issued Stock	2.5%
Actual Repurchased Stock Types and Quantity	Note 1
Amount of Actual Repurchased Stock	

Average Repurchase Price for each Share	
Implementation Efficiency of Actual Repurchased Stock	
Percentage of Actual Repurchased Stock to the Total Quantity of Issued Stock	
Amount of Stock Transferred and Cancelled	

Note 1: The repurchase process remains unfinished as of the date of the publishing of this Handbook. The information of actual repurchased amount of stock will be reported at the Annual Meeting of Shareholders.

- II. The “Regulations Governing the First Stock Repurchase and Transfer to Employees” of the Company is attached as Attachment 3 in the Handbook.

Approval Items

Proposal 1

Proposed by the Board

Adoption of the 2018 Business Report and Financial Statements

Explanation:

- I. The Company's 2018 business report and financial statements had been prepared accordingly, of which, the financial reports (including the consolidated financial statements) and the business report were examined by the Audit Committee with a written examination report issued.
- II. Please refer to [Attachment 1] of the Agenda Handbooks for 2018 business report and [Attachment 4] for the 2018 independent auditor's report and financial statements.
- III. Please adoption.

Resolution:

Proposal 2

Proposed by the Board

Adoption of the Proposal for Distribution of 2018 Profits

Explanation:

- I. The Company's 2018 net income amounted to NT\$105,557,449 with a legal reserve of NT\$10,555,745 appropriated, plus the unappropriated earnings of prior period amounted to NT\$85,903,934 and increasing the amount of NT\$4,568 debited to retained earnings due to the revaluation of the 2018 defined benefit plan, resulted in a distributable amount of NT\$180,910,206. The shareholder dividend for an amount of NT\$92,093,847 will be appropriated in accordance with the Articles of Association.
- II. Please refer to [Attachment 5] of the Agenda Handbooks for the 2018 Profit Distribution Table.
- III. The Company plans to distribute cash dividend for an amount of NT\$92,093,847, that is, NT\$2.3 per share, which will be distributed proportionally to the shareholding of the shareholders in the shareholder registry on the ex-dividend date. As soon as the proposal of earnings distribution resolved in the shareholders' meeting, the Board of Directors will be authorized to schedule the ex-dividend date and dividend

distribution date. The cash dividend will be distributed proportionally to the shareholding and rounded up to dollar. The Chairman of the Board of Directors shall have the complete authority in handling fractional share with the price less than NT\$ 1.

IV. When there is any change in the Company's outstanding shares; the Board of Directors is authorized to adjust the dividend per share in accordance with the actual outstanding shares on the ex-dividend date.

V. Please adoption.

Resolution:

Discussion

Proposal 1

Proposed by the Board

Amendments to the Company's Articles of Incorporation. Please proceed to discuss.

Explanations:

- I. Due to the amended Article 240 of Company Act, Article 24 of Articles of Incorporation is proposed to be amended in which the Board of Directors are authorized to determine the approach and content of annual distribution of cash bonus to shareholders.
- II. For the amendments before and after, please refer to [Attachment 6] of this Handbook.

Resolution:

Proposal 2

Proposed by the Board

Amendments to the Company's Procedures for the Acquisition and Disposal of Assets. Please proceed to discuss.

Explanations:

- I. Add the content of application of right-of-use assets based on "IFRS16 Lease" and amend based on "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".
- II. For the amendments before and after, please refer to [Attachment 7] of this Handbook.

Resolution:

Proposal 3

Proposed by the Board

Amendments to the Company's Endorsements and Guarantees Operating Procedures. Please proceed to discuss.

Explanations:

- I. Amend partial content due to amended "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies".
- II. For the amendments before and after, please refer to [Attachment 8] of this Handbook.

Resolution:

Proposal 4

Proposed by the Board

Amendments to the Company's Loans and Funds Operating Procedures. Please proceed to discuss.

Explanations:

- I. Amend partial content due to amended "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies".
- II. For the amendments before and after, please refer to [Attachment 9] of this Handbook.

Resolution:

Motions

Adjournment

Tons Lightology Inc.

The 2018 Business Report

Thanks to the economic growth dynamics from major economies generated by the growth of the United States and good economic performance in export-oriented emerging and developing economies under the rising prices of raw materials, the global economic growth of 2018 maintains the trend of 2017. However, the economic performance in 2018 tends to be downswing comparing to 2017 due to political turmoil in Europe and weak consumer confidence in Japanese domestics. The mainland China attempts to ensure stable economic growth by continuing proactive fiscal policy and prudent monetary policy under the macroeconomic context. In the possible future, the upgraded trade friction is affecting the exports and enterprise investment confidence. However, the positive global economic growth could still be expected if the US fiscal policy can effectively support its economic dynamics while the emerging and developing economies maintaining their current growth patterns.

Facing the changing trends of global economy, it would take longer period of time for the industry where the Company belongs to react. With a stable growth of economic indicators in major countries, the Company is optimistic about business development next year. The Company had continued the lean policy of the last few years, including substantially improving production efficiency internally, controlling costs, developing high value-added products, optimizing the quality of customers, and refining product portfolio. In terms of branding effort, the Company had won over the lighting engineering projects from Southern Branch of National Palace Museum, Chimei Museum, and Chung Tai Zen Centers Portal of Taiwan that had helped Tons Lightology Inc. secured a leading position in the lighting engineering of museum in Taiwan. The Company will continue this momentum to root in Taiwan's professional lighting market and to convey the experience to Chinese market in order to increase brand awareness. In addition, the Company will continue to enhance the working environment and employee benefits, and protect the stability of human resources so the Company can stay competitive while facing economic fluctuations and uncertainties externally.

Overall, the Company's revenue of FY 2018 experienced slight growth in 2018. With the support of shareholders and colleagues, the Company maintained a certain level of profits in such a competitive market. We would like to show our appreciation for the support of the shareholders on behalf of the Board of Directors of the Company. The Company's 2018 business operation and 2019 operational plans are briefed as follows.

I. The 2018 business operation

(I) Operating results and operating income and expense

In 2018, the Company's individual and consolidated net operating revenue were NT\$956,000 thousand and NT\$1,053,036 thousand

respectively, an increase of 2.45% and 6.70% respectively compared with NT\$933,157 thousand and NT\$986,926 thousand in 2017. The Company's individual and consolidated net income after tax were the same as NT\$105,557 thousand, a decrease of 12.82% (NT\$15,526 thousand) compared with NT\$121,083 thousand in 2017.

(II) Profitability analysis

The Company's operating revenue in 2018 was more than that in 2017. The increase in clients, optimized portfolios, and brand revenue led to the maintenance in profit margins; Business operation increased slightly due to business promotion and project implementation and the expense ratio was still comparable to the one of the last fiscal year. The profitability of non-operating income in the last fiscal year had caused the Company's net profit after tax in FY2018 to decrease by NT\$15.526 million compared with the one of FY2017. However, the consolidated net profit margin still reached 10.02%.

(III) Research and development status

In 2018, the Company developed various products and obtained many patents. Products, such as AC-3PBA junctions boxes accessories, HT-363, HT4-463 track power plug accessories, DA-013A, DA-553A, DW-383W, DW-313A, DH-384R, DG-E04E, DG-603D, and DG-201S LED recessed lights series, SA-1700B, SA-1701B, SA-1720B, SA-5800, SA-531A, and SA-1790B LED spotlights series, BS-311B, BS-201S, and BS-205B LED wall lamps series, WG-604R and WG-712R LED ceiling lamps series, OBS-009R, ODL-306R, OGL-306R, OGA-222R, OGA-202A, and OFA-109P LED outdoor lamps series were developed. For patents of R&D results, the Company has acquired utility model patents for our concentric lamps and adjustable telescopic spotlight products, and invention patents for light module (light interceptors) products.

In prospect, the Company will continue to research and develop forward-looking technology and innovative applications, to substantiate product design, and commercialize research and systematic production management in order to continue to promote the brand and deepen the Company's core competence and secure the leading position.

II. The 2019 business plan outline

(I) The important marketing policy and business policy

1. Products

- A. Continuing to strengthen indoor lighting products: Continue to complete indoor lighting products and invest in the development of low-cost light fixtures for meeting customer's needs due to the emerging of LED mass market.
- B. Continuing to expand outdoor lighting products: Continue to complete the development of outdoor lighting series in order to create the Company's future growth momentum.

2. Marketing:

- A. Promote green lighting and continue to develop new products.

- B. Enhance product value and maintain price competitiveness.
- C. Secure the existing market and develop emerging market with potentials.
- D. Participate in international exhibitions and commit to promote the Company's brand.

3. Production:

- A. Simplify product lines, use common parts, and build safety stock for the frequently used parts in order to shorten delivery lead time.
- B. Strengthen automated production, improve manufacturing processes, increase efficiency, and reduce the impact of rising labor cost.

(II) The Company's future development strategy

Continue the business model of OEM and branding. In terms of OEM business, continue to attract more big customers in Europe for cooperation currently. In terms of branding business, Due to our significant achievement in the cross-strait markets, more investment would be conducted in the Greater China Area in order to create a stable revenue source.

(III) The impact on the external competitive environment, regulatory environment, and the overall business environment

The global economy is gradual recovery, but the environmental law in each country is increasingly stringent, added with the continuing increase of production cost in China have us faced severe challenges. We have come up with the following responsive measures for the challenges faced by us:

1. Recruit professionals, enhance management, and improve the Company's business strength.
2. Introduce external technologies, enhance research and development capabilities, and improve product value.
3. Meet customer needs with innovative brand and professional services.
4. Pay attention to changes in domestic and foreign policies and laws with responsive measures proposed in due course.

Chairman : TANG, SHIH-CHUAN

CEO : TANG, SHIH-CHUAN

CFO : WANG, CHIH-YUAN

[Attachment 2]

Tons Lightology Inc.
Audit Committee's Report

The Board of Directors had prepared and presented the Company's 2018 business report, financial report, and statement of retained earnings, of which, the financial report was consigned by the Board of Directors to be audited by CPA Wang, Yu-Chuan and CPA Liu, Mei-Lan of PWC Taiwan with an independent auditor's report issued.

We have reviewed the said business report, financial report, and statement of retained earnings without finding any nonconformity against the governing law and regulations. Also, we have issued this Audit Committee's report in conformity with Article 219 of the Company Law.

Sincerely yours,

To: The 2019 Annual Shareholders' Meeting of Tons Lightology Inc.

Independent Director HSU, CHUNG-YUAN
Independent Director YUAN, JIAN-CHUNG
Independent Director CHOU, LIANG-CHENG

February 26, 2019

[Attachment 3]

Tons Lightology Inc.
**Regulations Governing the First Stock Repurchase and Transfer to
Employees**

Stipulated on February 26, 2019

Article 1 The Regulations Governing the First Stock Repurchase and Transfer to Employees are issued by the Company based on “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” issued by Financial Supervisory Commission and Subparagraph 1 of Paragraph 1 of Article 28-2 of “Securities and Exchange Act” to motivate employees and teamwork for achieving the goals set for the Company’s business operation. All procedures repurchased stock transferred to employees shall comply with the Regulations unless any legal regulations prevail.

Article 2 The transferred stock to the employees shall be the type of common stock, unless there is any other regulations which shall be complied with, the content of rights and obligations incurred shall be consistent with those common stock not repurchased.

Article 3 All the repurchased stock shall be transferred to employees in one or multiple times within three years after completing the repurchasing.

Article 4 Qualification and Allowed Quantity for Subscription of Transferees:

In principles, the Transferees referred in the Regulations shall be the in-service full-time employees of the Company prior to the record date for subscription. The allowed ratio and quantity for stock subscription to each employee shall be based on his/her job position, seniority, job performance and relevant contribution to the Company.

The aforesaid allowed ratio and quantity for stock subscription to transferees shall be ultimately approved by the Board of Directors after the Remuneration Committee reviewing proposals which are compiled by the

Management Department who considers factors such as the quantity of repurchased stock and the cap for subscription of each employee by the record date for subscription as well as operation demands and business development strategies of the Company and submitted by the Manager specified in the Company's Remuneration Committee Charter. The unspecified items shall be approved by the Chairman of the Board of Directors.

Article 5 The procedures for transferring repurchased stock to employees are as follow:

1. Announce, report and repurchase stock within the period specified by the resolution of the Board of Directors.
2. The Management Department compiles proposals of record date for subscription, allowed quantity for stock subscription, subscription payment period and content of rights which shall be submitted by the Manager specified in the Company's Remuneration Committee Charter for reviewing by the Remuneration Committee Charter and the approval by the Board of Directors. The unspecified items shall be approved by the Chairman of the Board of Directors.
3. Employees who fails to make complete payment for stock subscription after the payment period shall be deemed as waiving his/her subscription right, and the remaining available stock may be subscribed by any other employees contacted by the Chairman of the Board of Directors.
4. Calculate the quantity of actually subscribed stock and conduct further registration for stock transferring.

Article 6 The transfer price of the repurchased stock shall be the average price of the actually repurchased stock. However, such transfer price is adjustable

based on ratio of increase of quantity of issued common stock of the Company (round up the amount not less than NT\$ 0.1).

Calculation formula for transfer price adjustment:

The adjusted transfer price = the actually repurchased stock average price of the actually repurchased stock x (total quantity of common stock of the Company after completion of repurchase ÷ total quantity of common stock of the Company before transferring the repurchased stock to employees)

Article 7 Unless there is any other regulations which shall be complied with, after the repurchased stock is transfer and registered to employees, the content of rights and obligations incurred shall be consistent with those common stock not repurchased.

Article 8 Payment of taxation or mandatory fees incurred to the stock transferred based on the Regulations shall be based on the legal regulations or relevant procedures of the Company at the moment of their transfer.

Article 9 The Regulations shall enter into effect after the resolution of the Board of Directors. Necessary amendment to the Regulations due to amendment of legal regulations, changes of approval by the Competent Authority or changes of objective environments shall enter into effect after the resolution of the Board of Directors, or initially approved and implemented by the Chairman and submitted to the Board of Directors for further resolution.

Article 10 The Regulations, as well as the amended version, shall be submitted to the Meeting of Shareholders for reporting.

[Attachment 4]

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Tons Lightology Inc.

Opinion

We have audited the accompanying parent company only balance sheets of Tons Lightology Inc. (the “Company”) as at December 31, 2018 and 2017, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

Key audit matters

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

Key audit matters for the Company’s parent company only financial statements of the current period are stated as follows:

Timing of recognising sales revenue.

Description

Please refer to Note 4(24) for a description of accounting policy on sales revenue. Please refer to Note 6(14) for details of sales revenue.

The Company is primarily engaged in manufacturing and trading lighting equipment and lamps and the transaction mode is the Company receives orders and transfers the orders to the subsidiaries for manufacturing and delivery. Sales revenues are recognised when the control of goods are transferred upon loading on board for shipping in accordance with the contract terms and the risk being transferred. Considering that the revenue might not be recognised in the proper period as the timing of recognition mainly occurs when loading from subsidiaries and the consistency between the shipment date and the actual on board date is inspected manually. Thus, we identified the timing of sales revenue recognition as one of the key areas of focus for this year's audit.

How our audit addressed the matter

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

- A. Obtained an understanding and evaluated the operating procedures and internal controls over sales revenue, and assessed the effectiveness on how the management controls the timing of recognising sales revenue.
- B. Performed sales cut-off test for a certain period before and after balance sheet date to assess the accuracy of the timing of sales revenues.

Inventory valuation

Description

The Company is primarily engaged in manufacturing and trading lighting equipment and lamps and the transaction mode is the Company receives orders and transfers the orders to the subsidiaries for manufacturing and delivery. Considering that the inventory valuation policy of the Company's subsidiary (presented as investments accounted for using the equity method) is measured at the lower of cost and net realisable value and determination of net realisable value for inventory that is over a certain age and individually identified for impairment involves subjective judgement and are material to its financial statements, we thus identified inventory valuation of the subsidiaries (presented as investments accounted for using the equity method) as one of the key areas of focus for this year's audit.

How our audit addressed the matter

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

- A. Obtained an understanding of the Company inventory policy and assessed the reasonableness of the policy.
- B. Reviewed annual inventory counting plan and observed the annual inventory counting event in order to assess the classification of obsolete inventory and effectiveness of obsolete inventory internal control.
- C. Obtained the Company inventory aging report and verified dates of movements with supporting documents. Ensured the proper categorisation of inventory aging report in accordance with the Company policy.
- D. Obtained the net realisable value statement of each inventory, assessed whether the estimation policy was consistently applied, tested the estimation basis of the net realisable value with relevant information, including verifying the sales and purchase prices with supporting evidence, and recalculated and evaluated the reasonableness of the inventory valuation.

Responsibilities of management and those charged with governance for parent company only financial statements

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

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

Those charged with governance, including audit committee, are responsible for overseeing the Company’s financial reporting process.

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

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

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

- A. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report

to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the parent company only financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Wang, Yu-Chuan
For and on behalf of PricewaterhouseCoopers, Taiwan
February 26, 2019

Liu, Mei-Lan

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

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

TONS LIGHTOLOGY INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars)

Assets		December 31, 2018		December 31, 2017	
		AMOUNT	%	AMOUNT	%
Current assets					
1100	Cash and cash equivalents	\$ 178,714	12	\$ 158,494	11
1150	Notes receivable, net	1,403	-	1,824	-
1170	Accounts receivable, net	145,236	10	149,395	10
1180	Accounts receivable - related parties	-	-	136	-
1200	Other receivables	405	-	1,453	-
130X	Inventories	9,665	1	9,715	1
1410	Prepayments	3,991	-	4,765	-
1470	Other current assets	97	-	91	-
11XX	Current Assets	<u>339,511</u>	<u>23</u>	<u>325,873</u>	<u>22</u>
Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	133,342	9	-	-
1523	Available-for-sale financial assets - noncurrent	-	-	127,576	9
1550	Investments accounted for under equity method	982,788	66	1,006,685	68
1600	Property, plant and equipment	3,435	-	5,198	1
1780	Intangible assets	3,499	-	4,923	-
1840	Deferred income tax assets	5,227	-	3,510	-
1990	Other non-current assets, others	30,238	2	1,805	-
15XX	Non-current assets	<u>1,158,529</u>	<u>77</u>	<u>1,149,697</u>	<u>78</u>
1XXX	Total assets	<u>\$ 1,498,040</u>	<u>100</u>	<u>\$ 1,475,570</u>	<u>100</u>

(Continued)

TONS LIGHTOLOGY INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	December 31, 2018		December 31, 2017		
	AMOUNT	%	AMOUNT	%	
Current liabilities					
2150	Notes payable	\$ -	-	\$ 59	-
2170	Accounts payable	1,815	-	5,173	-
2180	Accounts payable - related parties	218,911	15	204,963	14
2200	Other payables	29,183	2	33,282	2
2220	Other payables - related parties	19,696	1	13,144	1
2230	Current income tax liabilities	13,755	1	5,423	-
2300	Other current liabilities	5,997	-	10,204	1
21XX	Current Liabilities	<u>289,357</u>	<u>19</u>	<u>272,248</u>	<u>18</u>
Non-current liabilities					
2550	Provisions for liabilities - noncurrent	341	-	557	-
2570	Deferred income tax liabilities	2,488	-	9,532	1
2600	Net defined benefit liability - noncurrent	11,954	1	11,619	1
25XX	Non-current liabilities	<u>14,783</u>	<u>1</u>	<u>21,708</u>	<u>2</u>
2XXX	Total Liabilities	<u>304,140</u>	<u>20</u>	<u>293,956</u>	<u>20</u>
Equity					
Share capital					
3110	Share capital - common stock	399,628	27	398,118	27
3140	Advance receipts for share capital	-	-	537	-
Capital surplus					
3200	Capital surplus	505,825	33	502,257	34
Retained earnings					
3310	Legal reserve	74,663	5	62,555	4
3320	Special reserve	38,429	3	38,429	3
3350	Unappropriated retained earnings	191,466	13	189,770	13
Other equity interest					
3400	Other equity interest	(16,111)	(1)	(10,052)	(1)
3XXX	Total equity	<u>1,193,900</u>	<u>80</u>	<u>1,181,614</u>	<u>80</u>
Significant contingent liabilities and unrecognised contract commitments					
Significant events after the balance sheet date					
3X2X	Total liabilities and equity	<u>\$ 1,498,040</u>	<u>100</u>	<u>\$ 1,475,570</u>	<u>100</u>

TONS LIGHTOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Year ended December 31				
	2018		2017		
	AMOUNT	%	AMOUNT	%	
4000	Sales revenue	\$ 956,000	100	\$ 933,157	100
5000	Operating costs	(795,694)	(83)	(759,610)	(81)
5900	Net operating margin	160,306	17	173,547	19
	Operating expenses				
6100	Selling expenses	(40,431)	(4)	(38,923)	(4)
6200	General and administrative expenses	(50,212)	(5)	(49,822)	(5)
6300	Research and development expenses	(6,069)	(1)	(6,630)	(1)
6000	Total operating expenses	(96,712)	(10)	(95,375)	(10)
6900	Operating profit	63,594	7	78,172	9
	Non-operating income and expenses				
7010	Other income	7,744	1	6,272	-
7020	Other gains and losses	(823)	-	8,542	1
7070	Share of profit of associates and joint ventures accounted for using equity method, net	53,220	5	53,486	6
7000	Total non-operating revenue and expenses	60,141	6	68,300	7
7900	Profit before income tax	123,735	13	146,472	16
7950	Income tax expense	(18,178)	(2)	(25,389)	(3)
8200	Profit for the year	\$ 105,557	11	\$ 121,083	13
	Other comprehensive income				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	(\$ 243)	-	\$ 735	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	5,766	1	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	1,135	-	(125)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss	6,658	1	610	-
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Other comprehensive income, before tax, exchange differences on translation	(12,712)	(2)	(12,710)	(2)
8362	Other comprehensive income, before tax, available-for-sale financial assets	-	-	6,456	1
8399	Aggregated income tax relating to components of other comprehensive income	-	-	1,109	-
8360	Components of other comprehensive income that will be reclassified to profit or loss	(12,712)	(2)	(5,145)	(1)
8300	Other comprehensive loss for the year	(\$ 6,054)	(1)	(\$ 4,535)	(1)
8500	Total comprehensive income for the year	\$ 99,503	10	\$ 116,548	12
	Basic earnings per share				
9750	Total basic earnings per share	\$ 2.65		\$ 3.04	
	Diluted earnings per share				
9850	Total diluted earnings per share	\$ 2.61		\$ 3.00	

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

	Share capital		Capital Surplus		Retained earnings			Other equity interest			Total equity
	Share capital - common stock	Advance receipts for share capital	Additional paid-in capital	Employee stock warrants	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for-sale financial assets	
2017											
Balance at January 1, 2017	\$ 390,689	\$ 3,252	\$ 491,889	\$ 3,723	\$ 50,054	\$ 38,429	\$ 187,006	(\$ 23,355)	\$ -	\$ 18,448	\$ 1,160,135
Profit for the year	-	-	-	-	-	-	121,083	-	-	-	121,083
Other comprehensive income (loss) for the year	-	-	-	-	-	-	610	(12,710)	-	7,565	(4,535)
Total comprehensive income (loss)	-	-	-	-	-	-	121,693	(12,710)	-	7,565	116,548
Appropriation and distribution of 2016 retained earnings (Note 1)											
Legal reserve	-	-	-	-	12,501	-	(12,501)	-	-	-	-
Stock dividends	3,942	-	-	-	-	-	(3,942)	-	-	-	-
Cash dividends	-	-	-	-	-	-	(102,486)	-	-	-	(102,486)
Share based payment transactions-employee stock options	3,487	(2,715)	6,959	(314)	-	-	-	-	-	-	7,417
Balance at December 31, 2017	\$ 398,118	\$ 537	\$ 498,848	\$ 3,409	\$ 62,555	\$ 38,429	\$ 189,770	(\$ 36,065)	\$ -	\$ 26,013	\$ 1,181,614
2018											
Balance at January 1, 2018	\$ 398,118	\$ 537	\$ 498,848	\$ 3,409	\$ 62,555	\$ 38,429	\$ 189,770	(\$ 36,065)	\$ -	\$ 26,013	\$ 1,181,614
Effect of retrospective application and retrospective restatement	-	-	-	-	-	-	-	-	26,013	(26,013)	-
Balance at 1 January after adjustments	398,118	537	498,848	3,409	62,555	38,429	189,770	(36,065)	26,013	-	1,181,614
Profit for the year	-	-	-	-	-	-	105,557	-	-	-	105,557
Other comprehensive income (loss) for the year	-	-	-	-	-	-	5	(12,712)	6,653	-	(6,054)
Total comprehensive income (loss)	-	-	-	-	-	-	105,562	(12,712)	6,653	-	99,503
Appropriation and distribution of 2017 retained earnings (Note 2)											
Legal reserve	-	-	-	-	12,108	-	(12,108)	-	-	-	-
Cash dividends	-	-	-	-	-	-	(91,758)	-	-	-	(91,758)
Share based payment transactions-employee stock options	1,510	(537)	2,866	702	-	-	-	-	-	-	4,541
Balance at December 31, 2018	\$ 399,628	\$ -	\$ 501,714	\$ 4,111	\$ 74,663	\$ 38,429	\$ 191,466	(\$ 48,777)	\$ 32,666	\$ -	\$ 1,193,900

Note1: Directors' and supervisors' remuneration and employees' compensation for 2016 amounting to \$2,391 thousand and \$13,548 thousand, respectively, were deducted from parent company only statements of comprehensive income.

