

Stock code: 5878



2017 Annual General Shareholders' Meeting

Meeting Agenda (Translation)

June 14, 2017

Note to Readers:

If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language version shall prevail.

Taiming Assurance Broker Co., Ltd.

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Meeting Procedure

Taiming Assurance Broker Co., Ltd. 2017 Annual General Shareholders' Meeting

Time: 9:00 a.m. on Wednesday, June 14, 2017

Place: Conference Hall, 3rd Floor, No. 49, Guanqian Rd., Taipei

1. Call the Meeting to Order
2. Chairman Remarks
3. Matters to Report
4. Proposals
5. Discussions
7. Other Matters for Discussion
8. Special Motions
9. Adjournment

Matters to Report

1. 2016 Business Report

TABC has always adhered to the four service ideas of satisfying the customers, taking care of the employees, caring for the society, and protecting the shareholders' rights and interests. TABC works for the goals of being a successful insurance business and making the shareholders and partners feel happy. We have been and will always work hard to serve our clients, comply with laws and regulations, and continue with our property and life insurance businesses in the future. In 2015, TABC issued the first Corporate Social Responsibility Report of Taiwan in the insurance broker & agent industry and was certified by the Taiwan Branch of BSI British Standards Association. In 2016, TABC adopted the Information Security Management System and obtained BSISO27001 certification as the best protection of personal data. We hereby state overall situation, concerning 2016 annual business operation, 2017 annual business plan, future development strategies, external competitions, and regulatory environment and overall operation environment as follows:

1. 2016 Financial and Business Performance

(1) Revenue

TABC's consolidated revenue totaled NT\$ 722,611 thousand, an increase of 19.9 percent over NT\$ 602,663 thousand in 2015.

(2) Profits

TABC's consolidated net profit before tax totaled NT\$ 99,439 thousand, an increase of 19.37% over NT\$ 83,305 thousand in 2015. TABC's consolidated net profit after tax totaled NT\$ 85,787 thousand, an increase of 16.12% over NT\$73,882 thousand in 2015.

(3) Development

In response to the trend of an aging society, TABC's marketing purpose is to provide stable retirement plan for our clients. We have cooperated with major domestic life insurance companies, and can provide customers with diversified insurance products, therefore, our business performance has been steady growth. In face of the changes in current economic situation, the changes in social structure, and the issuance or modification of laws and regulations, TABC will continue to improve business performance and employees' professional quality and strengthen insurance customer service in order to achieve business goals and stable profitability, and ensure the sustainable operation.

2. 2017 Business Plan

(1) Operating objectives

1. Taiwan will soon enter the phase of an aged society, with a population aging faster than Europe and the United States, and the young people's burden will be increased by several times after ten years. Under this circumstance, it is obvious that the fundamental guarantees provided by social insurance or welfare system will not satisfy the society's needs and should be supplemented with commercial insurance to help citizens plan economic security and medical care in their old age. Therefore, TABC will continue to cultivate Taiwan insurance market, and provide insurance customers with various retirement insurance plans and services.
2. TABC will carefully evaluate all insurance products, along with the analysis of product clauses and features. TABC also pays great attention to operational conditions of insurance companies and monitors results concerning the shortcomings of RBC or which companies subject to the punishment in order to protect the rights and interests of insurance customers.
3. In response to the trends in science and technology, TABC will make efforts to raise the professional capabilities of business partners and enhance the establishment of administrative information platforms, and improve TABC's output and service quality.
4. TABC will launch insurance network online, officially entering the field of Fintech and provide the younger customers with new purchase channels.

(2) Important product and sales policies

1. TABC's business strategies will follow the spirits of "Transformation, Evolution, and Materialization" to improve the quality of professional insurance and business team service, expand insurance business and enhance the market share.
2. TABC will continue to increase business income through alliances with different industries, trade cooperation and other diversified marketing channels.
3. We will consolidate existing cooperation, tap the electronic commerce system, enlarge the service scope with integration online and offline resources and embrace the changes of Fintech.
4. We will also actively formulate the layout of finance and insurance in mainland China and broaden our presence in the overseas Chinese market.
5. Moreover, TABC will fulfill our social responsibilities and use our resources to be more engaged in social welfare activities.