Note2: Directors' and supervisors' remuneration and employees' compensation for 2017 amounting to \$1,936 thousand and \$12,906 thousand, respectively, were deducted from parent company only statements of comprehensive income.

TONS LIGHTOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars)

	2018	2017
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 123,735	\$ 146,472
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation	3,440	2,749
Amortization	2,581	2,038
Expected credit loss/Reversal of provision for bad debt expense	522 (	704)
Reversal of warranty expense	(216 ) (	622)
Dividend income	(2,612 ) (	701)
Interest income	(4,587 ) (	3,953)
Wages and salaries-employee stock options	1,883	1,973
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(53,220 ) (	53,486)
Changes in operating assets and liabilities		
Changes in operating assets		
Notes receivable, net	422	1,050
Accounts receivable (including related parties), net	3,790 (	5,275)
Other receivables	1,035 (	1,056)
Inventories	51 (	691)
Prepayments	778 (	531)
Other current assets	(6 ) (	58)
Changes in operating liabilities		
Notes payable	(59)	51
Accounts payable	(3,357)	2,863
Accounts payable to related parties	13,935	1,007
Other payables	(4,126)	414
Other payables to related parties	6,552	6,869
Contract liabilities	(3,897 ) (	955)
Other current liabilities	(312)	581
Other non-current liabilities	91	30
Cash inflow generated from operations	86,423	98,065
Interest received	4,599	3,945
Dividend received	2,612	701
Income taxes paid	(17,472)	(19,911)
Net cash flows from operating activities	76,162	82,800

(Continued)

TONS LIGHTOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars)

	2018	2017
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Decrease in other receivables to related parties	\$ -	\$ 28,014
Acquisition of investments accounted for using equity method	-	(77,842)
Acquisition of property, plant and equipment	(1,677)	(4,583)
Acquisition of intangible assets	(1,157)	(5,550)
Increase in refundable deposits	(28,424)	(269)
Dividend income	64,240	-
Net cash flows from (used in) investing activities	32,982	(60,230)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Decrease in guarantee deposits received	-	(583)
Cash dividends paid	(91,758)	(102,486)
Exercise of employee share options	2,658	5,444
Net cash flows used in financing activities	(89,100)	(97,625)
Effect of exchange rate changes on cash and cash equivalents	176	(390)
Net increase (decrease) in cash and cash equivalents	20,220	(75,445)
Cash and cash equivalents at beginning of year	158,494	233,939
Cash and cash equivalents at end of year	\$ 178,714	\$ 158,494

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Tons Lightology Inc.

Opinion

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

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

Basis for opinion

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

Key audit matters

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

Key audit matters for the Group’s consolidated financial statements of the current period are stated as follows:

Timing of recognising sales revenue.

Description

Please refer to Note 4(27) for a description of accounting policy on sales revenue. Please refer to Note 6(17) for details of sales revenue.

The Group is primarily engaged in manufacturing and trading lighting equipment and lamps and the transaction mode is the parent company receives orders and transfers

the orders to the subsidiaries for manufacturing and delivery. Sales revenues are recognised when the control of goods are transferred upon loading on board for shipping in accordance with the contract terms and the risk being transferred. Considering that the revenue might not be recognised in the proper period as the timing of recognition mainly occurs when loading from subsidiaries and the consistency between the shipment date and the actual on board date is inspected manually. Thus, we identified the timing of sales revenue recognition as one of the key areas of focus for this year's audit.

How our audit addressed the matter

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

- A. Obtained an understanding and evaluated the operating procedures and internal controls over sales revenue, and assessed the effectiveness on how the management controls the timing of recognising sales revenue.
- B. Performed sales cut-off test for a certain period before and after balance sheet date to assess the accuracy of the timing of sales revenues.

Inventory valuation

Description

Please refer to Note 4(12) for a description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(4) for a description of inventory. As of December 31, 2018, the Group's inventory amounted to NT\$180,357 thousand and inventory valuation losses amounted to NT\$ 10,335 thousand.

The Group is primarily engaged in manufacturing and trading lighting equipment and lamps. Under the Group's inventory policy, inventory valuation is measured at the lower of cost and net realisable value. Determination of net realisable value for inventory that is over a certain age and individually identified for impairment involves subjective judgement and are material to its financial statements. Thus, we identified inventory valuation as one of the key areas of focus for this year's audit.

How our audit addressed the matter

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

- A. Obtained an understanding of the Group's inventory policy and assessed the reasonableness of the policy.
- B. Reviewed annual inventory counting plan and observed the annual inventory counting event in order to assess the classification of obsolete inventory and effectiveness of obsolete inventory internal control.
- C. Obtained the Group's inventory aging report and verified dates of movements with supporting documents. Ensured the proper categorisation of inventory aging report in accordance with the Group's policy.
- D. Obtained the net realisable value statement of each inventory, assessed whether the estimation policy was consistently applied, tested the estimation basis of the net purchase prices with supporting evidence, and recalculated and evaluated the reasonableness of the inventory valuation.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Tons Lightology Inc. as at and for the years ended December 31, 2018 and 2017.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

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

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

- A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Wang, Yu-Chuan
For and on behalf of PricewaterhouseCoopers, Taiwan
February 26, 2019

Liu, Mei-Lan

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

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

TONS LIGHTOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars)

Assets	December 31, 2018		December 31, 2017		
	AMOUNT	%	AMOUNT	%	
Current assets					
1100	Cash and cash equivalents	\$ 366,898	25	\$ 369,163	26
1110	Financial assets at fair value				
	through profit or loss - current	152,240	10	148,029	10
1150	Notes receivable, net	1,403	-	1,824	-
1170	Accounts receivable, net	157,687	11	155,804	11
1180	Accounts receivable - related parties	-	-	4	-
1200	Other receivables	1,994	-	3,557	-
130X	Inventories	170,022	12	156,027	11
1410	Prepayments	22,176	1	20,806	1
1470	Other current assets	53,767	4	71,854	5
11XX	Current Assets	<u>926,187</u>	<u>63</u>	<u>927,068</u>	<u>64</u>
Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	133,342	9	-	-
1523	Available-for-sale financial assets - noncurrent	-	-	127,576	9
1600	Property, plant and equipment	324,120	22	331,908	23
1780	Intangible assets	3,568	-	5,087	1
1840	Deferred income tax assets	5,227	1	3,510	-
1900	Other non-current assets	76,091	5	45,758	3
15XX	Non-current assets	<u>542,348</u>	<u>37</u>	<u>513,839</u>	<u>36</u>
1XXX	Total assets	<u>\$ 1,468,535</u>	<u>100</u>	<u>\$ 1,440,907</u>	<u>100</u>

(Continued)

TONS LIGHTOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	December 31, 2018		December 31, 2017	
	AMOUNT	%	AMOUNT	%
Current liabilities				
2120	Financial liabilities at fair value			
	through profit or loss - current	\$ 957	-	\$ -
2150	Notes payable	-	-	59
2170	Accounts payable	97,148	7	99,934
2180	Accounts payable - related parties	17,158	1	12,144
2200	Other payables	110,892	8	105,588
2230	Current income tax liabilities	20,433	1	7,484
2250	Provisions for liabilities - current	152	-	535
2300	Other current liabilities	12,306	1	11,773
21XX	Current Liabilities	<u>259,046</u>	<u>18</u>	<u>237,517</u>
Non-current liabilities				
2550	Provisions for liabilities - noncurrent	1,148	-	625
2570	Deferred income tax liabilities	2,488	-	9,532
2600	Other non-current liabilities	11,953	1	11,619
25XX	Non-current liabilities	<u>15,589</u>	<u>1</u>	<u>21,776</u>
2XXX	Total Liabilities	<u>274,635</u>	<u>19</u>	<u>259,293</u>
Equity attributable to owners of parent				
Share capital				
3110	Share capital - common stock	399,628	27	398,118
3140	Advance receipts for share capital	-	-	537
Capital surplus				
3200	Capital surplus	505,825	34	502,257
Retained earnings				
3310	Legal reserve	74,663	5	62,555
3320	Special reserve	38,429	3	38,429
3350	Unappropriated retained earnings	191,466	13	189,770
Other equity interest				
3400	Other equity interest	(16,111)	(1)	(10,052)
31XX	Equity attributable to owners of the parent	<u>1,193,900</u>	<u>81</u>	<u>1,181,614</u>
3XXX	Total equity	<u>1,193,900</u>	<u>81</u>	<u>1,181,614</u>
Significant contingent liabilities and unrecognised contract commitments				
Significant events after the balance sheet date				
3X2X	Total liabilities and equity	<u>\$ 1,468,535</u>	<u>100</u>	<u>\$ 1,440,907</u>

TONS LIGHTOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Year ended December 31			
	2018		2017	
	AMOUNT	%	AMOUNT	%
4000 Sales revenue	\$ 1,053,036	100	\$ 986,926	100
5000 Operating costs	(692,343)	(66)	(641,111)	(65)
5900 Net operating margin	<u>360,693</u>	<u>34</u>	<u>345,815</u>	<u>35</u>
Operating expenses				
6100 Selling expenses	(115,519)	(11)	(106,194)	(11)
6200 General and administrative expenses	(111,526)	(10)	(107,900)	(11)
6300 Research and development expenses	(40,133)	(4)	(34,771)	(3)
6000 Total operating expenses	<u>(267,178)</u>	<u>(25)</u>	<u>(248,865)</u>	<u>(25)</u>
6900 Operating profit	<u>93,515</u>	<u>9</u>	<u>96,950</u>	<u>10</u>
Non-operating income and expenses				
7010 Other income	16,886	2	13,194	1
7020 Other gains and losses	26,621	2	43,326	4
7000 Total non-operating income and expenses	<u>43,507</u>	<u>4</u>	<u>56,520</u>	<u>5</u>
7900 Profit before income tax	<u>137,022</u>	<u>13</u>	<u>153,470</u>	<u>15</u>
7950 Income tax expense	(31,465)	(3)	(32,387)	(3)
8200 Profit for the year	<u>\$ 105,557</u>	<u>10</u>	<u>\$ 121,083</u>	<u>12</u>
Other comprehensive income				
Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	(\$ 243)	-	\$ 735	-
8316 Total expenses, by nature	5,766	-	-	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>1,135</u>	<u>-</u>	<u>(125)</u>	<u>-</u>
8310 Components of other comprehensive income that will not be reclassified to profit or loss	<u>6,658</u>	<u>-</u>	<u>610</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss				
8361 Financial statements translation differences of foreign operations	(12,712)	(1)	(12,710)	(1)
8362 Unrealized gain on valuation of available-for-sale financial assets	-	-	6,456	1
8399 Income tax relating to the components of other comprehensive income	-	-	1,109	-
8360 Components of other comprehensive income that will be reclassified to profit or loss	<u>(12,712)</u>	<u>(1)</u>	<u>5,145</u>	<u>-</u>
8300 Total other comprehensive loss for the year	<u>(\$ 6,054)</u>	<u>(1)</u>	<u>(\$ 4,535)</u>	<u>-</u>
8500 Total comprehensive income for the year	<u>\$ 99,503</u>	<u>9</u>	<u>\$ 116,548</u>	<u>12</u>
Basic earnings per share				
9750 Total basic earnings per share	<u>\$ 2.65</u>		<u>\$ 3.04</u>	
Diluted earnings per share				
9850 Total diluted earnings per share	<u>\$ 2.61</u>		<u>\$ 3.00</u>	

TONS LIGHTOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent										Total equity
	Share capital		Capital surplus		Retained earnings			Other equity interest			
	Share capital - common stock	Capital collected in advance	Additional paid-in capital	Employee stock warrants	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for-sale financial assets	
2017											
Balance at January 1, 2017	\$ 390,689	\$ 3,252	\$ 491,889	\$ 3,723	\$ 50,054	\$ 38,429	\$ 187,006	(\$ 23,355)	\$ -	\$ 18,448	\$ 1,160,135
Profit for the year	-	-	-	-	-	-	121,083	-	-	-	121,083
Other comprehensive income (loss) for the year	-	-	-	-	-	-	610	(12,710)	-	7,565	(4,535)
Total comprehensive income (loss)	-	-	-	-	-	-	121,693	(12,710)	-	7,565	116,548
Appropriation and distribution of 2016 retained earnings (Note 1)											
Legal reserve	-	-	-	-	12,501	-	(12,501)	-	-	-	-
Stock dividends	3,942	-	-	-	-	-	(3,942)	-	-	-	-
Cash dividends	-	-	-	-	-	-	(102,486)	-	-	-	(102,486)
Share-based payment transactions-employee stock options	3,487	(2,715)	6,959	(314)	-	-	-	-	-	-	7,417
Balance at December 31, 2017	\$ 398,118	\$ 537	\$ 498,848	\$ 3,409	\$ 62,555	\$ 38,429	\$ 189,770	(\$ 36,065)	\$ -	\$ 26,013	\$ 1,181,614
2018											
Balance at January 1, 2018	\$ 398,118	\$ 537	\$ 498,848	\$ 3,409	\$ 62,555	\$ 38,429	\$ 189,770	(\$ 36,065)	\$ -	\$ 26,013	\$ 1,181,614
Effect of retrospective application and retrospective restatement	-	-	-	-	-	-	-	-	26,013	(26,013)	-
Balance at 1 January after adjustments	398,118	537	498,848	3,409	62,555	38,429	189,770	(36,065)	26,013	-	1,181,614
Profit for the year	-	-	-	-	-	-	105,557	-	-	-	105,557
Other comprehensive income (loss) for the year	-	-	-	-	-	-	5	(12,712)	6,653	-	(6,054)
Total other comprehensive income (loss)	-	-	-	-	-	-	105,562	(12,712)	6,653	-	99,503
Appropriation and distribution of 2017 retained earnings (Note 2)											
Legal reserve	-	-	-	-	12,108	-	(12,108)	-	-	-	-
Cash dividends	-	-	-	-	-	-	(91,758)	-	-	-	(91,758)
Share-based payment transactions-employee stock options	1,510	(537)	2,866	702	-	-	-	-	-	-	4,541
Balance at December 31, 2018	\$ 399,628	\$ -	\$ 501,714	\$ 4,111	\$ 74,663	\$ 38,429	\$ 191,466	(\$ 48,777)	\$ 32,666	\$ -	\$ 1,193,900

Note1: Directors' and supervisors' remuneration and employees' compensation for 2016 amounting to \$2,391 thousand and \$13,548 thousand, respectively, were deducted from parent company only statements of comprehensive income.

Note2: Directors' and supervisors' remuneration and employees' compensation for 2017 amounting to \$1,936 thousand and \$12,906 thousand, respectively, were deducted from parent company only statements of comprehensive income.

TONS LIGHTOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars)

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>2018</u>	<u>2017</u>
Profit before tax	\$ 137,022	\$ 153,470
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation	49,513	44,939
Amortisation	2,675	2,130
Expected credit loss/ Reversal of provision for bad debt expense	917 (	1,405)
Reversal of warranty expense	540 (	932)
Interest income	(8,981 ) (	( 8,608)
Dividend income	(5,714 ) (	( 1,258)
Wages and salaries-employee stock options	1,883	1,973
Net gain on financial assets and liabilities at fair value through other comprehensive income	(16,900 ) (	( 41,060)
Loss on disposal of property, plant and equipment	271	17
Changes in operating assets and liabilities		
Changes in operating assets		
Notes receivable, net	422	3,303
Accounts receivable, net	(3,036)	8,704
Accounts receivable due from related parties	4 (	4)
Other receivables	1,389 (	1,232)
Inventories	(17,354 ) (	( 9,927)
Prepayments	(1,690 ) (	( 1,386)
Other current assets	(335)	461
Changes in operating liabilities		
Notes payable	(59)	53
Accounts payable	(825 ) (	( 7,052)
Accounts payable to related parties	5,365	11,989
Other payables	3,834 (	338)
Contract liabilities	623	24
Other current liabilities	(345)	732
Other non-current liabilities	90	30
Cash inflow generated from operations	<u>149,309</u>	<u>154,623</u>
Interest received	9,124	8,336
Dividend received	5,714	1,258
Income tax paid	(26,081 ) (	( 28,852)
Net cash flows from operating activities	<u>138,066</u>	<u>135,365</u>

(Continued)

TONS LIGHTOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars)

	2018	2017
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of financial assets at fair value through profit or loss	(\$ 32,130)	(\$ 40,604)
Proceeds from disposal of financial assets at fair value through profit or loss	48,495	-
Decrease in other non-current assets	18,722	6,028
Acquisition of property, plant and equipment	(42,323)	(105,275)
Proceeds from disposal of property, plant and equipment	12	205
Acquisition of intangible deposits	(1,157)	(5,550)
Increase in refundable deposits	(28,020)	(488)
Increase in other non-current assets	(9,322)	(5,735)
Net cash flows used in investing activities	(45,723)	(151,419)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Decrease in guarantee deposits received	-	(583)
Cash dividends paid	(91,758)	(102,486)
Exercise of employee stock options	2,658	5,444
Net cash flows used in financing activities	(89,100)	(97,625)
Effect of exchange rate changes on cash equivalents	(5,508)	(6,222)
Net decrease in cash and cash equivalents	(2,265)	(119,901)
Cash and cash equivalents at beginning of year	369,163	489,064
Cash and cash equivalents at end of year	\$ 366,898	\$ 369,163

[Attachment 5]

Tons Lightology Inc.
Profit Distribution Table
Year 2018

Unit: NT\$

Net income – 2018	\$105,557,449
Less: 10% legal reserve	(10,555,745)
Distributable amount - 2018	\$ 95,001,704
Add: Unappropriated earnings - beginning	85,903,934
Add: Retained earnings adjusted amount - 2018	4,568
Accumulated distributable amount - 2018	\$180,910,206
Distributions:	
Shareholder dividend - Cash	92,093,847
Unappropriated earnings - ending	\$ 88,816,359
Remark: Cash dividend: NT\$2.3 per share	

Note 1: Retained earnings adjusted amount in 2018 for NT\$4,568 was resulted from the re-valuation of the defined benefit plan.

Note 2: The cash dividend per share was calculated in accordance with the outstanding 40,040,803 shares on February 26, 2019.

Chairman : TANG, SHIH-CHUAN

CEO : TANG, SHIH-CHUAN

CFO : WANG, CHIH-YUAN

湯石照明科技股份有限公司
公司章程修訂條文對照表

Tons Lightology Inc.