3. Developmental strategies in the future

TABC will not only continue to provide policyholders with professional planning for insurance commodities and high quality services, but also uphold sustainable operations and specialized business strategies to improve the insurance contract for policyholders, meet the requirements of future life security and create an optimal retirement. Meanwhile, TABC will become more vigorous through trade cooperation and alliances among different industries, provide more professional services, cultivate a growing business team with high output, efficiency and quality, implement internal controls, understand the regulatory system and make progress to becoming a large-scale insurance broker.

4. Influences from external, regulatory and overall business environment

Modern society is full of risks and uncertainty, which often have an impact on our lives and property. The main purpose of insurance is to distribute the risk to everyone through self-help and help among one another to avoid the possible loss which individuals cannot afford. Therefore, the insurance are important for a family, as well as for social stability. TABC specializes in finance and insurance brokerage. Although changes in the financial and insurance laws and regulations influence management and sales, we have already complied with laws and regulations to understand regulatory trends. There is fierce competition in the insurance industry, and how to stand out from 493 insurance brokers in the future will be our goal. TABC has always upheld the business philosophy of “sustainable happiness,” and has a sound administrative platform, education and training and information system. The goal is not only to provide insurance customers with complete insurance products, but also maintain a good relationship with our customers, provide diversified services, and free them from worry.

For the purpose of providing the most complete guarantees for investors, our goal is to achieve the best corporate governance and practices. In 2015, the Company compiled the Report on Corporate Social Responsibility and has been trying to adhere to these regulatory requirements, regardless of corporate governance, environmental protection and other issues, and contribute to public affairs and do their part to help society. Last but not the least, the Company would like to extend their heartfelt gratitude to all shareholders. Please continue to support us and provide input. We will do our best to move forward with a pragmatic spirit to implement our principles and achieve our objectives and mission, so that our company will become a respected enterprise in the industry.

2. 2016 Audit Committee's Review Report

Audit Committee's Review Report

The Board of Directors of Taiming Assurance Broker Co., Ltd. (TABC) has submitted the Company's 2016 Business Report, Financial Statements and Distribution of Profits to the Audit Committee. Mr. Chen-Hsiu Yang and Mr. Shiuh-Ran Cheng, the independent auditors from the CPA firm of Deloitte & Touché, were retained by the Board to audit TABC's Financial Statements and have issued an audit report.

The Business Report, Financial Statements and Distribution of Profits have been reviewed and determined to be correct and accurate by the Audit Committee of TABC. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this report on behalf of all members of the committee to the 2017 Annual General Shareholders' Meeting for ratifications.

Taiming Assurance Broker Co., Ltd.

Tsung Ju Lee

Chairman of the Audit Committee:

February 23, 2017

3. 2016 Compensation to Directors and Employees

In accordance with Article 18.1 of the Company's Corporate Charter, two percent (2%) of the Company's profits for 2016 is remuneration that will be provided to the directors and employees. The compensation to directors or employees is NT\$2,135,802, respectively, and both of which are distributed in cash.

4. Amendment to the Corporate Governance Best Practice

Principles

According to the amendment to the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies, amended by Order No. 1050028370 issued by Taipei Exchange (TPEX) on October 6, 2016, TABC has planned to revise some articles of the Corporate Governance Best Practice Principles accordingly. The Comparison Table of the amendment is attached hereto as Attachment I.

5. Amendment to the Corporate Social Responsibility Best

Practice Principles

According to the amendment of Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies, amended by Order No. 10500212832 issued by Taipei Exchange (TPEX) on August 1, 2016, TABC has planned to amend some articles of the Corporate Social Responsibility Best Practice Principles accordingly. The Comparison Table of the amendment is attached hereto as Attachment II.

Proposals

1. 2016 Business Report and Financial Statements

Proposed by the Board

Explanation :

1. The 2016 Business Report and Financial Report have been completed and approved in the 9th meeting of the 2nd Audit Committee and in the 10th meeting of the 6th Board of Directors on February 23, 2017, and audited by independent auditors, Chen-Hsiu Yang and Shiuh-Ran Cheng, of Deloitte & Touche.
2. The Audit Committee's review report is attached hereto as Attachment III.