Articles of Incorporation Amendment before and after

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>第廿四條 Article 24</p> <p>本公司產業發展階段屬於成長期，配合目前及未來之發展計畫、投資環境、資金需求及國內外競爭狀況等因素，兼顧股東利益、平衡股利及公司長期財務規劃等。盈餘分配除依前項規定辦理外，股東紅利之發放比率應不低於累積可分配盈餘之百分之五十，其中現金紅利之分派不低於股東紅利總額之百分之十。但董事會得依當時整體營運狀況調整該比例，並提請股東會決議。</p> <p>The industry that the Company engaged in is growing. In consideration of the current and future development plans, investment environment, capital needs, and domestic and international competition; also, taking into account the interests of shareholders, balanced dividends, and the Company's long-term financial planning, the earnings distribution is processed in conformity with the requirements stated in the preceding paragraph; also, the distribution of shareholder dividend shall not be less than 50% of the accumulated distributable earnings. Cash dividend shall not be less than 10% of the total shareholder dividend distributed. However, the Board of Directors may have the said distribution ratio adjusted according to the overall business operation with a resolution reached in the shareholders' meeting.</p>	<p>第廿四條 Article 24</p> <p>本公司產業發展階段屬於成長期，配合目前及未來之發展計畫、投資環境、資金需求及國內外競爭狀況等因素，兼顧股東利益、平衡股利及公司長期財務規劃等。盈餘分配除依前項規定辦理外，股東紅利之發放比率應不低於累積可分配盈餘之百分之五十，以配發股票之方式為優先，其中現金紅利之分派不低於股東紅利總額之百分之十。但董事會得依當時整體營運狀況調整該比例，並提請股東會決議。</p> <p>The industry that the Company engaged in is growing. In consideration of the current and future development plans, investment environment, capital needs, and domestic and international competition; also, taking into account the interests of shareholders, balanced dividends, and the Company's long-term financial planning, the earnings distribution is processed in conformity with the requirements stated in the preceding paragraph; also, the distribution of shareholder dividend shall not be less than 50% of the accumulated distributable earnings. Stock dividend is distributed with priority, of which, cash dividend shall not be less than 10% of the total shareholder dividend distributed. However, the Board of Directors may have the said distribution ratio adjusted according to the overall business operation with a resolution reached in the shareholders' meeting.</p>	<p>依現行情形刪除部份用語，並配合公司法第240條修正，增列授權董事會於年度終了分派股東現金紅利之方式及內容</p> <p>Add the empowerment for Board of Directors to determine the approach and content of annual distribution of cash bonus to shareholders based on current clause and amended Article 240 of Company Act.</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>本公司董事會得以三分之二以上董事之出席，及出席董事過半數之決議，將應分派股息及紅利、資本公積或法定盈餘公積之全部或一部以發放現金之方式為之，並報告股東會，不適用前項應經股東會決議之規定。</u></p> <p><u>The Board of Directors of the Company may distribute all or partial of the distributable dividends or bonuses, additional paid-in capital or legal reserve in cash approach under resolution made by more than half of the attended Board members (under circumstances that more than two thirds of the total Board members attend), and such resolution shall be reported at the Annual Shareholders Meeting. The regulations of the preceding Paragraph shall not apply.</u></p> <p>(以下略) (The following is omitted.)</p>	<p>(以下略) (The following is omitted.)</p>	
<p>第廿八條 Article 28</p> <p>本章程由發起人會議經全體發人同意於中華民國八十一年八月十四日。第一次修訂於民國八十九年六月二十六日，第二次修訂於民國八十九年十一月二十日，第三次修訂於民國九十一年三月八日，第四次修訂於民國九十一年十一月二十五日，第五次修訂於民國九十二年二月十日，第六次修訂於民國九十五年三月七日，第七次修訂於民國九十五年八月十日，第八次修訂於民國九十五年十月十二日，第九次修訂於民國九十六年四月二十九日，第十次修訂於民國九十六年五月十日，第十一次修訂於民國九十六年七月二十九日，第十二次修訂於民國九十六年十月八日，第十三次修訂於民國九十六年十二月三十一日，第十四次修訂於民國九十八年六月二十六</p>	<p>第廿八條 Article 28</p> <p>本章程由發起人會議經全體發人同意於中華民國八十一年八月十四日。第一次修訂於民國八十九年六月二十六日，第二次修訂於民國八十九年十一月二十日，第三次修訂於民國九十一年三月八日，第四次修訂於民國九十一年十一月二十五日，第五次修訂於民國九十二年二月十日，第六次修訂於民國九十五年三月七日，第七次修訂於民國九十五年八月十日，第八次修訂於民國九十五年十月十二日，第九次修訂於民國九十六年四月二十九日，第十次修訂於民國九十六年五月十日，第十一次修訂於民國九十六年七月二十九日，第十二次修訂於民國九十六年十月八日，第十三次修訂於民國九十六年十二月三十一日，第十四次修訂於民國九十八年六月二十六</p>	<p>增列修訂日期 Added the date of the amendment</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>日，第十五次修訂於民國一〇〇年五月二十三日，第十六次修訂於民國一〇一年六月二十日，第十七次修訂於民國一〇二年六月十日，第十八次修訂於民國一〇四年五月二十八日，第十九次修訂於民國一〇五年五月三十一日，第二十次修訂於民國一〇六年五月二十六日，第二十一次修訂於民國一〇七年五月三十日，<u>第二十二次修訂於民國一〇八年五月二十九日</u>。</p> <p>The Article of Association was enacted with the consent of the Founder's meeting conveners on August 14, 1992. The Article of Association was enacted with the consent of the Founder's meeting conveners on August 14, 1992. The 1st amendment made on June 26, 2010. The 2nd amendment made on November 20, 2010. The 3rd amendment made on March 8, 2002. The 4th amendment made on November 25, 2002. The 5th amendment made on February 10, 2002. The 6th amendment made on March 7, 2006. The 7th amendment made on August 10, 2006. The 8th amendment made on October 12, 2006. The 9th amendment made on April 29, 2007. The 10th amendment made on May 10, 2007. The 11th amendment made on July 29, 2007. The 12th amendment made on October 8, 2007. The 13th amendment made on December 31, 2007. The 14th amendment made on June 26, 2009. The 15th amendment made on May 23, 2011. The 16th amendment made on June 20, 2012. The 17th amendment made on June 10, 2013. The 18th amendment made on May 28, 2015. The 19th amendment made on May 31, 2016. The 20th amendment made on May 26, 2017. The 21st amendment made on May 30, 2018. <u>The 22nd amendment will be made on May 29, 2019.</u></p>	<p>日，第十五次修訂於民國一〇〇年五月二十三日，第十六次修訂於民國一〇一年六月二十日，第十七次修訂於民國一〇二年六月十日，第十八次修訂於民國一〇四年五月二十八日，第十九次修訂於民國一〇五年五月三十一日，第二十次修訂於民國一〇六年五月二十六日，第二十一次修訂於民國一〇七年五月三十日。</p> <p>The Article of Association was enacted with the consent of the Founder's meeting conveners on August 14, 1992. The Article of Association was enacted with the consent of the Founder's meeting conveners on August 14, 1992. The 1st amendment made on June 26, 2010. The 2nd amendment made on November 20, 2010. The 3rd amendment made on March 8, 2002. The 4th amendment made on November 25, 2002. The 5th amendment made on February 10, 2002. The 6th amendment made on March 7, 2006. The 7th amendment made on August 10, 2006. The 8th amendment made on October 12, 2006. The 9th amendment made on April 29, 2007. The 10th amendment made on May 10, 2007. The 11th amendment made on July 29, 2007. The 12th amendment made on October 8, 2007. The 13th amendment made on December 31, 2007. The 14th amendment made on June 26, 2009. The 15th amendment made on May 23, 2011. The 16th amendment made on June 20, 2012. The 17th amendment made on June 10, 2013. The 18th amendment made on May 28, 2015. The 19th amendment made on May 31, 2016. The 20th amendment made on May 26, 2017. The 21st amendment made on May 30, 2018.</p>	

湯石照明科技股份有限公司
取得或處分資產處理程序修訂條文對照表

Tons Lightology Inc.
Procedures for the Acquisition and Disposal of Assets
Amendment before and after

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>第三條 資產範圍 Article 3 Scope of Assets</p> <p>一、股票、公債、公司債、金融債券、表彰基金之有價證券、存託憑證、認購(售)權證、受益證券及資產基礎證券等投資(以下簡稱有價證券)。</p> <p>二、不動產(含土地、房屋及建築、投資性不動產、營建業之存貨)及設備。</p> <p>三、會員證。</p> <p>四、專利權、著作權、商標權、特許權等無形資產。</p> <p>五、<u>使用權資產</u>。</p> <p><u>六</u>、金融機構之債權(含應收款項、買匯貼現及放款、催收款項)。</p> <p><u>七</u>、衍生性商品。</p> <p><u>八</u>、依法律合併、分割、收購或股份受讓而取得或處分之資產(以下簡稱併讓資產)。</p> <p><u>九</u>、其他重要資產。</p> <p>1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest</p>	<p>第三條 資產範圍 Article 3 Scope of Assets</p> <p>一、股票、公債、公司債、金融債券、表彰基金之有價證券、存託憑證、認購(售)權證、受益證券及資產基礎證券等投資(以下簡稱有價證券)。</p> <p>二、不動產(含土地、房屋及建築、投資性不動產、土地使<u>用權</u>、營建業之存貨)及設備。</p> <p>三、會員證。</p> <p>四、專利權、著作權、商標權、特許權等無形資產。</p> <p><u>五</u>、金融機構之債權(含應收款項、買匯貼現及放款、催收款項)。</p> <p><u>六</u>、衍生性商品。</p> <p><u>七</u>、依法律合併、分割、收購或股份受讓而取得或處分之資產(以下簡稱併讓資產)。</p> <p><u>八</u>、其他重要資產。</p> <p>1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed</p>	<p>配合 IFRS16 新增第五款使用權資產的適用 Add the content of Subparagraph 5, application of right-of-use assets based on “IFRS16 Lease”</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>securities, and asset-backed securities (hereinafter referred to as the Securities).</p> <p>2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.</p> <p>3. Memberships.</p> <p>4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.</p> <p>5. <u>Right-of-use assets</u></p> <p>6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</p> <p>7. Derivatives.</p> <p>8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law (hereinafter referred to as the Assets from Mergers and Transfer).</p> <p>9. Other major assets.</p>	<p>securities (hereinafter referred to as the Securities).</p> <p>2. Real property (including land, houses and buildings, investment property, rights to use land, and construction enterprise inventory) and equipment.</p> <p>3. Memberships.</p> <p>4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.</p> <p>5. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</p> <p>6. Derivatives.</p> <p>7. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law (hereinafter referred to as the Assets from Mergers and Transfer).</p> <p>8. Other major assets.</p>	
<p>第四條 評估程序及價格決定方式 Article 4 Appraisal Procedures and Means of Price Determination</p> <p>一、有價證券投資 1. Investment in Securities</p> <p>以上略 (The above is omitted)</p> <p>(一)依<u>公司法</u>發起設立或募集設立而以現金出資取得有價證券，<u>且取得有價證券所表彰之權利與出資比例相當</u>。</p> <p>(二)參與認購標的公司依相關法令辦理現金增資而按面額發行之有價</p>	<p>第四條 評估程序及價格決定方式 Article 4 Appraisal Procedures and Means of Price Determination</p> <p>一、有價證券投資 1. Investment in Securities</p> <p>以上略 (The above is omitted)</p> <p>(一)發起設立或募集設立而以現金出資取得有價證券者。</p> <p>(二)參與認購標的公司依相關法令辦理現金增資而按面額發行之有價證券者。</p>	<p>配合取處準則修正 Amend based on “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>證券者。</p> <p>(三)參與認購轉投資百分之百之被投資公司辦理現金增資發行之有價證券者。</p> <p>(四)於證券交易所或證券商營業處所買賣之上市、上櫃及興櫃有價證券。</p> <p>(五)屬公債、附買回、賣回條件之債券。</p> <p>(六)境內外<u>公募</u>基金。</p> <p>(七)依證券交易所或櫃買中心之上市(櫃)證券標購辦法或拍賣辦法取得或處分上市(櫃)公司股票。</p> <p>(八)參與公開發行公司現金增資認股而取得<u>或於國內認購公司債(含金融債券)</u>，且取得之有價證券非屬私募有價證券者。</p> <p>(九)依證券投資信託及顧問法第11條第1項及<u>本會99年9月3日金管證投字第0990042831號</u>令規定於基金成立前申購之<u>國內私募基金</u>或申購、買回之國內私募基金，如信託契約中已載明投資策略除證券信用交易及所持未沖銷證券相關商品部位外，餘與公募基金之投資範圍相同。</p> <p>(1) Securities acquired through cash contribution in an incorporation by promotion or by public offering in accordance with Company Act, and the ratio of equity represented by the acquired securities is equivalent with the contribution ration.</p> <p>(2) Securities issued at face value by an issuing company carrying out a cash capital increase in accordance with relevant laws and regulations, with this Corporation as a sponsor of the issue.</p> <p>(3) Securities issued by an investee company wholly invested by this Corporation</p>	<p>(三)參與認購轉投資百分之百之被投資公司辦理現金增資發行之有價證券者。</p> <p>(四)於證券交易所或證券商營業處所買賣之上市、上櫃及興櫃有價證券。</p> <p>(五)屬公債、附買回、賣回條件之債券。</p> <p>(六)<u>海</u>內外基金。</p> <p>(七)依證券交易所或櫃買中心之上市(櫃)證券標購辦法或拍賣辦法取得或處分上市(櫃)公司股票。</p> <p>(八)參與公開發行公司現金增資認股而取得，且取得之有價證券非屬私募有價證券者。</p> <p>(九)依證券投資信託及顧問法第十一條第一項及<u>金管會九十三年十一月一日金管證四字第0九三000五二四九號</u>令規定於基金成立前申購基金者。</p> <p>(十)申購或買回之國內私募基金，如信託契約中已載明投資策略除證券信用交易及所持未沖銷證券相關商品部位外，餘與公募基金之投資範圍相同者。</p> <p>(1) Securities acquired through cash contribution in an incorporation by promotion or by public offering.</p> <p>(2) Securities issued at face value by an issuing company carrying out a cash capital increase in accordance with relevant laws and regulations, with this Corporation as a sponsor of the issue.</p> <p>(3) Securities issued by an investee company wholly invested by this Corporation that is carrying out a cash capital increase, with this Corporation as a sponsor of the issue.</p> <p>(4) Securities listed and traded on the Taiwan Stock Exchange</p>	

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>that is carrying out a cash capital increase, with this Corporation as a sponsor of the issue.</p> <p>(4) Securities listed and traded on the Taiwan Stock Exchange (TWSE) or on the GreTai Securities Market (GTSM) and emerging stocks.</p> <p>(5) Government bonds or bonds in repurchase or reverse purchase agreements.</p> <p>(6) Domestic or overseas public offering of funds.</p> <p>(7) TWSE or GTSM listed securities acquired or disposed of in accordance with the TWSE or GTSM rules governing the purchase of listed securities by reverse auction or rules governing the auction of listed securities.</p> <p>(8) Company bonds (including bank debentures) acquired or domestically-subscribed through this Corporation's sponsorship of a cash capital increase by a public company, when the securities acquired are not privately placed.</p> <p>(9) Subscription to fund shares before the establishment of a fund in accordance with Paragraph 1 of Article 11 of the Securities Investment Trust and Consulting Act and the Financial Supervisory Commission's <u>September 3,</u></p>	<p>(TWSE) or on the GreTai Securities Market (GTSM) and emerging stocks.</p> <p>(5) Government bonds or bonds in repurchase or reverse purchase agreements.</p> <p>(6) <u>Domestic funds or overseas funds.</u></p> <p>(7) TWSE or GTSM listed securities acquired or disposed of in accordance with the TWSE or GTSM rules governing the purchase of listed securities by reverse auction or rules governing the auction of listed securities.</p> <p>(8) Securities acquired through this Corporation's sponsorship of a cash capital increase by a public company, when the securities acquired are not privately placed.</p> <p>(9) Subscription to fund shares before the establishment of a fund in accordance with Article 11, paragraph 1 of the Securities Investment Trust and <u>Consulting Act and the Financial Supervisory Commission's 1 November 2004 Order No. Financial-Supervisory-Securities-IV-0930005249.</u></p> <p>(10) Subscription or redemption of domestic private placement funds, provided that the trust agreement for the fund specifies an investment strategy in</p>	

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>2010 Order No. Financial-Supervisory-Securities-0990042831</u>. Subscription or redemption of domestic private placement funds, provided that the trust agreement for the fund specifies an investment strategy in which, aside from securities margin transactions and open positions held in securities-related products, the investment scope of the remaining portion is the same as that of a publicly offered fund.</p>	<p>which, aside from securities margin transactions and open positions held in securities-related products, the investment scope of the remaining portion is the same as that of a publicly offered fund.</p>	
<p>二、<u>不動產、設備或其使用權資產</u> 2. Real Property, Equipment or <u>right-of-use assets</u> 取得或處分<u>不動產、設備或其使用權資產</u>，除與<u>國內</u>政府機關交易、自地委建、租地委建，或取得、處分供營業使用之設備<u>或其使用權資產</u>外，交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，應於事實發生日前先取得專業估價者出具之估價報告，並符合下列規定： In acquiring or disposing of real property, equipment or <u>right-of-use assets</u> where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a <u>domestic</u> government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or <u>right-of-use assets</u></p>	<p>二、<u>不動產或設備</u> 2. Real Property or Equipment 取得或處分<u>不動產或設備</u>，除與政府機關交易、自地委建、租地委建，或取得、處分供營業使用之設備外，交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，應於事實發生日前先取得專業估價者出具之估價報告，並符合下列規定： In acquiring or disposing of real property or equipment where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and</p>	<p>配合 IFRS16 新增使用權資產的適用及取處準則修正 Add the content of application of right-of-use assets based on “IFRS16 Lease” and amend based on</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(一) 因特殊原因須以限定價格、特定價格或特殊價格作為交易價格之參考依據時，該項交易應先提經董事會決議通過；<u>嗣後有</u>交易條件變更時，亦<u>同</u>。</p> <p>(1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>以下略 (The following is omitted.)</p>	<p>shall further comply with the following provisions:</p> <p>(一) 因特殊原因須以限定價格、特定價格或特殊價格作為交易價格之參考依據時，該項交易應先提經董事會決議通過，<u>未來</u>交易條件變更者，亦<u>應比照上開程序辦理</u>。</p> <p>(1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>以下略 (The following is omitted.)</p>	
<p>三、<u>會員證、無形資產或其使用權資產</u></p> <p>3. Memberships, Intangible Assets or <u>right-of-use assets</u></p> <p>取得或處分會員證，應事先收集相關價格資訊，並以比價或議價方式擇一為之；取得或處分無形資產，亦應事先收集相關價格資訊，並經審慎評估相關法令及合約內容，以決定交易價格。</p> <p>Where the Company acquires or disposes of memberships, it shall collect the information on</p>	<p>三、會員證<u>或</u>無形資產</p> <p>3. Memberships or Intangible Assets</p> <p>取得或處分會員證，應事先收集相關價格資訊，並以比價或議價方式擇一為之；取得或處分無形資產，亦應事先收集相關價格資訊，並經審慎評估相關法令及合約內容，以決定交易價格。</p> <p>Where the Company acquires or disposes of memberships, it shall collect the information on</p>	<p>配合 IFRS16 新增使用權資產的適用</p> <p>Add the content of application of right-of-use assets based on “IFRS16 Lease”</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>prices in advance and determine the trading price by either comparison or negotiation; where the Company acquires or disposes of intangible assets, it shall determine the trading price based on the information on prices of assets collected in advance and the prudent evaluation of related laws and contracts.</p> <p>取得或處分會員證、無形資產或其使用權資產交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，除與國內政府機關交易外，應於事實發生日前應洽請會計師就交易價格之合理性表示意見，會計師並應依會計研究發展基金會所發布之審計準則公報第二十號規定辦理。</p> <p>Where the Company acquires or disposes of memberships, intangible assets or <u>right-of-use assets</u> and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a <u>domestic</u> government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	<p>prices in advance and determine the trading price by either comparison or negotiation; where the Company acquires or disposes of intangible assets, it shall determine the trading price based on the information on prices of assets collected in advance and the prudent evaluation of related laws and contracts.</p> <p>取得或處分會員證或無形資產交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，除與政府機關交易外，應於事實發生日前應洽請會計師就交易價格之合理性表示意見，會計師並應依會計研究發展基金會所發布之審計準則公報第二十號規定辦理。</p> <p>Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	
<p>以上略 (The above is omitted)</p> <p>本公司取得之估價報告或會計師、律師或證券承銷商之意見</p>	<p>以上略 (The above is omitted)</p> <p>本公司取得之估價報告或會計師、律師或證券承銷商之意見</p>	<p>配合取處準則修正 Amend based on “Regulations Governing the Acquisition and Disposal of</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>書，該專業估價者及其估價人員、會計師、律師或證券承銷商應符合下列規定：</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall satisfy the following requirements:</p> <p><u>(一)未曾因違反本法、公司法、銀行法、保險法、金融控股公司法、商業會計法，或有詐欺、背信、侵占、偽造文書或因業務上犯罪行為，受一年以上有期徒刑之宣告確定。但執行完畢、緩刑期滿或赦免後已滿三年者，不在此限。</u></p> <p><u>(1) Those who has never violated any regulations of the Procedures, Company Act, The Banking Act of The Republic of China, Insurance Act, Financial Holding Company Act, or Business Entity Accounting Act, or never been sentenced to imprisonment for not less than one year due to being convicted of fraud, breach of trust, criminal conversion, forgery or any offenses during performance of business. However, those who have completed the serve time, been informed of sentence suspension or been amnestied for more than three years shall be excluded.</u></p> <p><u>(二)與交易當事人不得為關係人或實質關係人之情形。</u></p> <p><u>(2) Those who are not the related or</u></p>	<p>書，該專業估價者及其估價人員、會計師、律師或證券承銷商與交易當事人不得為關係人。</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.</p>	<p>Assets by Public Companies”</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>substantially related party to the transaction.</u></p> <p><u>(三)公司如應取得二家以上專業估價者之估價報告，不同專業估價者或估價人員不得互為關係人或有實質關係人之情形。</u></p> <p><u>(3) The different professional appraisers or staff providing more than two copies of appraisal reports to the Company shall be mutually unrelated or substantially unrelated.</u></p> <p><u>前項人員於出具估價報告或意見書時，應依下列事項辦理：</u></p> <p><u>The personnel specified in the preceding Paragraph shall produce the appraisal reports or comments by considering the following:</u></p> <p><u>(一)承接案件前，應審慎評估自身專業能力、實務經驗及獨立性。</u></p> <p><u>(1) Their own professional capacity, experiences and independence before accepting the appraisal contract.</u></p> <p><u>(二)查核案件時，應妥善規劃及執行適當作業流程，以形成結論並據以出具報告或意見書；並將所執行程序、蒐集資料及結論，詳實登載於案件工作底稿。</u></p> <p><u>(2) Adequate planning and operation procedures shall be implemented during the examination to produce evidence-based appraisal results and reports, and attach all the implemented procedures, collected data and results as the working paper without reserving any content.</u></p> <p><u>(三)對於所使用之資料來源、參數及資訊等，應逐項評估其完整</u></p>		

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>性、正確性及合理性，以做為出具估價報告或意見書之基礎。</u></p> <p><u>(3) The integrity, accuracy and rationality of data source, parameters and information shall be prudently evaluated one by one to serve as solid base for the production of appraisal results and reports.</u></p> <p><u>(四)聲明事項，應包括相關人員具備專業性與獨立性、已評估所使用之資訊為合理與正確及遵循相關法令等事項。</u></p> <p><u>(4) The content of the disclaimer shall include those claiming the professionalism and independence of relevant personnel, the rationality and correctness of information used and the applied legal regulations.</u></p> <p>以下略 (The following is omitted.)</p>	<p>以下略 (The following is omitted.)</p>	

第五條 授權額度與層級
Article 5 Degree of Authority and Level where Authority is Delegated

修正條文 Amended clause	現行條文 Clause before amendment																																																													
<p>以上略 (The above is omitted)</p> <table border="1" data-bbox="129 1518 368 1877"> <thead> <tr> <th>項目¹</th> </tr> </thead> <tbody> <tr> <td>長期股權投資¹</td> </tr> <tr> <td>長期有價證券投資¹</td> </tr> <tr> <td>短期有價證券投資¹</td> </tr> <tr> <td>不動產¹</td> </tr> <tr> <td>設備、使用權資產¹</td> </tr> </tbody> </table>	項目 ¹	長期股權投資 ¹	長期有價證券投資 ¹	短期有價證券投資 ¹	不動產 ¹	設備、使用權資產 ¹	<p>以上略 (The above is omitted)</p> <table border="1" data-bbox="395 1518 1289 1877"> <thead> <tr> <th rowspan="2">項目²</th> <th rowspan="2">金額²</th> <th colspan="3">權責單位²</th> </tr> <tr> <th>總經理²</th> <th>董事長²</th> <th>董事會²</th> </tr> </thead> <tbody> <tr> <td>長期股權投資²</td> <td>不限金額²</td> <td>審²</td> <td>審²</td> <td>決²</td> </tr> <tr> <td>長期有價證券投資²</td> <td>不限金額²</td> <td>審²</td> <td>審²</td> <td>決²</td> </tr> <tr> <td rowspan="3">短期有價證券投資²</td> <td>3,000 萬(含)以下²</td> <td>決²</td> <td>◻²</td> <td>◻²</td> </tr> <tr> <td>3,000 萬-6,000 萬(不含)²</td> <td>審²</td> <td>決²</td> <td>◻²</td> </tr> <tr> <td>6,000 萬(含)以上²</td> <td>審²</td> <td>審²</td> <td>決²</td> </tr> <tr> <td rowspan="2">不動產²</td> <td>6,000 萬(含)以下²</td> <td>審²</td> <td>決²</td> <td>◻²</td> </tr> <tr> <td>6,000 萬(不含)以上²</td> <td>審²</td> <td>審²</td> <td>決²</td> </tr> <tr> <td rowspan="3">設備²</td> <td>500 萬(含)以下²</td> <td>決²</td> <td>◻²</td> <td>◻²</td> </tr> <tr> <td>500 萬(不含)-3,000(含)萬²</td> <td>審²</td> <td>決²</td> <td>◻²</td> </tr> <tr> <td>3,000 萬(不含)以上²</td> <td>審²</td> <td>審²</td> <td>決²</td> </tr> </tbody> </table>		項目 ²	金額 ²	權責單位 ²			總經理 ²	董事長 ²	董事會 ²	長期股權投資 ²	不限金額 ²	審 ²	審 ²	決 ²	長期有價證券投資 ²	不限金額 ²	審 ²	審 ²	決 ²	短期有價證券投資 ²	3,000 萬(含)以下 ²	決 ²	◻ ²	◻ ²	3,000 萬-6,000 萬(不含) ²	審 ²	決 ²	◻ ²	6,000 萬(含)以上 ²	審 ²	審 ²	決 ²	不動產 ²	6,000 萬(含)以下 ²	審 ²	決 ²	◻ ²	6,000 萬(不含)以上 ²	審 ²	審 ²	決 ²	設備 ²	500 萬(含)以下 ²	決 ²	◻ ²	◻ ²	500 萬(不含)-3,000(含)萬 ²	審 ²	決 ²	◻ ²	3,000 萬(不含)以上 ²	審 ²	審 ²	決 ²	<p>配合 IFRS16 新增使用權資產的適用 Add the content of application of right-of-use assets based on “IFRS16 Lease”</p>
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修正條文 Amended clause		現行條文 Clause before amendment				修正理由 Reason for amendment
Item [↕]	Item [↕]	Amount [↕]	Unit in Charge [↕]			
			President [↕]	Chairman [↕]	Board of Directors [↕]	
Long-term investment in equity [↕]	Long-term investment in equity [↕]	Unlimited amount [↕]	Review [↕]	Review [↕]	Approve [↕]	
Long-term investment in securities [↕]	Long-term investment in securities [↕]	Unlimited amount [↕]	Review [↕]	Review [↕]	Approve [↕]	
Short-term investment in securities [↕]	Short-term investment in securities [↕]	Less than NT\$30 million (inclusive) [↕]	Approve [↕]	↕	↕	
		NT\$30~60 million (exclusive) [↕]	Review [↕]	Approve [↕]	↕	
		More than NT\$60 million (inclusive) [↕]	Review [↕]	Review [↕]	Approve [↕]	
Real property [↕]	Real property [↕]	Less than NT\$60 million (inclusive) [↕]	Review [↕]	Approve [↕]	↕	
		More than NT\$60 million (inclusive) [↕]	Review [↕]	Review [↕]	Approve [↕]	
Equipment, <u>right-of-use assets</u> [↕]	Equipment [↕]	Less than NT\$5 million (inclusive) [↕]	Approve [↕]	↕	↕	
		NT\$5 million (exclusive)~30 million (inclusive) [↕]	Review [↕]	Approve [↕]	↕	
		More than NT\$30 million (exclusive) [↕]	Review [↕]	Review [↕]	Approve [↕]	
以下略 (The following is omitted.)	以下略 (The following is omitted.)					
六條 執行單位 Article 6 Units Responsible for Implementation 以上略 (The above is omitted) 三、不動產、設備及 <u>使用權資產</u> 之取得或處分：由管理部負責評估與執行。 3. Acquisition or disposal of real property, equipment and <u>right-of-use assets</u> : The management department is responsible to evaluate and implement the acquisition or disposal of real property and equipment. 以下略 (The following is omitted.)		第六條 執行單位 Article 6 Units Responsible for Implementation 以上略 (The above is omitted) 三、不動產及設備之取得或處分：由管理部負責評估與執行。 3. Acquisition or disposal of real property and equipment: The management department is responsible to evaluate and implement the acquisition or disposal of real property and equipment. 以下略 (The following is omitted.)				配合 IFRS16 新增使用權資產的適用 Add the content of application of right-of-use assets based on “IFRS16 Lease”
第七條 交易流程 Article 7 Transaction Process 一、有價證券之交易流程，悉依本公司內部控制制度之投資循環作業程序辦理。 1. The transaction process of		第七條 交易流程 Article 7 Transaction Process 一、有價證券之交易流程，悉依本公司內部控制制度之投資循環作業程序辦理。 1. The transaction process of				配合 IFRS16 新增使用權資產的適用 Add the content of application of right-of-use

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>securities shall be handled in accordance with the operating procedures for investment circulation in the Company's internal control system.</p> <p>二、不動產、設備、會員證、無形資產、<u>使用權資產</u>之交易流程，悉依本公司內部控制制度之固定資產循環作業程序辦理。</p> <p>2. The transaction processes of real property, equipment, memberships, intangible assets and <u>right-of-use assets</u> shall be handled in accordance with the operating procedures for fixed asset circulation in the Company's internal control system.</p> <p>三、其他重要資產，悉依內部控制制度相關循環作業程序辦理。</p> <p>3. The transaction process of other important assets shall be handled in accordance with the related operating procedures for circulation in the Company's internal control system.</p>	<p>securities shall be handled in accordance with the operating procedures for investment circulation in the Company's internal control system.</p> <p>二、不動產、設備、會員證、無形資產之交易流程，悉依本公司內部控制制度之固定資產循環作業程序辦理。</p> <p>2. The transaction processes of real property, equipment, memberships, and intangible assets shall be handled in accordance with the operating procedures for fixed asset circulation in the Company's internal control system.</p> <p>三、其他重要資產，悉依內部控制制度相關循環作業程序辦理。</p> <p>3. The transaction process of other important assets shall be handled in accordance with the related operating procedures for circulation in the Company's internal control system.</p>	<p>assets based on "IFRS16 Lease"</p>
<p>第九條 公告申報程序 Article 9 Public Announcement and Regulatory Filing Procedures 本公司取得或處分資產，有下列情形者，應按性質依規定格式，於事實發生之即日起算二日內將相關資訊於金管會指定網站辦理公告申報： Under any of the following circumstances, the Company acquiring or disposing of assets shall</p>	<p>第九條 公告申報程序 Article 9 Public Announcement and Regulatory Filing Procedures 本公司取得或處分資產，有下列情形者，應按性質依規定格式，於事實發生之即日起算二日內將相關資訊於金管會指定網站辦理公告申報： Under any of the following circumstances, the Company acquiring or disposing of assets shall</p>	<p>配合 IFRS16 新增使用權資產的適用及取處準則修正 Add the content of application of right-of-use assets based on "IFRS16 Lease" and amend based on</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>publicly announce and report the relevant information on the Financial Supervisory Commission (hereinafter referred to as FSC)'s designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>一、向關係人取得或處分不動產或其使用權資產，或與關係人為取得或處分不動產或其使用權資產外之其他資產且交易金額達公司實收資本額百分之二十、總資產百分之十或新臺幣三億元以上。但買賣國內公債、附買回、賣回條件之債券、申購或買回國內證券投資信託事業發行之國內貨幣市場基金，不在此限。</p> <p>1. Acquisition or disposal of real property or <u>right-of-use assets</u> from or to a related party, or acquisition or disposal of assets other than real property or <u>right-of-use assets</u> from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of <u>domestic</u> government bonds or bonds under repurchase and resale agreements, or subscription or <u>repurchase</u> of domestic money market funds issued by securities investment trust enterprises.</p> <p>二、進行合併、分割、收購或股份受讓。</p>	<p>publicly announce and report the relevant information on the Financial Supervisory Commission (hereinafter referred to as FSC)'s designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>一、向關係人取得或處分不動產，或與關係人為取得或處分不動產外之其他資產且交易金額達公司實收資本額百分之二十、總資產百分之十或新臺幣三億元以上。但買賣公債、附買回、賣回條件之債券、申購或買回國內證券投資信託事業發行之國內貨幣市場基金，不在此限。</p> <p>1. Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or <u>repurchase</u> of domestic money market funds issued by securities investment trust enterprises.</p> <p>二、進行合併、分割、收購或股份受讓。</p>	<p>“Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>2. Merger, demerger, acquisition, or transfer of shares.</p> <p>三、從事衍生性商品交易損失達所訂處理程序規定之全部或個別契約損失上限金額。</p> <p>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>四、取得或處分供營業使用之設備或其使用權資產，且交易對象非為關係人，交易金額並達下列規定之一：</p> <p>4. Where acquired or disposed equipment or <u>right-of-use assets</u> for business use, the trading counterparty is not a related party, and the transaction amount meets one of the following requirements:</p> <p>(一)實收資本額未達新臺幣一百億元，交易金額達新臺幣五億元以上。</p> <p>(二)實收資本額達新臺幣一百億元以上，交易金額達新臺幣十億元以上。</p> <p>(1) The paid-in capital is less than NT\$10 billion and the transaction amount is more than NT\$500 million.</p> <p>(2) The paid-in capital is more than NT\$10 billion and the transaction amount is more than NT\$1 billion.</p> <p>五、經營營建業務取得或處分供營建使用之不動產或其使用權資產且交易對象非為關係</p>	<p>2. Merger, demerger, acquisition, or transfer of shares.</p> <p>三、從事衍生性商品交易損失達所訂處理程序規定之全部或個別契約損失上限金額。</p> <p>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>四、取得或處分之資產種類屬供營業使用之設備，且交易對象非為關係人，交易金額並達下列規定之一：</p> <p>4. Where the type of asset acquired or disposed is equipment for business use, the trading counterparty is not a related party, and the transaction amount meets one of the following requirements:</p> <p>(一)實收資本額未達新臺幣一百億元，交易金額達新臺幣五億元以上。</p> <p>(二)實收資本額達新臺幣一百億元以上，交易金額達新臺幣十億元以上。</p> <p>(1) The paid-in capital is less than NT\$10 billion and the transaction amount is more than NT\$500 million.</p> <p>(2) The paid-in capital is more than NT\$10 billion and the transaction amount is more than NT\$1 billion.</p> <p>五、經營營建業務取得或處分供營建使用之不動產且交易對象非為關係人，交易金額達</p>	

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>人，交易金額達新臺幣五億元以上；<u>其中實收資本額達新臺幣一百億元以上，處分自行興建完工建案之不動產，且交易對象非為關係人者，交易金額為達新臺幣十億元以上。</u></p> <p>5.Where the type of asset acquired or disposed of in the construction business is real property <u>or right-of-use assets</u> for construction use, the trading counterparty is not a related party, and the transaction amount is more than NT\$500 million. <u>The amount of paid-in capital is NT\$10 billion or more and the asset disposed of in the construction is real estate, the trading counterparty is not a related party and the transaction amount is more than NT\$1 billion.</u></p> <p>六、以自地委建、租地委建、合建分屋、合建分成、合建分售方式取得不動產，<u>且交易對象非為關係人</u>，公司預計投入之交易金額達新臺幣五億元以上。</p> <p>6.Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale</p>	<p>新臺幣五億元以上。</p> <p>5.Where the type of asset acquired or disposed of in the construction business is real property for construction use, the trading counterparty is not a related party, and the transaction amount is more than NT\$500 million.</p> <p>六、以自地委建、租地委建、合建分屋、合建分成、合建分售方式取得不動產，公司預計投入之交易金額達新臺幣五億元以上。</p> <p>6.Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint</p>	

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>and the transaction counter parties are not related</u> to the Company, and the amount the Company expects to invest in the transaction is less than NT\$500 million.</p> <p>七、除前六款以外之資產交易、金融機構處分債權或從事大陸地區投資，其交易金額達公司實收資本額百分之二十或新臺幣三億元以上。但下列情形不在此限：</p> <p>7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(一) 買賣<u>國內</u>公債。</p> <p>(1) Trading of <u>domestic</u> government bonds.</p> <p>(二) 以投資為專業者，於證券交易所或證券商營業處所所為之有價證券買賣，或於初級市場認購募集發行之普通公司債及未涉及股權之一般金融債券（<u>不含次順位債券</u>），或<u>申購或買回證券投資信託基金或期貨信託基金</u>，或證券商因承銷業務需要、擔任興櫃公司輔導推薦證券商依財團法人中華民國證券櫃檯買賣中心規定認購之有價證券。</p>	<p>construction and separate sale, and the amount the Company expects to invest in the transaction is less than NT\$500 million.</p> <p>七、除前六款以外之資產交易、金融機構處分債權或從事大陸地區投資，其交易金額達公司實收資本額百分之二十或新臺幣三億元以上。但下列情形不在此限：</p> <p>7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(一) 買賣公債。</p> <p>(1) Trading of government bonds.</p> <p>(二) 以投資為專業，於<u>海內外</u>證券交易所或證券商營業處所所為之有價證券買賣，或於<u>國內</u>初級市場認購募集發行之普通公司債及未涉及股權之一般金融債券，或證券商因承銷業務需要、擔任興櫃公司輔導推薦證券商依財團法人中華民國證券櫃檯買賣中心規定認購之有價證券。</p> <p>(2) Securities trading by investment professionals on</p>	

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>(2) Securities trading by investment professionals on securities exchanges or over-the-counter markets, or subscription of corporate bonds and general financial bonds not involving no equity in the primary market (<u>excluding subordinated debt</u>), or purchase or repurchase of securities investment trust funds or futures trust funds, or securities by a securities firm due to business needs or a securities firm recommended for listed companies at the emerging stock market in accordance with the regulations of Taipei Exchange.</p> <p>(三)買賣附買回、賣回條件之債券、申購或買回國內證券投資信託事業發行之貨幣市場基金。</p> <p>(3) Trading of bonds under repurchase/resale agreements, or repurchase of domestic money market funds issued by securities investment trust enterprises.</p> <p>前項交易金額依下列方式計算之： The amount of transactions above shall be calculated as follows:</p> <p>一、每筆交易金額。</p> <p>1. The amount of any individual transaction.</p> <p>二、一年內累積與同一相對人取得或處分同一性質標的交易之金額。</p> <p>2. The cumulative transaction amount of acquisitions and</p>	<p>foreign or domestic securities exchanges or over-the-counter markets, or subscription of corporate bonds and general financial bonds not involving no equity in the <u>domestic</u> primary market or securities by a securities firm due to business needs or a securities firm recommended for listed companies at the emerging stock market in accordance with the regulations of Taipei Exchange.</p> <p>(三)買賣附買回、賣回條件之債券、申購或買回國內證券投資信託事業發行之貨幣市場基金。</p> <p>(3) Trading of bonds under repurchase/resale agreements, or repurchase of domestic money market funds issued by securities investment trust enterprises.</p> <p>前項交易金額依下列方式計算之： The amount of transactions above shall be calculated as follows:</p> <p>一、每筆交易金額。</p> <p>1. The amount of any individual transaction.</p> <p>二、一年內累積與同一相對人取得或處分同一性質標的交易之金額。</p> <p>2. The cumulative transaction amount of acquisitions and</p>	

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</p> <p>三、一年內累積取得或處分（取得、處分分別累積）同一開發計畫不動產<u>或其使用權資產</u>之金額。</p> <p>3. The cumulative transaction amount of real property <u>or right-of-use assets</u> acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</p> <p>四、一年內累積取得或處分（取得、處分分別累積）同一有價證券之金額。</p> <p>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p style="text-align: center;">以下略 (The following is omitted.)</p>	<p>disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</p> <p>三、一年內累積取得或處分（取得、處分分別累積）同一開發計畫不動產之金額。</p> <p>3. The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</p> <p>四、一年內累積取得或處分（取得、處分分別累積）同一有價證券之金額。</p> <p>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p style="text-align: center;">以下略 (The following is omitted.)</p>	
<p>第十二條 資產總額及限額 Article 12 Total Amount of Assets and Limit</p> <p>本公司及各子公司得購買非供營業使用之不動產<u>及其使用權資產</u>或有價證券之總額及得投資個別有價證券之限額如下： Total amounts of real property <u>, right-of-use assets</u> and securities acquired by the Company and each subsidiary for business use, and</p>	<p>第十二條 資產總額及限額 Article 12 Total Amount of Assets and Limit</p> <p>本公司及各子公司得購買非供營業使用之不動產或有價證券之總額及得投資個別有價證券之限額如下： Total amounts of real property and securities acquired by the Company and each subsidiary for business use, and limits on individual securities are as follows:</p>	<p>配合 IFRS16 新增使用權資產的適用 Add the content of application of right-of-use assets based on “IFRS16 Lease”</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>limits on individual securities are as follows:</p> <p>一、本公司及各子公司取得資產，如資產種類屬供營業使用之土地廠房、<u>使用權資產</u>及設備，其額度不予設限。</p> <p>1. Where the type of asset acquired by the Company and its subsidiaries is land, plant, <u>right-of-use assets</u>, and equipment for business use, the transaction amount is unlimited.</p> <p>二、本公司取得非供營業使用之不動產<u>及其使用權資產</u>，其總額不得逾本公司股東權益之百分之二十，各子公司則不得逾（其）母公司股東權益之百分之二十。</p> <p>2. Where the type of asset acquired by the Company is real property <u>and right-of-use assets</u> for non-business use, the total transaction amount is limited to 20% of the Company's shareholders' equity; where the type of asset acquired by the Company's subsidiaries is real property for non-business use, the total transaction amount is limited to 20% of the parent company's shareholders' equity.</p> <p style="text-align: center;">以下略 (The following is omitted.)</p>	<p>一、本公司及各子公司取得資產，如資產種類屬供營業使用之土地廠房及設備，其額度不予設限。</p> <p>1. Where the type of asset acquired by the Company and its subsidiaries is land, plant and equipment for business use, the transaction amount is unlimited.</p> <p>二、本公司取得非供營業使用之不動產，其總額不得逾本公司股東權益之百分之二十，各子公司則不得逾（其）母公司股東權益之百分之二十。</p> <p>2. Where the type of asset acquired by the Company is real property for non-business use, the total transaction amount is limited to 20% of the Company's shareholders' equity; where the type of asset acquired by the Company's subsidiaries is real property for non-business use, the total transaction amount is limited to 20% of the parent company's shareholders' equity.</p> <p style="text-align: center;">以下略 (The following is omitted.)</p>	
<p>第十三條 對子公司取得或處分資產之控管程序</p> <p>Article 13 Control Procedures for the Acquisition and Disposal of Assets by Subsidiaries</p> <p style="text-align: center;">以上略 (The above is omitted)</p> <p>前項子公司適用第九條之應公告申</p>	<p>第十三條 對子公司取得或處分資產之控管程序</p> <p>Article 13 Control Procedures for the Acquisition and Disposal of Assets by Subsidiaries</p> <p style="text-align: center;">以上略 (The above is omitted)</p> <p>前項子公司適用第九條之應公告申</p>	<p>配合取處準則修正</p> <p>Amend based on "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>報標準有關實收資本額或總資產規定，以母公司之實收資本額或總資產為準。</p> <p>Subsidiaries mentioned in the preceding paragraph apply to the standards for the announcement and report on the transaction amount reaching—paid-in capital or total assets, as specified in Article 9.</p> <p style="text-align: center;">以下略 (The following is omitted.)</p>	<p>報標準有關達實收資本額百分之三十或總資產百分之十規定，以母公司之實收資本額或總資產為準。</p> <p>Subsidiaries mentioned in the preceding paragraph apply to the standards for the announcement and report on the transaction amount reaching—20% of paid-in capital or 10% of total assets, as specified in Article 9.</p> <p style="text-align: center;">以下略 (The following is omitted.)</p>	
<p>第十五條 決議程序 Article 15 Resolution Procedures</p> <p>本公司向關係人取得或處分不動產或其使用權資產，或與關係人取得或處分不動產或其使用權資產外之其他資產且交易金額達公司實收資本額百分之二十、總資產百分之十或新臺幣三億元以上者，除買賣國內公債、附買回、賣回條件之債券、申購或買回國內證券投資信託事業發行之貨幣市場基金外，應將下列資料，提交審計委員會及董事會通過後，始得簽訂交易契約及支付款項：</p> <p>When the Company intends to acquire or dispose of real property or right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or</p>	<p>第十五條 決議程序 Article 15 Resolution Procedures</p> <p>本公司向關係人取得或處分不動產，或與關係人取得或處分不動產外之其他資產且交易金額達公司實收資本額百分之二十、總資產百分之十或新臺幣三億元以上者，除買賣公債、附買回、賣回條件之債券、申購或買回國內證券投資信託事業發行之貨幣市場基金外，應將下列資料，提交審計委員會及董事會通過後，始得簽訂交易契約及支付款項：</p> <p>When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises, the company may not</p>	<p>配合 IFRS16 新增使用權資產的適用及取處準則修正</p> <p>Add the content of application of right-of-use assets based on “IFRS16 Lease” and amend based on “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>subscription or repurchase of domestic money market funds issued by securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and the board of directors:</p> <p>第一款~第二款略 (Subparagraphs 1 to 2 are omitted.)</p> <p>三、向關係人取得不動產或其使用權資產，依第十六條及第十七條規定評估預定交易條件合理性之相關資料。</p> <p>3. With respect to the acquisition of real property <u>or right-of-use assets</u> from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.</p> <p>第五款~第七款及第二項略 Subparagraphs 5 to 7 and Paragraph 2 are omitted</p> <p>本公司與子公司<u>或直接或間接持有百分之百已發行股份或資本總額之子公司彼此間從事</u>，取得或處分供營業使用之設備或其使用權資產及供營業使用之不動產之使用權資產交易，董事會得授權董事長新台幣參仟萬元以上至達公司實收資本額百分之二十五以下先行執行，事後再提報最近期之董事會追認。</p> <p>With respect to the acquisition or disposal of business-use equipment <u>or</u></p>	<p>proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and the board of directors:</p> <p>第一款~第二款略 (Subparagraphs 1 to 2 are omitted.)</p> <p>三、向關係人取得不動產，依第十六條及第十七條規定評估預定交易條件合理性之相關資料。</p> <p>3. With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.</p> <p>第五款~第七款及第二項略 Subparagraphs 5 to 7 and Paragraph 2 are omitted</p> <p>本公司與子公司間，取得或處分供營業使用之設備，董事會得授權董事長新台幣參仟萬元以上至達公司實收資本額百分之二十五以下先行執行，事後再提報最近期之董事會追認。</p> <p>With respect to the acquisition or disposal of business-use equipment between the Company and its subsidiaries, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is less than 25</p>	

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>transaction of the right-to-use assets and right-to-use assets of real estates for business operation</u> between the Company and its subsidiaries or between subsidiaries holding 100% of the issued stock or capital amount, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is less than 25% of paid-in capital and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>以下略 (The following is omitted.)</p>	<p>percent of paid-in capital and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>以下略 (The following is omitted.)</p>	
<p>第十六條 評估程序 Article 16 Appraisal Procedures</p> <p>本公司向關係人取得不動產<u>或其使用權資產</u>，應按下列方法評估交易成本之合理性： The Company that acquires real property <u>or right-of-use assets</u> from a related party shall evaluate the reasonableness of the transaction costs by the following means:</p> <p>第一款及第二款略 (Subparagraphs 1 to 2 are omitted.)</p> <p>合併購買<u>或租賃</u>同一標的之土地及房屋者，得就土地及房屋分別按前項所列任一方法評估交易成本。 Where land and structures thereupon are combined as a single property purchased <u>or leased</u> in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>本公司向關係人取得不動產<u>或其使用權資產</u>，依前二項規定評估不動產<u>或其使用權資產</u>成本，並應洽</p>	<p>第十六條 評估程序 Article 16 Appraisal Procedures</p> <p>本公司向關係人取得不動產，應按下列方法評估交易成本之合理性： The Company that acquires real property from a related party shall evaluate the reasonableness of the transaction costs by the following means:</p> <p>第一款及第二款略 (Subparagraphs 1 to 2 are omitted.)</p> <p>合併購買同一標的之土地及房屋者，得就土地及房屋分別按前項所列任一方法評估交易成本。 Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>本公司向關係人取得不動產，依<u>第一項及第二項</u>規定評估不動產成本，並應洽請會計師複核及表示具</p>	<p>配合 IFRS16 新增使用權資產的適用及取處準則修正 Add the content of application of right-of-use assets based on “IFRS16 Lease” and amend based on “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>請會計師複核及表示具體意見。</p> <p>The Company that acquires real estate <u>or right-of-use assets</u> from related parties and appraises the cost of the real estate <u>or right-of-use rights</u> in accordance with <u>the preceding two Paragraphs</u> shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>本公司向關係人取得不動產 <u>或其使用權資產</u>，有下列情形之一者，應依 <u>前</u> 條規定辦理，不適用前三項規定：</p> <p>Where the Company acquires real property <u>or the right-of-use assets</u> from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with <u>preceding</u> Article and the preceding three Paragraphs do not apply:</p> <p>一、關係人係因繼承或贈與而取得不動產 <u>或其使用權資產</u>。</p> <p>1. The related party acquired the real property <u>or right-of-use assets</u> through inheritance or as a gift.</p> <p>二、關係人訂約取得不動產 <u>或其使用權資產</u> 時間距本交易訂約日已逾五年。</p> <p>2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property <u>or right-of-use assets</u> to the signing date for the current transaction.</p> <p>三、與關係人簽訂合建契約，或自地委建、租地委建等委請關係人興建不動產而取得不動產。</p> <p>3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build</p>	<p>體意見。</p> <p>The Company that acquires real property from a related party and appraises the cost of the real property in accordance with <u>paragraph 1 and paragraph 2</u> shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>本公司向關係人取得不動產，有下列情形之一者，應依 <u>第十五</u> 條規定辦理，不適用前三項規定：</p> <p>Where the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 15 and the preceding three paragraphs do not apply:</p> <p>一、關係人係因繼承或贈與而取得不動產。</p> <p>1. The related party acquired the real property through inheritance or as a gift.</p> <p>二、關係人訂約取得不動產時間距本交易訂約日已逾五年。</p> <p>2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.</p> <p>三、與關係人簽訂合建契約，或自地委建、租地委建等委請關係人興建不動產而取得不動產。</p> <p>3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build</p>	

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>real property, either on the company's own land or on rented land.</p> <p><u>四、本公司與子公司，或直接或間接持有百分之百已發行股份或資本總額之子公司彼此間，取得供營業使用之不動產使用權資產。</u></p> <p><u>4. The right-to-use assets for business operation acquired by the Company or subsidiaries, or between subsidiaries in which the Company holds, directly or indirectly, 100% of the issued stock or capital.</u></p>	<p>real property, either on the company's own land or on rented land.</p>	
<p>第十七條 Article 17</p> <p>以上略 (The above is omitted)</p> <p>(二)同一標的房地之其他樓層或鄰近地區一年內之其他非關係人<u>交易</u>案例，其面積相近，且交易條件經按不動產買賣<u>或租賃</u>慣例應有之合理樓層或地區價差評估後條件相當者。</p> <p>(2) <u>Transactions</u> by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property or <u>leased</u> market practices.</p>	<p>第十七條 Article 17</p> <p>以上略 (The above is omitted)</p> <p>(二)同一標的房地之其他樓層或鄰近地區一年內之其他非關係人<u>成交</u>案例，其面積相近，且交易條件經按不動產買賣慣例應有之合理樓層或地區價差評估後條件相當者。</p> <p>(2) <u>Completed transactions</u> by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.</p> <p><u>(三)同一標的房地之其他樓層一年內之其他非關係</u></p>	<p>配合 IFRS16 新增使用權資產的適用及取處準則修正</p> <p>Add the content of application of right-of-use assets based on “IFRS16 Lease” and amend based on “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>二、本公司舉證向關係人購入之不動產或租賃取得不動產使用權資產，其交易條件與鄰近地區一年內之其他非關係人交易案例相當且面積相近者。</p> <p>2. Where the Company acquiring real property <u>or acquiring right-of-use assets by leasing real estates</u> from a related party provides evidence that the terms of the transaction are similar to the terms of transactions for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>前項所稱鄰近地區交易案例，以同一或相鄰街廓且距離交易標的物方圓未逾五百公尺或其公告現值相近者為原則；所稱面積相近，則以其他非關係人交易案例之面積不低於交易標的物面積百分之五十為原則；所稱一年內係以本次取得不動產或其使用權資產事實發生之日為基準，往前追溯推算一年。</p>	<p>大租賃案例，經按不動產租賃慣例應有之合理樓層價差推估其交易條件相當者。</p> <p>(3) Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.</p> <p>二、本公司舉證向關係人購入之不動產，其交易條件與鄰近地區一年內之其他非關係人成交案例相當且面積相近者。</p> <p>2. Where the Company acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of transactions <u>completed</u> for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>前項所稱鄰近地區成交案例，以同一或相鄰街廓且距離交易標的物方圓未逾五百公尺或其公告現值相近者為原則；所稱面積相近，則以其他非關係人成交案例之面積不低於交易標的物面積百分之五十為原則；所稱一年內係以本次取得不動產事實發生之日為基準，往前追溯推算一年。</p> <p><u>Completed transactions</u> for neighboring or closely valued parcels</p>	

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>Transactions</u> for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to <u>transactions</u> by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property <u>or right-of-use assets</u>.</p>	<p>of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to <u>transactions completed</u> by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.</p>	
<p>第十八條 本公司向關係人取得不動產<u>或其使用權資產</u>，如經按<u>前二條</u>規定評估結果均較交易價格為低者，應辦理下列事項：</p> <p>Article 18 Where the Company acquires real property <u>or right-of-use assets</u> from a related party and the results of appraisals conducted in accordance with <u>the preceding two Articles</u> are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>一、應就不動產<u>或其使用權資產</u>交易價格與評估成本間之差額，依證券交易法第四十一條第一項規定提列特別盈餘公積，不得予以分派或轉增資配股。對公司之投資採權益法評價之投資者如為公開發行公司，亦應就該提列數額按持股比例依證券交易法第四十一條第一項規定提列特別盈餘公積。</p> <p>1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property <u>or right-of-use</u></p>	<p>第十八條 本公司向關係人取得不動產，如經按<u>第十六條及第十七條</u>規定評估結果均較交易價格為低者，應辦理下列事項：</p> <p>Article 18 Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with <u>Article 16 and Article 17</u> are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>一、應就不動產交易價格與評估成本間之差額，依證券交易法第四十一條第一項規定提列特別盈餘公積，不得予以分派或轉增資配股。對公司之投資採權益法評價之投資者如為公開發行公司，亦應就該提列數額按持股比例依證券交易法第四十一條第一項規定提列特別盈餘公積。</p> <p>1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost,</p>	<p>配合 IFRS16 新增使用權資產的適用及取處準則修正</p> <p>Add the content of application of right-of-use assets based on “IFRS16 Lease” and amend based on “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>assets</u> transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.</p> <p>二、審計委員會之獨立董事應依公司法第二百十八條規定辦理。</p> <p>2. Independent directors of the Audit Committee shall comply with Article 218 of the Company Act.</p> <p>三、應將前二款處理情形提報股東會，並將交易詳細內容揭露於年報及公開說明書。</p> <p>3. Actions taken pursuant to <u>the preceding two subparagraphs</u> shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>本公司經依前項規定提列特別盈餘公積者，應俟高價購入<u>或承租</u>之資產已認列跌價損失或處分<u>或終止租約</u>或為適當補償或恢復原狀，或有其他證據確定無不合理者，並經金管會同意後，始得動用該特別盈餘公積。</p> <p>The Company that has set aside a special reserve under the preceding paragraph may not utilize the special</p>	<p>and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.</p> <p>二、審計委員會之獨立董事應依公司法第二百十八條規定辦理。</p> <p>2. Independent directors of the Audit Committee shall comply with Article 218 of the Company Act.</p> <p>三、應將第一款及第二款處理情形提報股東會，並將交易詳細內容揭露於年報及公開說明書。</p> <p>3. Actions taken pursuant to <u>subparagraph 1 and subparagraph 2</u> shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>本公司經依前項規定提列特別盈餘公積者，應俟高價購入之資產已認列跌價損失或處分或為適當補償或恢復原狀，或有其他證據確定無不合理者，並經金管會同意後，始得動用該特別盈餘公積。</p> <p>The Company that has set aside a special reserve under the preceding paragraph may not utilize the special</p>	

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>reserve until it has recognized a loss on decline in market value of the assets it purchased <u>or leased</u> at a premium, or they have been disposed of, <u>or terminated</u>, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>本公司向關係人取得不動產 <u>或其使用權資產</u>，若有其他證據顯示交易有不合營業常規之情事者，亦應依前二項規定辦理。</p> <p>When the Company obtains real property <u>or right-of-use assets</u> from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.</p>	<p>on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>本公司向關係人取得不動產，若有其他證據顯示交易有不合營業常規之情事者，亦應依前二項規定辦理。 When the Company obtains real property from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.</p>	
<p>第十九條 從事衍生性商品交易原則與方針</p> <p>Article 19 Principles and Strategies for Engaging in Derivatives Trading</p> <p>一、得從事衍生性商品交易之種類：</p> <p>1. Types of derivatives that may be traded:</p> <p>(一)本處理程序所稱之衍生性商品，指其價值由<u>特定利率、金融工具價格、商品價格、匯率、價格或費率指數、信用評等或信用指數、或其他變數</u>所衍生之遠期契約、選擇權契約、期貨契約、槓桿保證金契約、交換契約，上述<u>契約之組合或嵌入衍生性商品之組合式契約或</u></p>	<p>第十九條 從事衍生性商品交易原則與方針</p> <p>Article 19 Principles and Strategies for Engaging in Derivatives Trading</p> <p>一、得從事衍生性商品交易之種類：</p> <p>1. Types of derivatives that may be traded:</p> <p>(一)本處理程序所稱之衍生性商品，指其價值由<u>資產</u>、利率、匯率、指數或其他<u>利益等商品</u>所衍生之遠期契約、選擇權契約、期貨契約、槓桿保證金契約、交換契約及上述<u>商品組合而成之複式契約</u>。</p> <p>(1) Derivatives as used in these Procedures shall refer</p>	<p>配合取處準則修正</p> <p>Amend based on "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>結構型商品等</u>。</p> <p>(1) Derivatives as used in these Procedures shall refer to Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.</p> <p>以下略 (The following is omitted.)</p>	<p>to forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests.</p> <p>以下略 (The following is omitted.)</p>	
<p>第二十五條 本處理程序所稱「依法律合併、分割、收購或股份受讓而取得或處分之資產」，係指依企業併購法、金融控股公司法、金融機構合併法或其他法律進行合併、分割或收購而取得或處分之資產，或依公司法第一百五十六條<u>之三</u>規定發行新股受讓他公司股份（以下簡稱股份受讓）者。</p> <p>Article 25 “Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law” as used in these Procedures shall refer to assets acquired or disposed</p>	<p>第二十五條 本處理程序所稱「依法律合併、分割、收購或股份受讓而取得或處分之資產」，係指依企業併購法、金融控股公司法、金融機構合併法或其他法律進行合併、分割或收購而取得或處分之資產，或依公司法第一百五十六條<u>第八項</u>規定發行新股受讓他公司股份（以下簡稱股份受讓）者。</p> <p>Article 25 “Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law” as used in these Procedures shall refer to assets acquired or disposed</p>	<p>配合取處準則修正 Amend based on “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter “transfer of shares”) under Article 156.3 of the Company Act.</p>	<p>through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter “transfer of shares”) under Paragraph 8, Article 156 of the Company Act.</p>	
<p>第三十八條 本程序制訂於中華民國九十六年十二月三十一日，第一次修訂於中華民國九十八年六月二十六日，第二次修訂於中華民國九十九年六月二十五日，第三次修訂於中華民國一〇一年六月二十日，第四次修訂於中華民國一〇二年六月十日，第五次修訂於中華民國一〇三年六月十六日，第六次修訂於中華民國一〇六年五月二十六日，第七次修訂於中華民國一〇七年五月三十日，第八次修訂於中華民國一〇八年五月二十九日。</p> <p>Article 38 These Procedures were formulated on December 31, 2007. The first amendment was made on June 26, 2009. The second amendment was made on June 25, 2010. The third amendment was made on June 20, 2012. The fourth amendment was made on June 10, 2013. The fifth amendment was made on June 16, 2014. The sixth</p>	<p>第三十八條 本程序制訂於中華民國九十六年十二月三十一日，第一次修訂於中華民國九十八年六月二十六日，第二次修訂於中華民國九十九年六月二十五日，第三次修訂於中華民國一〇一年六月二十日，第四次修訂於中華民國一〇二年六月十日，第五次修訂於中華民國一〇三年六月十六日，第六次修訂於中華民國一〇六年五月二十六日，第七次修訂於中華民國一〇七年五月三十日。</p> <p>Article 38 These Procedures were formulated on December 31, 2007. The first amendment was made on June 26, 2009. The second amendment was made on June 25, 2010. The third amendment was made on June 20, 2012. The fourth amendment was made on June 10, 2013. The fifth amendment was made on June 16, 2014. The sixth amendment was made on May 26, 2017. The seventh</p>	<p>修正施行日期 Add the date of amendment</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>amendment was made on May 26, 2017. The seventh amendment was made on May 30, 2018. <u>The eighth amendment will be made on May 29, 2019.</u></p>	<p>amendment was made on May 30, 2018.</p>	

湯石照明科技股份有限公司
背書保證作業程序修訂條文對照表

Tons Lightology Inc.
Endorsements and Guarantees Operating Procedures
Amendment before and after

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>第十一條 公告申報程序 Article 11 Procedures for Announcement and Reporting</p> <p>一、應於每月十日前將本公司及子公司上月份背書保證餘額輸入公開資訊觀測站；背書保證餘額達下列標準之一者，應於事實發生日之即日起算二日內輸入公開資訊觀測站，所稱事實發生日，係指簽約日、付款日、董事會決議日或其他足資確定背書保證對象及金額之日等日期孰前者：</p> <p>1. The Company shall report the previous month's balance of endorsements/guarantees of itself and its subsidiaries in the Market Observation Post System by the 10th day of each month. If the balance of endorsements/guarantees reaches one of the following levels, the Company shall report such event in the Market Observation Post System within two days commencing immediately from the date of occurrence. "Date of occurrence" in the Procedures means the date of contract signing, date of payment, dates of Boards</p>	<p>第十一條 公告申報程序 Article 11 Procedures for Announcement and Reporting</p> <p>一、應於每月十日前將本公司及子公司上月份背書保證餘額輸入公開資訊觀測站；背書保證餘額達下列標準之一者，應於事實發生日之即日起算二日內輸入公開資訊觀測站，所稱事實發生日，係指交易簽約日、付款日、董事會決議日或其他足資確定交易對象及交易金額之日等日期孰前者：</p> <p>1. The Company shall report the previous month's balance of endorsements/guarantees of itself and its subsidiaries in the Market Observation Post System by the 10th day of each month. If the balance of endorsements/guarantees reaches one of the following levels, the Company shall report such event in the Market Observation Post System within two days commencing immediately from the date of occurrence. "Date of occurrence" in the Procedures means the date of contract signing, date of payment, dates of Boards</p>	<p>修改用語 Amend the term</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>of Directors' resolutions, or other date that can confirm the counterparty and monetary amount of the <u>endorsements/guarantees</u>, whichever date is earlier.</p> <p>(一) 本公司及子公司背書保證之餘額達本公司最近期財務報表淨值百分之五十以上。</p> <p>(1) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statements.</p> <p>(二) 本公司及子公司對單一企業背書保證餘額達本公司最近期財務報表淨值百分之二十以上。</p> <p>(2) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statements.</p> <p>(三) 本公司及子公司對單一企業背書保證餘額達新臺幣一千萬元以上且對其背書保證金額、<u>採用權益法</u>之投資帳面金額及資金貸放金額合計數達本公司最近期財務報表淨值百分之三十以上。</p> <p>(3) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10</p>	<p>of Directors' resolutions, or other date that can confirm the counterparty and monetary amount of the <u>transaction</u>, whichever date is earlier.</p> <p>(一) 本公司及子公司背書保證之餘額達本公司最近期財務報表淨值百分之五十以上。</p> <p>(1) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statements.</p> <p>(二) 本公司及子公司對單一企業背書保證餘額達本公司最近期財務報表淨值百分之二十以上。</p> <p>(2) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statements.</p> <p>(三) 本公司及子公司對單一企業背書保證餘額達新臺幣一千萬元以上且對其背書保證金額、<u>長期性質</u>之投資金額及資金貸放金額合計數達本公司最近期財務報表淨值百分之三十以上。</p> <p>(3) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10</p>	

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>millions or more and the aggregate amount of all endorsements/guarantees for, <u>book investment values calculated by equity method</u>, and balance of loans to, such enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statements.</p> <p>以下略 (The following is omitted.)</p>	<p>millions or more and the aggregate amount of all endorsements/guarantees for, investment of a <u>long-term nature in</u>, and balance of loans to, such enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statements.</p> <p>以下略 (The following is omitted.)</p>	
<p>第十三條 實施與修正 Article 13 Enforcement and Amendments</p> <p>以上略 (The above is omitted)</p> <p><u>訂定或修正背書保證作業程序，應經審計委員會全體成員二分之一以上同意，並提董事會決議，前項如未經審計委員會全體成員二分之一以上同意者，得由全體董事三分之二以上同意行之，並應於董事會議事錄載明審計委員會之決議。所稱審計委員會全體成員及前項所稱全體董事，以實際在任者計算之。</u></p> <p><u>The stipulated or amended operation procedures for endorsements/guarantees shall only enter into effect after resolution made by more than half of the members of the Audit Committee and the subsequent resolution of the Board of Directors. The aforesaid procedures may enter into effect after resolution made by more than two thirds of the total Board of Directors members if the</u></p>	<p>第十三條 實施與修正 Article 13 Enforcement and Amendments</p> <p>以上略 (The above is omitted)</p> <p><u>本公司依前項規定將本辦法提報董事會討論時，應充分考量各獨立董事之意見，並將其同意或反對之明確意見及反對之理由列入董事會紀錄。</u></p> <p><u>When the company submits the Procedures for discussion by the board of directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions; the independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the board meeting.</u></p>	<p>增列置審計委員會職權 Add the authority of Audit Committee</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>approval of more than half of the members of the Audit Committee is not obtained, however, the decision by the Audit Committee shall be recorded in the meeting minute of the Board of Directors. The above-mentioned members of the Audit Committee and the Board of Directors shall be those who are currently in their term of office.</u></p>		
<p>第十四條 Article 14</p> <p>本程序制訂於中華民國九十六年十二月三十一日，第一次修訂於中華民國九十八年六月二十六日，第二次修訂於中華民國九十九年六月二十五日，第三次修訂於民國一〇二年六月十日，第四次修訂於民國一〇七年五月三十日，<u>第五次修訂於民國一〇八年五月二十九日</u>。</p> <p>The Procedures were established on December 31, 2007. The first amendment was made on June 26, 2009; the second amendment was made on June 25, 2010; the third amendment was made on June 10, 2013. The fourth amendment was made on May 30, 2018. <u>The fifth amendment will be made on May 29, 2019.</u></p>	<p>第十四條 Article 14</p> <p>本程序制訂於中華民國九十六年十二月三十一日，第一次修訂於中華民國九十八年六月二十六日，第二次修訂於中華民國九十九年六月二十五日，第三次修訂於民國一〇二年六月十日，第四次修訂於民國一〇七年五月三十日。</p> <p>The Procedures were established on December 31, 2007. The first amendment was made on June 26, 2009; the second amendment was made on June 25, 2010; the third amendment was made on June 10, 2013. The fourth amendment was made on May 30, 2018.</p>	<p>增列修訂日期 Add the date of amendment</p>

**湯石照明科技股份有限公司
資金貸與作業程序修訂條文對照表**

Tons Lightology Inc.

Loans and Funds Operating Procedures Amendment before and after

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p>第二條 得貸與資金之對象 Article 2 Entities to which the Company May Lend Funds</p> <p style="text-align: center;">以上略 (The above is omitted)</p> <p>本公司直接及間接持有表決權股份百分之百之國外公司間，從事資金貸與，<u>或本公司直接及間接持有表決權股份百分之百之國外公司對本公司從事資金貸與，</u>不受第一項第二款之限制。但仍應訂定資金貸與<u>總額及個別對象之限額，並應明定資金貸與期限。</u></p> <p>The restriction in Subparagraphs 1 and 2 shall not apply to inter-company lending of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares or lending of funds between the Company and foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares. However, <u>the limits of amount and transaction counterparties as well as the durations of loans</u> shall still be set. <u>公司負責人違反第一項規定時，應與借用人連帶負返還責任；如公司受有損害者，亦應由其負損害賠償。</u></p>	<p>第二條 得貸與資金之對象 Article 2 Entities to which the Company May Lend Funds</p> <p style="text-align: center;">以上略 (The above is omitted)</p> <p>本公司直接及間接持有表決權股份百分之百之國外公司間，從事資金貸與，不受第一項第二款之限制。但仍應訂定資金貸與之<u>限額及期限：</u></p> <p>The restriction in Subparagraph 2, Paragraph 1 shall not apply to inter-company lending of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares. However, <u>the amount limits and the durations of loans</u> shall still be set:</p> <p><u>1. 資金貸與總額及個別對象之限額，應分別就業務往來、短期融通資金訂定總額及個別對象之限額。</u></p> <p><u>1. The aggregate amount of loans and the maximum amount permitted to a single borrower shall each be prescribed separately for business transactions and for short term financing respectively.</u></p> <p><u>2. 資金貸與期限及計息方式。</u></p> <p><u>2. Duration of loans and</u></p>	<p>依處理準則修訂 Amend based on “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>The Person in-charge of the Company shall jointly bear responsibilities with the borrowers upon any violation of Paragraph 1, and shall also bear liability damage if the Company suffers any damage due to such violation.</u></p>	<p>calculation of interest.</p>	
<p>第八條 申報及公告程序 Article 8 Procedures for Announcement and Reporting</p> <p>一、本公司應於每月十日前將本公司及子公司上月份資金貸與餘額輸入公開資訊觀測站。</p> <p>1. The Company shall report the previous month's loan balances of the Company and its subsidiaries in the Market Observation Post System by the 10th day of each month.</p> <p>二、本公司資金貸與餘額達下列標準之一者，應於事實發生日之即日起算二日內輸入公開資訊觀測站，所稱事實發生日，係指簽約日、付款日、董事會決議日或其他足資確定<u>資金貸與</u>對象及金額之日等日期孰前者。</p> <p>2. The Company whose loan balances reach one of the following levels shall report such event in the Market Observation Post System within two days commencing immediately from the date of occurrence. "Date of occurrence" in the Procedures means the date of contract signing, date of payment, dates of Boards of Directors' resolutions, or other date that can confirm the counterparty and monetary amount of the</p>	<p>第八條 申報及公告程序 Article 8 Procedures for Announcement and Reporting</p> <p>一、本公司應於每月十日前將本公司及子公司上月份資金貸與餘額輸入公開資訊觀測站。</p> <p>1. The Company shall report the previous month's loan balances of the Company and its subsidiaries in the Market Observation Post System by the 10th day of each month.</p> <p>二、本公司資金貸與餘額達下列標準之一者，應於事實發生日之即日起算二日內輸入公開資訊觀測站，所稱事實發生日，係指<u>交易</u>簽約日、付款日、董事會決議日或其他足資確定<u>交易</u>對象及<u>交易</u>金額之日等日期孰前者。</p> <p>2. The Company whose loan balances reach one of the following levels shall report such event in the Market Observation Post System within two days commencing immediately from the date of occurrence. "Date of occurrence" in the Procedures means the date of contract signing, date of payment, dates of Boards of Directors' resolutions, or other date that can confirm the counterparty and monetary amount of the</p>	<p>修改用語 Amend the term</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>loans</u>, whichever date is earlier.</p> <p>以下略 (The following is omitted.)</p>	<p><u>transaction</u>, whichever date is earlier.</p> <p>以下略 (The following is omitted.)</p>	
<p>第十二條 實施與修正 Article 12 Enforcement and Amendments</p> <p>以上略 (The above is omitted)</p> <p><u>訂定或修正資金貸與他人作業程序，應經審計委員會全體成員二分之一以上同意，並提董事會決議，前項如未經審計委員會全體成員二分之一以上同意者，得由全體董事三分之二以上同意行之，並應於董事會議事錄載明審計委員會之決議。所稱審計委員會全體成員及前項所稱全體董事，以實際在任者計算之。</u></p> <p><u>The stipulated or amended operation procedures for loaning to any third parties shall only enter into effect after resolution made by more than half of the members of the Audit Committee and the subsequent resolution of the Board of Directors. The aforesaid procedures may enter into effect after resolution made by more than two thirds of the total Board of Directors members if the approval of more than half of the members of the Audit Committee is not obtained, however, the decision by the Audit Committee shall be recorded in the meeting minute of the Board of Directors. The above-mentioned members of</u></p>	<p>第十二條 實施與修正 Article 12 Enforcement and Amendments</p> <p>以上略 (The above is omitted)</p> <p><u>另本公司依前項規定將本辦法提報董事會討論時，應充分考量各獨立董事之意見，並將其同意或反對之明確意見及反對之理由列入董事會紀錄。</u></p> <p>When the Company submits the Procedures for discussion by the board of directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions; the independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the board meeting.</p>	<p>增列審計委員會職權 Add the authority of Audit Committee</p>

修正條文 Amended clause	現行條文 Clause before amendment	修正理由 Reason for amendment
<p><u>the Audit Committee and the Board of Directors shall be those who are currently in their term of office.</u></p>		
<p>第十三條 Article 13</p> <p>本程序制訂於中華民國九十六年十二月三十一日，第一次修訂於中華民國九十八年六月二十六日，第二次修訂於中華民國九十九年六月二十五日，第三次修訂於民國一〇一年六月二十日，第四次修訂於民國一〇二年六月十日，第五次修訂於民國一〇七年五月三十日，<u>第六次修訂於民國一〇八年五月二十九日。</u></p> <p>The Procedures were established on December 31, 2007. The first amendment was made on June 26, 2009; the second amendment was made on June 25, 2010; the third amendment was made on June 10, 2013. The fourth amendment was made on Jun 10, 2013. The fifth amendment was made on May 30, 2018.<u>The sixth amendment will be made on May 29, 2019.</u></p>	<p>第十三條 Article 13</p> <p>本程序制訂於中華民國九十六年十二月三十一日，第一次修訂於中華民國九十八年六月二十六日，第二次修訂於中華民國九十九年六月二十五日，第三次修訂於民國一〇一年六月二十日，第四次修訂於民國一〇二年六月十日，第五次修訂於民國一〇七年五月三十日。</p> <p>The Procedures were established on December 31, 2007. The first amendment was made on June 26, 2009; the second amendment was made on June 25, 2010; the third amendment was made on June 10, 2013. The fourth amendment was made on Jun 10, 2013. The fifth amendment was made on May 30, 2018.</p>	<p>增列修訂日期 Add the date of amendment</p>

[Appendix 1]

Tons Lightology Inc.
Rules of Procedure for Shareholder Meetings
(Translation)

Article 1: The shareholders' meeting of the Company is to be convened in accordance with the "Rules of Procedure for Shareholders' Meeting" unless otherwise provided by law.

Article 2: The shareholders' meeting is to be convened by the Board of Directors and the Chairman is to preside the meeting. If the chairman is on leave or cannot perform duty for reasons, the Vice Chairman is to preside the meeting. If there is not a Vice Chairman appointed or the Vice Chairman is also on leave or cannot perform duty for reasons, the Chairman is to appoint his/her representative to preside the meeting. If the Chairman failed to have his/her representative appointed, the representative is to be elected among the Board directors.

If the shareholders' meeting is convened by a convener other than the Board of Directors, such convener shall preside the meeting.

The Company may assign the commissioned attorney, CPA, or the responsible personnel to attend the shareholders' meeting.

Article 3: The place of the shareholders' meeting should be in the county/city where the Company located or where it is convenient to the shareholders for attendance; also, where is suitable for holding a meeting. The shareholders' meeting should not be held before 9:00am or after 3:00pm.

Article 4: Shareholder's attending the shareholders' meeting should base on the calculation of shareholding. The attending shareholders or their representatives shall produce the attendance card as their sign-in; also, the shareholding is calculated in accordance with the attendance cards submitted. If the Company allows shareholders to exercise their voting rights in writing or by electronic system, the shareholding of the attending shareholders should include the shares with voting rights that are exercised in writing or by electronic system.

Article 5: The Chairman shall declare the meeting in session when it is meeting time. However, if the attending shareholders have less than majority shareholding,

the Chairman may declare to have the meeting postponed, but it is limited to two postpones and for less than one hour together.

If the attending shareholders remain without the mandatory shareholding ratio after two postpones of meeting; however, the attending shareholders have more than one third of the outstanding shares, a pseudo-resolution can be reached in the meeting in accordance with Article 175 Paragraph 1 of the Company Law.

If the attending shareholders had a majority of the shareholding before the end of the shareholders' meeting, the Chairman may have the pseudo-resolution presented in the meeting for resolution again in accordance with Article 174 of the Company Law.

Article 6: If the shareholders' meeting was convened by the Board of Directors, the agenda is to be set by the Board of Directors. The meeting is to be carried out according to the schedule of the meeting agenda and it cannot be changed without a resolution reached in the shareholders' meeting.

If the shareholders' meeting was convened by the convener other than the Board of Directors, it is to be processed *mutatis mutandis* to the provisions of the preceding paragraph.

If the proposals (including motions) scheduled in the agenda as stated in the last two paragraphs had not been concluded, the Chairman may not have the meeting adjourned without a resolution reached in the meeting.

Article 7: Shareholders must first fill out the speech slip with the gist of the statement, shareholder account number (or attendance card number), and account name stated before speaking in the meeting; also, the Chairman is to prioritize the speakers.

Shareholders who had submitted the speech slip but did not speak in the meeting shall be deemed as choosing not to speak. If the spoken speech is different from the contents of the speech slip, the confirmed speech shall prevail.

Shareholders who are speaking shall not be interrupted by any other shareholders without the consent of the Chairman and the Chairman is obliged to have the interfering shareholders stopped.

Article 8: Shareholder may not speak twice on the same proposal without the consent of the Chairman; also, each speaker may not speak for more than five

minutes each time.

The Chairman may have the speakers who have violated the provisions in the preceding paragraph, or speaking beyond the scope of the proposal, or violating the meeting order stopped.

The Chairman may respond to or appoint the responsible personnel to respond to the speech given by the shareholders.

Article 9: The institutional shareholder may attend the shareholders' meeting by proxy with only one natural person appointed to attend the meeting. If the institutional shareholder has appointed two or more natural persons to attend the meeting, only one of the natural persons can speak on the same proposal in the meeting.

Article 10: If the Chairman determined that the proposal in discussion was ready for voting, the Chairman may announce to have the discussion ceased and the voting initiated.

Article 11: The voting held in the shareholders' meeting is based on the share count. Shareholders are entitled to one voting right per share.

For the resolution reached in the shareholders' meeting, the number of shares of the shareholders without voting right will not be included in the total number of shares issued.

Shareholders may have had their representatives attending the shareholders' meeting on their behalf by proxies. Except for the trust business or the stock affair agent authorized by securities competent authorities, when one person is commissioned by more than two (inclusive) shareholders, the voting rights by proxies may not exceed 3% voting rights of the total outstanding shares. When the voting rights by proxies exceed 3% voting rights of the total outstanding shares, the voting rights exceeding the threshold will not be included for calculation.

The proposal to be voted on, unless otherwise provided in the Company Law and the Articles of Association, must be with the consent of the attending shareholders with a majority voting right. The proposal is deemed as resolved when there is no objection raised by the shareholders to the Chairman upon the Chairman's consultation and it is as effective as voting.

When the same proposal is with amendment or alternative made available, the Chairman is to have the original proposal and the amendment and

alternative put together and prioritized for voting. If one of the proposals is resolved, the other proposals will be deemed as vetoed without the need of further voting.

Article 12: The ballot scrutineers and tellers for the voting on the proposal are appointed by the Chairman; however, the ballot scrutineers must be the shareholders of the Company. The voting result must be reported in the meeting and recorded.

Article 13: The election of the directors in the shareholders' meeting should be processed in accordance with the Company's "Procedures for Election of Directors" and with the election result declared in the meeting.

The ballots of the electoral matters in the preceding paragraph shall be sealed and signed by the ballot scrutineers for safekeeping for at least one year; however, the ballots may be reserved for a longer period of time until the end of the proceeding when a lawsuit is filed by shareholders in accordance with Article 189 of the Company Law.

Article 14: The minutes of meeting should be prepared for the proposals resolved in the shareholders' meeting; also, it should be signed or sealed by the Chairman and distributed to the shareholders within 20 days after the meeting date. The production and distribution of the minutes of meeting stated in the preceding paragraph can be completed by public announcement instead.

The minutes of meeting should be prepared with the information of the meeting date, month, and year, place, the name of the Chairman, the resolution method, essential proceedings, and the results included; also, the minutes of meeting should be reserved permanently throughout the existence of the Company.

Article 15: The Company shall have the entire process of the shareholders' meeting recorded in audio or video form and reserved for at least one year. However, the audio or video recording of the meeting may be reserved for a longer period of time until the end of the proceeding when a lawsuit is filed by shareholders in accordance with Article 189 of the Company Law.

Article 16: The stagehands at the shareholders' meeting venue should wear name tags or armbands for identification. The Chairman may direct the pickets (or security guards) to help maintain the order at the venue. The pickets (or

security guards) at the shareholders' meeting venue to help maintain order should wear name tags or armbands for identification.

Article 17: The Chairman may announce at his/her discretion to take a break during the proceedings. The Chairman may decide to have the meeting suspended temporarily due to a force majeure and may have the meeting resumed thereafter depending on the actual practice.

Article 18: The "Rules of Procedure for Shareholders' Meeting" was enacted on June 27, 2008. The 1st amendment was made on June 26, 2009. The 2nd amendment was made on June 10, 2013. The 3rd amendment was made on May 28, 2015. The 4th amendment was made on May 30, 2018.

[Appendix 2]

Tons Lightology Inc.
Articles of Incorporation(before Amendments)
(Translation)

Chapter 1 General Rules

Article 1 : The Company is incorporated in accordance with the Company Law and is named “Tons Lightology Inc.”

Article 2 : The business operation of the Company is as follows:

- 1.CC01030 Electrical appliances and audio-visual electronic products manufacturing business
- 2.CC01040 Lighting equipment manufacturing business
- 3.CC01080 Electronic components manufacturing business
- 4.CH01010 Sporting goods manufacturing business
- 5.F106010 Hardware wholesale business
- 6.F106030 Mold wholesale business
- 7.F109070 Cultural, educational, musical instruments, and recreational supplies wholesale business
- 8.F113020 Electrical appliances wholesale business
- 9.F119010 Electronic materials wholesale business
- 10.F206010 Hardware retail business
- 11.F209060 Cultural, educational, musical instruments, and recreational supplies retail business
- 12.F213010 Electric appliances retail business
- 13.F219010 Electronic materials retail business
- 14.F401010 International trade business
- 15.E601010 Electric Appliance Construction
- 16.ZZ99999 In addition to the chartered business, the business not-prohibited or not-restricted by law is also permitted for operation

Article 3 : The headquarters of the Company is setup in New Taipei City, Taiwan; also, overseas branches can be setup for business operation with the resolution of the Board of Directors and the approval of the competent authorities.

Chapter 2 Shares

Article 4 : The capital stock of the Company is authorized for an amount of NT\$500,000,000 with 50,000,000 shares issued at NT\$10 par by installment in accordance with the resolutions of the Board.

An amount of NT\$50,000,000 is to be appropriated from the total capital stock stated in the preceding paragraph for issuing employee stock warrants

- with 5,000,000 shares issued by installment in accordance with the resolutions of the Board.
- Article 5 : The Company's transfer investment is not subject to the investment limit of 40% of paid-in capital stated in Article 13 of the Company Law.
- Article 5.1 : The Company may have endorsement and guarantee made externally in accordance with the Company's "Regulations Governing Making of Endorsements/Guarantees."
- Article 6 : The Company's stock is registered and numbered and to be signed or sealed by more than three directors; also, it is to be issued after being certified by the competent authorities or the authorized issuance and registration institute.
The Company may have stock shares issued without any printout made; also, should contact Taiwan Depository & Clearing Corporation for registration. The Company has stock affairs handled in accordance with the relevant laws and regulations of the competent authorities.
- Article 7 : The contents of the shareholder registry may not be modified within 60 days prior to the general shareholders' meeting, thirty days prior to the extraordinary shareholders' meeting, or five days prior to the base date for the distribution of dividend, bonus, or other interests announced by the Company.
- Article 8 : Shareholders' meetings are classified as general shareholders' meeting and extraordinary shareholders' meeting. General shareholders' meeting is to be convened by the Board of Directors once a year within six months at the end of the fiscal year while extraordinary shareholders' meeting can be convened lawfully at anytime when it is necessary.
- Article 8.1 : The date of the meeting, place, and reasons for convening shareholders' meeting should be forwarded to each shareholder thirty days prior to the meeting date for general shareholders' meeting and fifteen days for extraordinary shareholders' meeting.

Chapter 3 Shareholders' Meeting

- Article 9 : The Chairman is to preside the shareholders' meeting. If the Chairman is on leave or cannot perform duty for reasons, the Vice Chairman is to preside the meeting. If there is not a Vice Chairman appointed or the Vice Chairman is also on leave or cannot perform duty for reasons, the Chairman is to appoint his/her representative to preside the meeting. If the Chairman failed to have his/her representative appointed, the representative is to be elected among the Board Directors.
- Article 10 : Shareholders who cannot attend the shareholders' meeting for reasons may have had the representative attending the meeting instead by proxy in accordance with Article 177 of the Company Law.

Shareholder's attending the shareholders' meeting by proxy, unless otherwise provided in the Company Law, should be processed in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meeting of Public Companies" published by the competent authorities.

Article 11 : The resolutions reached in the shareholders' meeting, unless otherwise provided in the Company Law, must be with the attendance of the shareholders that have majority shareholding and with the approval of the attending shareholders with majority voting rights.

Article 12 : Each stock share held by the Company's shareholders is entitled to one voting right, except for in any of the circumstances stated in Article 175 Section 3 and Article 179 of the Company Law, and the related law and regulations.

Chapter 4 Directors and Managers

Article 13 : The Company's withdrawal of public offering should be handled in accordance with Article 156 Paragraph 3 of the Company Law.

Article 14 : The Company has 7~9 directors nominated for a term of three years and they can be re-elected for a second term. The tenure of the directors who are not replaced at the end of the term can be extended until the next newly elected directors take office.

Directors are nominated as candidates for the election of directors in accordance with Article 192.1 of the Company Law. Shareholders are to have directors elected from the candidate list.

The Company's Board of Directors may resolve to acquire liability insurance for the directors.

Article 15 : There must be at least three independent directors (not less than one fifth of the total number of directors) out of the number of directors referred to above. The professional qualifications of the independent directors, shareholdings, limitation of part-time job, the nomination and appointment method, and other matters to be complied with must be processed according to the relevant provisions of the competent authorities.

The Company established the audit committee in according to Article 14.2 of the Securities Exchange Act. The audit committee is responsible to perform the duties stipulated in the Company Act, Securities and Exchange Act and other laws and regulations.

The audit committee is composed of all independent directors.

Article 16 : The Chairman is elected among the directors with the attendance of two thirds of the directors and the consent of the majority of the attending directors. The Vice Chairman can be elected among the directors the same

way as Chairman when it is necessary. The Chairman represents the Company to the public.

Article 17 : The Board meeting should be convened with the cause of action detailed and the directors notified seven days in advance. A Board meeting can be convened for an emergency at any time. The Company's Board meeting can be convened with the directors notified in writing, by E-mail, or by fax.

The Board meeting is convened by the Chairman, unless otherwise provided in the Company Law. The resolutions reached by the Board of Directors, unless otherwise provided in the Company Law, must be with the attendance of the majority of the directors and the consent of the majority of the attending directors.

Article 18 : The Chairman is to preside the Board meeting. If the Chairman is on leave or cannot perform duty for reasons, the Vice Chairman is to preside the meeting. If there is not a Vice Chairman appointed or the Vice Chairman is also on leave or cannot perform duty for reasons, the Chairman is to appoint his/her representative to preside the meeting. If the Chairman failed to have his/her representative appointed, the representative is to be elected among the Board directors. Board director shall attend the Board meeting in person; however, the Board director who cannot attend the Board meeting in person for reasons may have had other director attending the meeting on his/her behalf by proxy with the scope of authorized detailed. The Board director's attending the Board meeting by proxy is limited to appointing one representative only.

If the Board meeting is convened by a video conference, the directors who have attended the Board meeting by a video conference shall be deemed as attending in person.

Article 19 : The Board of Directors is to determine the remuneration to the Company's directors depending on the extent of their involvement in the Company's business operations and their contributions; also, by referring to the domestic industry standards, regardless of the operating profit or loss.

Article 20 : The Company has the management appointed with the commission, discharge, and remuneration processed in accordance with the Company Law.

Chapter 5 Accountants

Article 21 : The Company's fiscal year is for a period from January 1 to December 31.

Article 22 : The Company should have the following reports prepared at the end of each fiscal year in accordance with Article 228 of the Company Law. The following reports should be presented in the general shareholders' meeting for acknowledgement:

1. Business Report

2. Financial Statements

3. Statement of Earnings Distribution or Loss Subsidy

Article 23 : Dividends and bonuses are distributed proportionally to the shareholding of the shareholders. The Company without any earnings may not have dividends and bonuses distributed.

Article 23.1 The Company's annual profits, if any, should be with 5~15% appropriated as remuneration to employees and with less than 2.5% appropriated as remuneration to directors. If the Company is with accumulated losses, an amount for making up the losses should be reserved in advance.

The remuneration to employees is paid with stock dividend or cash; also, it must be with the consent of the majority of the presenting directors in the Board meeting that is with two thirds of the directors attended; also, the resolution should be reported in the shareholders' meeting.

The remuneration to employees paid with stock or cash is also available to the qualified employees of the subsidiaries; also, the Board of Directors is authorized to regulate the related matters.

The annual profits stated in the preceding paragraph refers to the net income before tax and before deducting the remuneration to employees and directors and it is distributed in a lump sum.

Article 24 : The Company's annual earnings, if any, are to be distributed in an orderly manner as follows:

1. Making up losses of prior periods;
2. Appropriating 10% legal reserve and appropriating or reversing special reserve, is necessary;
3. The remaining balance plus the unappropriated earnings of prior periods are the distributable earnings. The Board of Directors is to propose the earnings distribution in the shareholders' meeting for a resolution.

The industry that the Company engaged in is growing. In consideration of the current and future development plans, investment environment, capital needs, and domestic and international competition; also, taking into account the interests of shareholders, balanced dividends, and the Company's long-term financial planning, the earnings distribution is processed in conformity with the requirements stated in the preceding paragraph; also, the distribution of shareholder dividend shall not be less than 50% of the accumulated distributable earnings. Stock dividend is distributed with priority, of which, cash dividend shall not be less than 10% of the total shareholder dividend distributed. However, the Board of Directors may have the said distribution ratio adjusted according to the overall business operation with a resolution reached in the shareholders' meeting.

Article 25 : The shareholder dividend and bonus will be distributed to the shareholders who are included in the shareholders' registry five days prior to the base line date.

Chapter 6 Annex

- Article 26 : The Company's charter and enforcement rules will be enacted separately.
- Article 27 : The matters not addressed in the Articles of Association should be processed in accordance with the Company Law.
- Article 28 : The Article of Association was enacted with the consent of the Founder's meeting conveners on August 14, 1992. The Article of Association was enacted with the consent of the Founder's meeting conveners on August 14, 1992. The 1st amendment made on June 26, 2010. The 2nd amendment made on November 20, 2010. The 3rd amendment made on March 8, 2002. The 4th amendment made on November 25, 2002. The 5th amendment made on February 10, 2002. The 6th amendment made on March 7, 2006. The 7th amendment made on August 10, 2006. The 8th amendment made on October 12, 2006. The 9th amendment made on April 29, 2007. The 10th amendment made on May 10, 2007. The 11th amendment made on July 29, 2007. The 12th amendment made on October 8, 2007. The 13th amendment made on December 31, 2007. The 14th amendment made on June 26, 2009. The 15th amendment made on May 23, 2011. The 16th amendment made on June 20, 2012. The 17th amendment made on June 10, 2013. The 18th amendment made on May 28, 2015. The 19th amendment made on May 31, 2016. The 20th amendment made on May 26, 2017. The 21st amendment made on May 30, 2018.

[Appendix3]

Tons Lightology Inc.
Procedures for the Acquisition and Disposal of Assets (before
Amendments)
(Translation)

Article 1 Basis

These Procedures are established in accordance with the Regulations governing the Acquisition and Disposal of Assets by Public Companies (hereinafter referred to as the Regulations) under Article 36-1 of the Securities and Exchange Act and related laws and regulations.

The Company shall handle the acquisition or disposal of assets in compliance with these Procedures; matters not specified in these Procedures shall be governed by related laws and regulations.

Article 2 Scope

The acquisition or disposal of assets of the Company and its subsidiaries shall be handled in compliance with these Procedures.

Article 3 Scope of Assets

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities (hereinafter referred to as the Securities).
2. Real property (including land, houses and buildings, investment property, rights to use land, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
6. Derivatives.
7. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law (hereinafter referred to as the Assets from Mergers and Transfer).
8. Other major assets.

Article 4 Appraisal Procedures and Means of Price Determination

1. Investment in Securities

Except for securities that meet any of the following requirements, the Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company

for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (hereinafter referred to as ARDF).

- (1) Securities acquired through cash contribution in an incorporation by promotion or by public offering.
- (2) Securities issued at face value by an issuing company carrying out a cash capital increase in accordance with relevant laws and regulations, with this Corporation as a sponsor of the issue.
- (3) Securities issued by an investee company wholly invested by this Corporation that is carrying out a cash capital increase, with this Corporation as a sponsor of the issue.
- (4) Securities listed and traded on the Taiwan Stock Exchange (TWSE) or on the GreTai Securities Market (GTSM) and emerging stocks.
- (5) Government bonds or bonds in repurchase or reverse purchase agreements.
- (6) Domestic funds or overseas funds.
- (7) TWSE or GTSM listed securities acquired or disposed of in accordance with the TWSE or GTSM rules governing the purchase of listed securities by reverse auction or rules governing the auction of listed securities.
- (8) Securities acquired through this Corporation's sponsorship of a cash capital increase by a public company, when the securities acquired are not privately placed.
- (9) Subscription to fund shares before the establishment of a fund in accordance with Article 11, paragraph 1 of the Securities Investment Trust and Consulting Act and the Financial Supervisory Commission's 1 November 2004 Order No. Financial-Supervisory-Securities-IV-0930005249.
- (10) Subscription or redemption of domestic private placement funds, provided that the trust agreement for the fund specifies an investment strategy in which, aside from securities margin transactions and open positions held in securities-related products, the investment scope of the remaining portion is the same as that of a publicly offered fund.

2. Real Property or Equipment

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

- (1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.
- (2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (3) The following items shall be specified in the appraisal report:
 1. Items specified in the Regulations on Real Estate Appraisal.
 2. Items related to professional appraisers and their officers.
 - (1) Name of professional appraisers, capital, the organizational structure and the composition of the staff.
 - (2) Name, age, and educational background (with proof attached) of officers, years and period of service, and the number of cases.
 - (3) Relationship between professional appraisers, their officers, and clients.
 - (4) Statement about the absence of hypocrisy or concealment of items specified in the appraisal report.
 - (5) Date of issuance of the appraisal report.
 3. The basic information on the subject of the appraisal shall contain at least the name, nature, location, and area of the subject.
 4. An example of a real estate transaction for comparison in the area of the subject.
 5. Limited or specific conditions for the type of the appraisal with a limited price or a specific price or whether the type of the appraisal complies with such conditions, the reason for or the reasonableness of the difference with a normal price, and whether the limited price or the specific price is sufficient to be the reference to the trading price.

6. The reasonable distribution ratio for both parties, in case of a joint development contract.
 7. Estimation of land value increment tax.
 8. Whether the appraised value of a real estate at the same appraisal date among appraisers with the difference in value exceeding 20% is handled in accordance with Article 41 of the Real Estate Appraiser Act.
 9. Attachments shall contain the detail of the appraisal, ownership registration, cadastral transcript, urban plan, subject location map, proof of use of partitioned land, and the latest picture of the subject.
- (4) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
- A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- (5) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

3. Memberships or Intangible Assets

Where the Company acquires or disposes of memberships, it shall collect the information on prices in advance and determine the trading price by either comparison or negotiation; where the Company acquires or disposes of intangible assets, it shall determine the trading price based on the information on prices of assets collected in advance and the prudent evaluation of related laws and contracts.

Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a government agency, the Company shall engage a certified public accountant

prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

4. Other Important Assets

Where the Company acquires or disposes of claims of financial institutions, derivatives, assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law, or other important assets, it shall determine the trading price based on the information on prices of assets collected in advance and the prudent evaluation of related laws and contracts.

5. The Company shall acquire or dispose of derivatives in accordance with the provisions of Article 19 to Article 24 of these Procedures.

6. The Company shall acquire or dispose of assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law in accordance with the provisions of Article 25 to Article 33 of these Procedures.

Professional appraiser shall refer to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

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

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

However, an opinion rendered by an expert on the reasonableness of a merger with subsidiaries whose 100% of shares issued or total capital are directly or indirectly held by the Company or a merger between subsidiaries whose 100% of shares issued or total capital are directly or indirectly held by the Company may be exempted.

Article 5 Degree of Authority and Level where Authority is Delegated

The degree of authority and level where authority is delegated in respect of the acquisition or disposal of assets shall be submitted to the unit in charge for approval. The degree of authority and level where authority is delegated in respect of the acquisition or disposal of derivatives shall be governed by the provision of Article 20 of these Procedures.

Item	Amount	Unit in Charge		
		President	Chairman	Board of Directors
Long-term investment in equity	Unlimited amount	Review	Review	Approve
Long-term investment in securities	Unlimited amount	Review	Review	Approve
Short-term investment in securities	Less than NT\$30 million (inclusive)	Approve		
	NT\$30~60 million (exclusive)	Review	Approve	
	More than NT\$60 million (inclusive)	Review	Review	Approve
Real property	Less than NT\$60 million (inclusive)	Review	Approve	
	More than NT\$60 million (inclusive)	Review	Review	Approve
Equipment	Less than NT\$5 million (inclusive)	Approve		
	NT\$5 million (exclusive)~30 million (inclusive)	Review	Approve	
	More than NT\$30 million (exclusive)	Review	Review	Approve
Memberships	Less than NT\$2 million (inclusive)	Review	Approve	
	More than NT\$2 million (exclusive)	Review	Review	Approve
Intangible Assets	Less than NT\$5 million (inclusive)	Approve		
	NT\$5 million (exclusive)~30 million (inclusive)	Review	Approve	
	More than NT\$30 million (exclusive)	Review	Review	Approve
Claims of financial institutions	Less than NT\$10 million (inclusive)	Approve		
	NT\$10 million (exclusive)~50 million (inclusive)	Review	Approve	
	More than NT\$50 million (exclusive)	Review	Review	Approve
Assets in connection with mergers, demergers, acquisitions, or transfer of shares	Amount not subject to the resolution of the board of directors according to law	Review	Review	Approve
	Amount subject to the resolution of the shareholders' meeting according to law	Review	Review	Review
Other important assets	Less than NT\$5 million (inclusive)	Review	Approve	
	More than NT\$5 million (exclusive)	Review	Review	Approve

After these Procedures for the acquisition or disposal of assets or other laws and regulations have been approved by the board of directors, if any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the Audit Committee. When the provisions as stated in Paragraphs 1 to 6 of Article 4 or other laws and regulations have been approved by the board of directors, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Major transactions of assets or derivatives shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution.

If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors

meeting.

The terms “all audit committee members” in these Procedures and “all directors” in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 6 Units Responsible for Implementation

1. Acquisition or disposal of long-term investment in securities: The chairman shall designate the financial unit or establish the investment task force to evaluate and implement the acquisition or disposal of long-term investment in securities.
2. Acquisition or disposal of short-term investment in securities: The financial unit is responsible to evaluate and implement the acquisition or disposal of short-term investment in securities.
3. Acquisition or disposal of real property and equipment: The management department is responsible to evaluate and implement the acquisition or disposal of real property and equipment.
4. Acquisition or disposal of memberships and intangible assets: The chairman shall designate the financial unit or establish the investment task force to evaluate and implement the acquisition or disposal of memberships and intangible assets.
5. Acquisition or disposal of derivatives: The financial unit is responsible to evaluate and implement the acquisition or disposal of derivatives.
6. Acquisition or disposal of assets in connection with mergers, demergers, acquisitions, or transfer of shares and other important assets: The chairman shall designate the financial unit or establish the investment task force to evaluate and implement the acquisition or disposal of assets in connection with mergers, demergers, acquisitions, or transfer of shares and other important assets.

Article 7 Transaction Process

1. The transaction process of securities shall be handled in accordance with the operating procedures for investment circulation in the Company’s internal control system.
2. The transaction processes of real property, equipment, memberships, and intangible assets shall be handled in accordance with the operating procedures for fixed asset circulation in the Company’s internal control system.
3. The transaction process of other important assets shall be handled in accordance with the related operating procedures for circulation in the Company’s internal control system.

Article 8 Retention of Information

The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.

Article 9 Public Announcement and Regulatory Filing Procedures

Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the Financial Supervisory Commission (hereinafter referred to as FSC)'s designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:

1. Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.
2. Merger, demerger, acquisition, or transfer of shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
4. Where the type of asset acquired or disposed is equipment for business use, the trading counterparty is not a related party, and the transaction amount meets one of the following requirements:
 - (1) The paid-in capital is less than NT\$10 billion and the transaction amount is more than NT\$500 million.
 - (2) The paid-in capital is more than NT\$10 billion and the transaction amount is more than NT\$1 billion.
5. Where the type of asset acquired or disposed of in the construction business is real property for construction use, the trading counterparty is not a related party, and the transaction amount is more than NT\$500 million.
6. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction is less than

NT\$500 million.

7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:

- (1) Trading of government bonds.
- (2) Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, or subscription of corporate bonds and general financial bonds not involving no equity in the domestic primary market or securities by a securities firm due to business needs or a securities firm recommended for listed companies at the emerging stock market in accordance with the regulations of Taipei Exchange.
- (3) Trading of bonds under repurchase/resale agreements, or repurchase of domestic money market funds issued by securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
3. The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

“Mainland China area investment” as stated in the preceding paragraph shall refer to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

“Date of occurrence” as stated in Paragraph 1 shall refer to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

“Within the preceding year” as used in Paragraph 2 shall refer to the year preceding the date of occurrence of the current transaction. Items duly announced need not be counted toward the transaction amount.

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

Article 10 Publicly Announced and Reported Information

According to the preceding article, the Company shall publicly announce and report the information prescribed in the related regulations of FSC.

Article 11 Correction of Publicly Announced and Reported Information

When the Company at the time of public announcement makes an error or omission in an item required by the provision of Article 9 to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within 2 days commencing immediately from the date of knowing of the error or omission.

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with Article 9, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days commencing immediately from the date of occurrence of the event:

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

Article 12 Total Amount of Assets and Limit

Total amounts of real property and securities acquired by the Company and each subsidiary for business use, and limits on individual securities are as follows:

1. Where the type of asset acquired by the Company and its subsidiaries is land, plant and equipment for business use, the transaction amount is unlimited.
2. Where the type of asset acquired by the Company is real property for non-business use, the total transaction amount is limited to 20% of the Company's shareholders' equity; where the type of asset acquired by the Company's subsidiaries is real property for non-business use, the total

transaction amount is limited to 20% of the parent company's shareholders' equity.

3. Where the Company engages in the short-term capital movement, the total accumulated amount of investment in short-term securities shall be limited to 50% of the Company's shareholders' equity and the net value of securities acquired from the same company shall be limited to 20% of the Company's shareholders' equity; where the Company's subsidiaries engage in the short-term capital movement, the total accumulated amount of investment in short-term securities shall be limited to 20% of the parent company's shareholders' equity and the net value of securities acquired from the same company shall be limited to 10% of the parent company's shareholders' equity.
4. Where the Company acquires the long-term investment in securities, the total accumulated amount of investment in long-term securities shall be limited to 60% of the Company's shareholders' equity and the amount of securities acquired from the same company shall be limited to 30% of the Company's shareholders' equity; where the Company's subsidiaries acquire the long-term investment in securities, the total accumulated amount of investment in long-term securities shall be limited to 40% of the parent company's shareholders' equity and the amount of securities acquired from the same company shall be limited to 30% of the parent company's shareholders' equity, except for subsidiaries that are investment holding companies.

"Subsidiary" as used in the preceding paragraph shall be defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 13 Control Procedures for the Acquisition and Disposal of Assets by Subsidiaries

The Company's subsidiaries shall establish the procedures for the acquisition or disposal of assets in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. The procedures shall be approved by their boards of directors; the same applies when the procedures are amended.

Assets shall be acquired or disposed of by the Company's subsidiaries in accordance with the procedures for the acquisition or disposal of assets established by the Company's subsidiaries.

When Company's subsidiaries, which are not domestic public companies, acquire or dispose of assets, the Company shall announce and report the information specified in Article 9.

Subsidiaries mentioned in the preceding paragraph apply to the standards for

the announcement and report on the transaction amount reaching 20% of paid-in capital or 10% of total assets, as specified in Article 9.

Article 14 Scope of Related Party Transactions

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

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Paragraph 2, Article 9 herein and "within the preceding year" as used herein shall refer to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

"Related party" as used in the preceding paragraph shall be defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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

Article 15 Resolution Procedures

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

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a trading counterparty.
3. With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.
4. The date and price at which the related party originally acquired the real

property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.

5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
7. Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Paragraph 2, Article 9 herein, and "within the preceding year" as used herein shall refer to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee and the board of directors need not be counted toward the transaction amount.

With respect to the acquisition or disposal of business-use equipment between the Company and its subsidiaries, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is less than 25 percent of paid-in capital and have the decisions subsequently submitted to and ratified by the next board of directors meeting.

When a matter is submitted for discussion by the board of directors according to related regulations, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

The matters requiring recognition by the Audit Committee according to related regulations shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Paragraphs 5 and 6, Article 5 herein.

Article 16 Appraisal Procedures

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

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

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

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

The Company that acquires real property from a related party and appraises the cost of the real property in accordance with paragraph 1 and paragraph 2 shall also engage a CPA to check the appraisal and render a specific opinion. Where the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 15 and the preceding three paragraphs do not apply:

1. The related party acquired the real property through inheritance or as a gift.
2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.

Article 17 When the results of the Company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 18. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (1) Where undeveloped land is appraised in accordance with the means in the preceding article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. "Reasonable construction

profit” shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

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

(3) Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.

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

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

Article 18 Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with Article 16 and Article 17 are uniformly lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of

public company's equity stake in the other company.

2. Independent directors of the Audit Committee shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to subparagraph 1 and subparagraph 2 shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

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

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

Article 19 Principles and Strategies for Engaging in Derivatives Trading

1. Types of derivatives that may be traded:

(1) Derivatives as used in these Procedures shall refer to forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests.

(2) The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.

(3) Transactions in regard to bond deposits shall be handed in accordance with the regulations of these Procedures.

2. Operating or hedging strategies:

The Company shall engage in derivatives transactions for the purpose of avoiding risks. Trading goods that can avoid risks arising from the Company's business operations shall be prioritized. In addition, financial institutions that usually have business dealings with the Company shall be selected as many as possible to avoid credit risks.

3. Segregation of duties:

Risk management: Foreign exchange traders in the finance department are responsible for the statistics of positions for foreign currency assets and liabilities and collecting related market information, which may serve as the basis of trend judgment and risk assessment.

In addition, foreign exchange traders shall fully understand features and functions of various financial products and carry out necessary risk aversion in accordance with the Company's policies and strategic operations.

Account management: Accountants in the finance department shall keep accounts in accordance with the current International Accounting Standards and related regulations promulgated by competent authorities.

Cash flows: Capital movement personnel in the finance department shall prepare the positions for cash collection and payment due, perform settlement, and confirm the completion of transactions based on the requirements of related trading contracts.

Internal audit: The Company's internal auditors shall carry out the regular audit regarding related transactions based on the internal control system and internal audit system to confirm whether the amount, authorization, reasonableness and effectiveness of the transactions comply with the Company's policies or laws and regulations.

4. Essentials of performance evaluation:

The Company shall record the detail of derivatives operations in the transaction list on a daily basis to control the profit and loss; in addition, the Company shall settle the exchange gains and losses on a monthly, quarterly, semi-yearly, and yearly basis.

5. Trading quota:

In principle, the transaction amount of derivatives shall be limited to the net position for foreign exchange arising from the Company's operation.

6. Maximum loss limit:

The maximum loss limit on total trading is US\$100,000 and the maximum loss limit for individual contracts is US\$10,000.

Article 20 Operating Procedures

1. Degree of authority delegated

The Company shall perform derivatives transactions based on the following authorized amount:

- (1) For non-trading purpose: Based on the position for monthly capital needs in each currency and the policy decision, 1/3 of the amount of the transaction shall be used for hedging. The authorized amount of a single trading contract is as follows: (A) The amount less than US\$100,000 (inclusive) shall be approved by the supervisor in charge in the finance department; (B) the amount more than US\$100,000 (inclusive) shall be approved by the president; and (C) the amount

more than US\$300,000 shall be approved by the chairman.

- (2) For trading purpose: Each transaction, regardless of the amount, shall be approved by the supervisor in the finance department and the chairman. In principle, the risk of each transaction shall be limited to the profit and loss assessment of US\$100,000 at any time and such amount shall be the stop-loss limit.

2. Units responsible for implementation, and transaction process

- (1) Implementation: Traders in the finance unit shall implement a transaction with a financial institution within the authorized amount. If the value of a transaction exceeds the authorized amount, traders shall obtain the prior written approval in accordance with the foregoing provisions. After a transaction is completed, traders shall fill in the transaction form based on the deal closed with the financial institution and submit it to the supervisor in charge for approval; then, traders shall count the positions and submit the copy of the transaction form to the accounting department.
- (2) Confirmation: The accounting department in charge of settlement and registration shall confirm the transaction based on the copy of the transaction form made by the trading unit; then, the accounting department shall settle the confirmed figures and register the detail of the transaction. The finance department shall make a report on a monthly basis and submit it to the accounting department as the basis of accounting evaluation.

Article 21 Risk Management Measures

1. Risk management:

- (1) Credit risk: Trading partners shall be limited to well-known financial institutions at home and abroad that can provide professional information.
- (2) Market risk: Markets shall be limited to over-the-counter markets that can avoid risks or meet the Company's requirements for investment.
- (3) Liquidity risk: Products with high liquidity (that can square the position in the market at any time) shall be selected to ensure the trading liquidity. Trading banks must have the sufficient information network, equipment and professionalism to trade in any market.
- (4) Operational risk: Operational risks refer to the compliance with authorized management, operating procedures, handling of receipts and preparation of subsequent statements or reports.

- (5) Legal risk: Main and subsidiary contracts and transaction confirmation documents shall be studied carefully; the support of legal officers shall be sought to reduce the risk of legal traps.
- (6) Product risk: Managerial personnel in charge of internal transactions shall have full and correct knowledge of trading products and ask banks to fully disclose the risks to avoid the loss arising from the wrong estimation of risks and misuse of products.
- (7) Cash settlement risk: The authorized personnel shall complete the cash flow estimates in advance based on the regulations of authorization and frequently evaluate the operation of banks of trading partners in order to settle the cash collection and payment due.

2. Principle of internal control:

- (1) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
- (2) Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.
- (3) When a transaction is completed, traders shall fill in the related transaction form and submit it to the reviewer for registration.
- (4) After receiving the transaction confirmation from the bank, the reviewer shall check the transaction with the original receipts and the compliance with authorization and submit the transaction form to the supervisor that is authorized to sign.
- (5) The reviewer shall check whether the total amount of the transaction exceeds the foreign currency asset or liability or the committed position for reasonable hedging or net investment at any time.
- (6) The reviewer shall make a detailed transaction list for each bank to check the account with or send an external confirmation to the bank on a regular basis.
- (7) The finance department shall evaluate the contingent profit and loss and the market value of a transaction on a regular basis and submit the evaluation to management for review on a monthly basis. The evaluation shall indicate the strategies for future operation, which serve as the basis of management and decision making for senior management.

3. Regular evaluation methods:

Finance Department shall evaluate the investment trading positions based on the market price once per week. Hedge trades shall be evaluated once every two weeks with positions, the term of contract, the evaluation of contingent profit or loss and future management focuses specified. The board of directors shall designate senior management personnel to review the evaluation reports and periodically evaluate whether the trading performance is consistent with established operational strategies and whether the risk undertaken is within the Company's permitted scope of tolerance. When irregular circumstances are found in the course of reviewing the evaluation report mentioned above, a report shall be immediately made to the board of directors and appropriate measures shall be adopted; where the Company has independent directors, an independent director shall be present at the board meeting and express an opinion.

Article 22 Internal Audit System

The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report, which shall be submitted, along with the implementation of the annual internal audit plan, to FSC for review in the prescribed format and via the Internet-based information system by February of the following year. The improvement in irregular circumstances shall be submitted to FSC for review via the Internet-based information system by May of the following year. If any material violation is discovered, the Audit Committee shall be notified in writing.

Article 23 Public Disclosure of Information

1. For losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company, the Company shall publicly announce and report the relevant information on the FSC's designated website within 2 days commencing immediately from the date of occurrence of the event
2. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

Article 24 The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in,

board of directors approval dates, and the matters required to be carefully evaluated shall be recorded in detail in the log book.

Article 25 “Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law” as used in these Procedures shall refer to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter “transfer of shares”) under Paragraph 8, Article 156 of the Company Act.

Article 26 The Company conducting a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Audit Committee and the board of directors for deliberation and passage.

Article 27 The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in the preceding article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts the Company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the Company and other companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the Company and other companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

Article 28 The Company and other companies participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

The Company and other companies participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for 5 years for reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall, within 2 days commencing immediately from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in Subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

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

Article 29 The Company and every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

Article 30 The Company participating in a merger, demerger, acquisition, or transfer of

shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets, which affects the company's financial operations.
3. An event, such as a major disaster or major change in technology, which affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 31 The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 32 After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of

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

Article 33 Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 28, Article 29, and Article 32.

Article 34 Penal Regulations

When the Company's directors and managers violate these Procedures or the Regulations Governing the Acquisition and Disposal of Assets by Public Companies issued by FSC, which causes damage to the Company, they shall be dismissed. When the related executive staff violate these Procedures or the Regulations, they shall be handled in accordance with the Company's regulations governing rewards and punishments.

Article 35 After the Procedures have been approved by the Audit Committee, they shall be submitted to the board of directors for resolution, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the Audit Committee.

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

When the procedures for the acquisition and disposal of assets are adopted or amended, they shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution..

If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" in Paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of

persons currently holding those positions.

Article 36 The provisions regarding supervisors set out in Paragraph 3, Articles 14-4 of the Securities and Exchange Act shall apply mutatis mutandis to the audit committee.

Article 37 The Company shall not waive the capital increase in World Extend Holding Inc. (hereinafter referred to as World Extend) in future years; World Extend shall not waive the capital increase in Tons Lighting Co., Ltd. and Greatsuper Technology Limited (hereinafter referred to as GS) in future years; GS shall not waive the capital increase in Zhongshan Tons Lighting Co., Ltd. and Titan Lighting Co., Ltd. in future years. If the Company has to waive the capital increase in or the disposal of the above companies due to strategic alliances or other reasons with the consent of Taipei Exchange, such waiver shall be approved by the special resolution of the board of directors. Any subsequent amendments shall be disclosed in “Announcements” in Market Observation Post System and reported to Taipei Exchange for review.

Article 38 These Procedures were formulated on December 31, 2007. The first amendment was made on June 26, 2009. The second amendment was made on June 25, 2010. The third amendment was made on June 20, 2012. The fourth amendment was made on June 10, 2013. The fifth amendment was made on June 16, 2014. The sixth amendment was made on May 26, 2017. The seventh amendment was made on May 30, 2018.

[Appendix4]

Tons Lightology Inc.
Procedures for the Making of Endorsements/Guarantees (before
Amendments)
(Translation)

Article 1 Basis

The Procedures are established in accordance with Article 36-1 of the Securities and Exchange Act and the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies (the Regulations).

The Company shall make endorsements/guarantees in accordance with the Procedures. Matters not prescribed in the Procedures shall be governed by applicable laws.

Article 2 Scope

The term “endorsements/guarantees” referred to in the Procedures shall mean the following:

1. Financing endorsements/guarantees, including:
 - (1) Bill discount financing.
 - (2) Endorsement or guarantee made to meet the financing needs of another company.
 - (3) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the Company itself.
2. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the Company itself or another company with respect to customs duty matters.
3. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.
4. Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with the Procedures.

Article 3 Definition of Subsidiary and Financial Statements

“Subsidiary” referred to in the Procedures shall be determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

When financial statements are prepared according to the International Financial Reporting Standards, “net worth” referred to in the Procedures shall mean the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 4 Entity for which Endorsements/Guarantees Is Made

1. The Company may make endorsements/guarantees for the following companies:
 - (1) A company with which the Company does business.
 - (2) A company in which the Company directly and indirectly holds

more than 50 percent of the voting shares.

- (3) A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.
2. Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.
3. Where the Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs.

Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the Company, or through a company in which the Company holds 100% of the voting shares.

Article 5 Ceiling of Endorsements/Guarantees

1. The Company's aggregate endorsement/guarantee amount shall be limited to 40% of the net worth of the Company, and the amount of its endorsements/guarantees for any single entity shall be limited to 20% of the net worth of the Company.
2. Where an endorsement/guarantee is made by the Company due to needs arising from business dealings, the amount of the endorsement/guarantee shall be no more than the total amount of trading (purchase or sales, whichever is higher) between the two companies in the most recent fiscal year.
"Net worth" shall refer to be the value assured by the CPA or specified in the approved financial statements in the most recent fiscal year.
3. The aggregate endorsement/guarantee amount that the Company and its subsidiaries as a whole are permitted to make shall be limited to 50% of the net worth of the Company, and the amount of their endorsements/guarantees for any single entity shall be limited to 30% of the net worth of the Company.

If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net worth of the Company, an explanation of the necessity and reasonableness thereof shall be given at the shareholder's meeting.

Article 6 Procedures for Making and Reviewing Endorsements/Guarantees

1. Application

When applying for the endorsement/guarantee to be made by the Company within the ceiling prescribed in the preceding article, the

entity shall provide basic information and financial data and the application form for the department in charge of reviewing endorsements/guarantees.

2. Evaluation

The department in charge of reviewing endorsements/guarantees shall review the following in detail and make a report:

- (1) The necessity of and reasonableness of endorsements/guarantees.
- (2) Credit status and risk assessment of the entity for which the endorsement/guarantee is made.
- (3) The impact on the Company's business operations, financial condition, and shareholders' equity.
- (4) Whether collateral must be obtained and appraisal of the value thereof.

Article 7 Measures to Control Endorsements/Guarantees

1. The Company shall prepare a memorandum book for its endorsement/guarantee activities and record the following information in detail: the endorsement/guarantee, the entity for which the endorsement/guarantee is made, results of risk assessment, the date of passage by the Board of Directors or Chairperson; the endorsement/guarantee amount, the collateral obtained, and the conditions and date for dissolving the responsibility for endorsement/guarantee.
2. According to SFAS No.9, the Company shall evaluate or record the contingent loss for endorsements/guarantees on a regular basis, and shall adequately disclose information on endorsements/guarantees in its financial statements and provide certified public accountants with relevant information for implementation of necessary audit procedures.
3. The Company's internal auditors shall audit the Procedures and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Audit Committee in writing of any material violation found.
4. Where as a result of changes of condition the entity for which an endorsement/guarantee is made no longer meets the requirements of the Procedures, or the amount of endorsement/guarantee exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to the Audit Committee, and shall complete the rectification according to the timeframe set out in the plan.
5. When an entity for which the Company or its subsidiaries makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, the Company shall request the entity to adopt rectification plans and submit the rectification plans to the Audit Committee, and shall complete the rectification according to the timeframe set out in the plan. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, the paid-in capital shall be calculated as follows: sum of the share capital plus paid-in capital in excess of par.
6. Procedures for making endorsements/guarantees for a subsidiary whose net worth is lower than half of its paid-in capital by the Company or its

subsidiaries are as follows:

- (1) The finance department of the Company shall evaluate related information before the endorsement/guarantee is made.
- (2) The finance department of the Company or its subsidiaries shall evaluate the entity for which the endorsement/guarantee is made to ensure the minimum risk.
- (3) The finance department of the Company or its subsidiaries shall evaluate whether the risk of making the endorsement/guarantee exceeds that before the endorsement/guarantee is made. If the risk is too high, the finance department shall report to the chairperson to avoid immediate risk. If the network of the entity for which the endorsement/guarantee is made is already negative, the entity is required to adopt rectification plans and submit the rectification plans to the Audit Committee, and shall complete the rectification according to the timeframe set out in the plan.

Article 8 Procedures for Controlling Endorsements/Guarantees by Subsidiaries

1. When subsidiaries of the Company plans to make endorsements/guarantees for others, the Company shall request the subsidiaries to establish and implement the Procedures for the Making of Endorsements/Guarantees.
2. Unless otherwise prescribed in the Procedures, the Company shall control the endorsements/guarantees made by subsidiaries in accordance with the Regulations Governing the Supervision of Subsidiaries.
3. Subsidiaries of the Company shall compile the list of endorsements/guarantees made for others in the previous month and report it to the Company in writing by the 7th day of every month.
4. The subsidiaries' internal auditors shall audit the Procedures for the Making of Endorsements/Guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Company's audit department in writing of any material violation found, and the audit department will then forward the written data to the Audit Committee.
5. When auditing subsidiaries according to the annual audit plan, the Company's auditors shall also review their Procedures for the Making of Endorsements/Guarantees. If any material violation is found, they shall follow up the improvement and submit the follow-up report to the president or chairperson of the Company.
6. Provisions of this article may be adjusted or amended based on the industry and actual needs of subsidiaries (including but not limited to statutory changes).

Article 9 Procedures for Use and Custody of Corporate Chops

1. The Company shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees. The chop shall be kept in the custody of a designated person approved by the Board of Directors and may be used to seal or issue negotiable instruments only in prescribed procedures.
2. When making a guarantee for a foreign company, the Company shall have the guarantee agreement signed by the chairperson authorized by the Board of Directors.

Article 10 Hierarchy of Decision-making Authority and Delegation

1. The Company may make an endorsement/guarantee only after it has been reported to and resolved upon by the Board of Directors, or approved by the chairperson of the board empowered to grant the endorsement/guarantee within US\$1 million, for subsequent submission to and ratification by the next board meeting. The implementation of the endorsement/guarantee shall be reported to the shareholders' meeting for future reference.
2. Before making any endorsement/guarantee pursuant to Article 4, paragraph 2, a subsidiary in which the Company holds, directly or indirectly, 90% or more of the voting shares shall submit the proposed endorsement/guarantee to the Company's Board of Directors for a resolution, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.
3. Where the Company needs to exceed the limits set out in the Procedures to satisfy its business requirements, and where the conditions set out in the Procedures are complied with, it shall obtain approval from the Audit Committee and the resolution of the Board of Directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement/guarantee. The Company shall also amend the Procedures accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit.

When making endorsements/guarantees for others, the Company shall take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board meetings.

Article 11 Procedures for Announcement and Reporting

1. The Company shall report the previous month's balance of endorsements/guarantees of itself and its subsidiaries in the Market Observation Post System by the 10th day of each month. If the balance of endorsements/guarantees reaches one of the following levels, the Company shall report such event in the Market Observation Post System within two days commencing immediately from the date of occurrence.
"Date of occurrence" in the Procedures means the date of contract signing, date of payment, dates of Boards of Directors' resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.
 - (1) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statements.
 - (2) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statements.
 - (3) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 millions or more

and the aggregate amount of all endorsements/guarantees for, investment of a long-term nature in, and balance of loans to, such enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statements.

- (4) The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statements.
2. The Company shall report in the Market Observation Post System on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to report pursuant to Subparagraph 4 of the preceding paragraph.

Article 12 Punishment

When managers or persons in charge of the Company violate the Regulations or the Procedures, they shall be punished according to the Company's disciplinary measures.

Article 13 Enforcement and Amendments

After passage by the Audit Committee, the Procedures shall be submitted to the Board of Directors for resolution and for approval by the shareholders' meeting. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures.

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

Article 14 The Procedures were established on December 31, 2007. The first amendment was made on June 26, 2009; the second amendment was made on June 25, 2010; the third amendment was made on June 10, 2013. The fourth amendment was made on May 30, 2018.

[Appendix 5]

Tons Lightology Inc.
Procedures for the Lending of Funds (before Amendments)
(Translation)

Article 1 Basis

The Procedures are established in accordance with Article 36-1 of the Securities and Exchange Act and the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies (the Regulations).

The Company shall lend funds in accordance with the Procedures. Matters not prescribed in the Procedures shall be governed by applicable laws.

Article 2 Entities to which the Company May Lend Funds

Except as otherwise provided, the Company shall not lend funds to any of its shareholders or any other person except under the following circumstances:

1. Where an inter-company or inter-firm business transaction calls for a loan arrangement; or
2. Where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 40 percent of the lender's net worth.

The term "short-term" referred to in the preceding paragraph means one year, or where the Company's operating cycle exceeds one year, one operating cycle.

The term "financing amount" referred to in Sub-paragraph 2, Paragraph 1, of this article means the cumulative balance of the Company's short-term financing.

The restriction in Subparagraph 2, Paragraph 1 shall not apply to inter-company lending of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares. However, the amount limits and the durations of loans shall still be set:

1. The aggregate amount of loans and the maximum amount permitted to a single borrower shall each be prescribed separately for business transactions and for short-term financing respectively.
2. Duration of loans and calculation of interest.

Article 3 Definition of Subsidiary and Financial Statements

"Subsidiary" referred to in the Procedures shall be determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

When financial statements are prepared according to the International Financial Reporting Standards, "net worth" referred to in the Procedures shall mean the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 4 Evaluation Standards for Lending of Funds

1. Where funds are lent to other companies or firms for reasons of business

- dealings, the maximum amount lent is prescribed in Article 5.
2. Where short-term financing is needed, funds shall only be lent in the following circumstances:
 - (1) A company in which the Company holds more than 50 percent of the shares requires short-term financing for business dealings.
 - (2) Other companies or firms require short-term financing for the purchase of materials or business turnaround.

Article 5 Aggregate Amount of Loans and Maximum Amount Permitted to a Single Borrower

1. Aggregate amount of loans

The aggregate amount of loans lent to companies or firms by the Company for business dealings shall be limited to 20 percent of the Company's net worth as stated in its latest financial statements; the aggregate amount of loans lent to companies or firms by the Company for short-term financing shall be limited to 40 percent of the Company's net worth as stated in its latest financial statements.

2. Maximum amount permitted to a single borrower

When the Company has business dealings with a company or firm, the maximum amount of loans permitted to a single borrower shall be no more than the total amount of trading (purchase or sales, whichever is higher) between the two companies in the most recent fiscal year; however, such limitation is not applicable to subsidiaries in which the Company holds more than 50 percent of the shares.

When companies or firms require short-term financing, the maximum amount of loans permitted to a single borrower shall be no more than 40 percent of the Company's net worth as stated in its latest financial statements.

For the inter-company lending of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares, the aggregate amount and maximum amount permitted to a single borrower shall not be limited to 40 percent of the Company's net worth as stated in its latest financial statements; however, the maximum amount permitted to a single borrower shall be limited to 40 percent of the subsidiary's net worth, and the aggregate amount shall be limited to 60 percent of the subsidiary's net worth. The term of financing is limited to 3 years.

Article 6 Duration of Loans and Calculation of Interest

The term of each loan shall be limited to one year.

The interest rate of the loan is adjusted within the range of interest rates of loans borrowed by the Company from financial institutions. The interest rate of the loan accrues on a daily basis and is collected on a monthly basis. In case of special circumstances, the interest rate of the loan may be adjusted and accrue with the consent of the Board of Directors.

For the inter-company lending of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares, the term of each loan is not limited to one year.

Article 7 Procedures for Handling and Reviewing Lending of Funds

1. Application

The borrower shall submit the company's information and financial data to the Company in writing for financing.

2. Credit and risk assessment

After the Company accepts the applicant, the finance department shall investigate and evaluate the business, finance, solvency, credit, and profitability of the borrower as well as the purpose of the loan and make an investigation report. The said report shall also include the evaluation of the necessity of and reasonableness of extending the loan and the impact on the Company's business operations, financial condition, and shareholders' equity.

3. Ratification

If a loan is granted after the credit investigation and risk assessment, the person in charge of extending loans shall submit the credit investigation report, review comments, and conditions for extending the loan to the chairperson and the Audit Committee for approval and to the Board of Directors for resolution. The Company shall not empower any other person to make such decision. Lending of funds between the Company and its parent company or subsidiaries, or between its subsidiaries, shall be submitted to the Audit Committee for approval and then for a resolution by the Board of Directors, and the chairperson may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the Board of Directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.

Except for the foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares, "certain monetary limit" on loans extended by the Company or any of its subsidiaries to any single entity mentioned in the preceding paragraph shall not exceed 10% of the Company's net worth as stated in the latest financial statements.

When the Company submits the Procedures for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director's opinion; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board meeting.

4. Guarantee

When handling the lending of loans, the Company shall obtain the secured note. If the borrower provides an individual or a company with substantial financial resources and credit for guarantee or uses its property (including real estate, movable property, and intellectual property rights) as collateral, the Board of Directors may determine the method for guarantee separately. If the borrower provides a company for guarantee, the Company shall examine whether its articles of incorporation stipulates that a company may be provided for guarantee; if the borrower provides an individual for guarantee, the Company shall assess the value of the collateral to the Company's claims. The Company shall set the mortgage on movable property or real estate or purchase fire insurance (except for land, securities, and intellectual

property rights) and related insurance whenever necessary. The amount of insurance shall not be less than the value of the collateral. The insurance policy shall specify that the Company is the beneficiary.

Article 8 Procedures for Announcement and Reporting

1. The Company shall report the previous month's loan balances of the Company and its subsidiaries in the Market Observation Post System by the 10th day of each month.
2. The Company whose loan balances reach one of the following levels shall report such event in the Market Observation Post System within two days commencing immediately from the date of occurrence. "Date of occurrence" in the Procedures means the date of contract signing, date of payment, dates of Boards of Directors' resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.
 - (1) The aggregate balance of loans to others by the Company and its subsidiaries reaches 20 percent or more of the Company's net worth as stated in its latest financial statements.
 - (2) The balance of loans by the Company and its subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in its latest financial statements.
 - (3) The amount of new lending of funds by the Company or its subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the Company's net worth as stated in its latest financial statements.
3. The Company shall report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to report pursuant to subparagraph 3 of the preceding paragraph.
4. The Company shall evaluate the status of its lending of funds and reserve sufficient allowances for bad debts, and shall adequately disclose relevant information in its financial statements and provide certified public accountants with relevant information for implementation of necessary auditing procedures.

Article 9 Subsequent Measures to Control Loans and Procedures for Handling Delinquent Creditor's Rights

1. After the loan is appropriated, the Company shall pay close attention to the financial, business, and credit status of the borrower and the guarantor. If the collateral is provided, the Company shall pay attention to any change in its value. In case of major changes, the chairperson shall be notified and give proper instructions. When the borrower pays off the loan on or before the due day, interest payable shall be calculated first and then repaid along with the principal. After the principal and interest are paid off, the collateral will be returned or the responsibility for guarantee will be released.
2. The borrower shall pay off the principal and interest when the loan expires. If the borrower fails to pay off the principal and interest by the due day,

the Company may dispose of the collateral or guarantor and make a claim according to the law.

3. The Company shall prepare a memorandum book for its fund-lending activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending/borrowing date, and matters to be carefully evaluated the Procedures.
4. The Company's internal auditors shall audit the Procedures and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Audit Committee in writing of any material violation found.
5. If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made does not meet the requirements of the Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to the Audit Committee, and shall complete the rectification according to the timeframe set out in the plan.

Article 10 Procedures for Controlling Lending of Funds by Subsidiaries

1. When subsidiaries of the Company plans to lend funds to others, the Company shall request the subsidiaries to establish and implement the
2. Unless otherwise prescribed in the Procedures, the Company shall control the funds lent by subsidiaries in accordance with the Regulations Governing the Supervision of Subsidiaries.
3. Subsidiaries of the Company shall compile the list of funds lent to others in the previous month and report it to the Company in writing by the 7th day of every month.
4. The subsidiaries' internal auditors shall audit the Procedures for the Lending of Funds and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Company's audit department in writing of any material violation found, and the audit department will then forward the written data to the Audit Committee.
5. When auditing subsidiaries according to the annual audit plan, the Company's auditors shall also review their Procedures for the Lending of Funds. If any material violation is found, they shall follow up the improvement and submit the follow-up report to the president or chairperson of the Company.
6. Provisions of this article may be adjusted or amended based on the industry and actual needs of subsidiaries (including but not limited to statutory changes).

Article 11 Punishment

When managers or persons in charge of the Company violate the Regulations or the Procedures, they shall be punished according to the Company's disciplinary measures.

Article 12 Enforcement and Amendments

After passage by the Audit Committee, the Procedures shall be submitted to the Board of Directors for resolution and for approval by the shareholders' meeting. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures.

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

Article 13 The Procedures were established on December 31, 2007. The first amendment was made on June 26, 2009. The second amendment was made on June 25, 2010. The third amendment was made on June 20, 2012. The fourth amendment was made on June 10, 2013. The fifth amendment was made on May 30, 2018.

[Appendix 6]

Tons Lightology Inc.
Shareholding of Directors

1. The Company's common stock shares issued : 40,040,803 shares

The minimum required combined shareholding of all directors by law : 3,600,000 shares

2. The number of shares held by all directors as of the stop-transfer date on March 31, 2019 is as follows;

Unit: Shares; %

Title	Name	Elected date	Elected shareholding		Current shareholding	
			Shares	Percentage of the outstanding shares (%)	Shares	Percentage of the outstanding shares (%)
Chairman	TANG, SHIH-CHUAN	05.26.2017	3,500,627	8.88	3,535,633	8.83
Director	HUNG, CHIA-CHENG	05.26.2017	1,253,962	3.18	1,158,381	2.89
Director	TSAI, SHAO-CHUN	05.26.2017	-	-	-	-
Director	CHEN, MING-HSIN	05.26.2017	-	-	-	-
Independent Director	YUAN, JIAN-CHUNG	05.26.2017	-	-	-	-
Independent Director	HSU, CHUNG-YUAN	05.26.2017	-	-	-	-
Independent Director	CHOU, LIANG-CHENG	05.26.2017	-	-	-	-
The number of shares and shareholding ratio held by all directors			4,754,589	12.06	4,694,014	11.72

[Appendix 7]

The proposals of the shareholders who have more than 1% shareholding of the Company's outstanding shares.

1. According to Article 172-1 of the Company Law, the Company is accepting the proposals of the shareholders for the general shareholders' meeting from March 22 to April 1, 2019.
2. There was not any proposal presented by the shareholders who had more than 1% shareholding of the Company's outstanding shares during the said period of time.