Resolution :

2. Adoption of the Proposal for Distribution of 2016 Profits

Proposed by the Board

Explanation :

1. TABC's 2016 financial statements have been audited. According to the Article 19 of the Company's Corporate Charter regarding the distribution of profits, the distribution of 2016 profit was compiled and attached as Attachment IV. On February 23, 2017, the audit committee's review report was issued after the 9th meeting of the 2nd Audit Committee, and the resolution was adopted at the 10th meeting of the 6th Board of Directors held on February 23, 2017.
2. The Board of Directors will be authorized by the shareholders' meeting to decide on the matters for allocation of the earnings.

Discussions

1. Amendment to the Company's Corporate Charter.

Please proceed to discuss.

Proposed by the Board

Explanation :

According to Article 192-1 of the Company's Corporate Charter, and to cope with the implementation of e-voting online since 2017, TABC has planned to amend some articles of the Company's Corporate Charter accordingly. The Comparison Table of the amendment is attached hereto as Attachment V.

Resolution :

2. Amendment to the Rules for Election of Directors.

Please proceed to discuss.

Proposed by the Board

Explanation :

According to Article 192-1 of the Company's Corporate Charter, and to cope with the implementation of e-voting online since 2017, TABC has planned to amend some articles of the Rules for Election of Directors accordingly. The Comparison Table of the amendment is attached hereto as Attachment VI.

Resolution :

3. Amendment to the Operating Procedure for Acquisition and Disposal of Assets.

Please proceed to discuss.

Proposed by the Board

Explanation :

According to the amendment of Regulations Governing the Acquisition and Disposal of Assets by Public Companies, issued by Order No. 1060001296 from the Financial Supervisory Commission dated on February 9, 2017,

TABC has planned to amend some articles of the Operating Procedure for Acquisition and Disposal of Assets. The comparison table of the amendment is attached hereto as Attachment VII.

Resolution :

Other Matters

1. Discussion on the relief of certain directors from their non-competition obligations.

Please proceed to discuss.

Proposed by the Board

Explanation :

1. According to Article 209 of the Company Act, a director acting on behalf of himself (herself) or another in matters within the business scope of the Company shall obtain approval at the shareholders meeting.
2. Certain directors of the 6th Board, due to business needs, have undertaken the same or similar activities within the Company's business scope. Under the premise of no damage to the interests of the Company, the approval for participation in the businesses will be obtained at the shareholders' meeting to remove the board directors' non-competition restriction.
3. The lists for the relief of certain directors from their non-competition obligations are as follows:

Directors	Relief of Non-competition Obligations	
	Concurrent Company & Position	
Taiwan Navigator Asset Investment Co., Ltd. Representative: Cheng-Chih Lee	Shanghai Lianda Insurance Agent Co., Ltd.	Chairman & Legal Representative
	Kun Shan Feng Sheng Insurance Agency Co., Ltd.	Chairman & Legal Representative
	All Safe Co., Ltd.	Chairman
Taiwan Navigator Asset Investment Co., Ltd. Representative: Tsui-Jung Chen	Shanghai Lianda Insurance Agent Co., Ltd.	Supervisor
	Kun Shan Feng Sheng Insurance Agency Co., Ltd.	Supervisor
Cheng-Rong Enterprise Co., Ltd. Representative: Yang-Kuo Chen	All Safe Co., Ltd.	Supervisor

Resolution :

Special Motions

Adjournment

Attachments

Attachment I

Taiming Assurance Broker Co., Ltd. The Corporate Governance Best Practice Principles Comparison Table of the Amendment

Article	Amended	Original	Comment
Article 1	To establish a sound governance system, the Company, in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, formulated the rule and <u>established an effective corporate governance structure</u> , and disclosed it at the public information observation station.	To establish a sound governance system, the Company, in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, formulated the rule <u>to abide by and</u> disclosed it at the public information observation station.	With reference to Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the listed company shall set their own codes of corporate governance, establish an effective corporate governance structure, and therefore this provision is revised.
Article 2	In addition to complying with laws and regulations of Articles of Association, the Company's establishment of corporate governance system shall be in accordance with the following principles: 1. Ensure shareholders' rights and interests. 2. Improve the function of the Board of Directors. 3. Exert the function of	In addition to complying with laws and regulations of Articles of Association, the Company's establishment of corporate governance system shall be in accordance with the following principles: <u>1. Establish an effective corporate governance structure</u> 2. Ensure shareholders' rights and interests. 3. Improve the function	Revise the text with reference to Article 2 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

Article	Amended	Original	Comment
	<p>the functional Committee.</p> <p><u>4. Respect stakeholders' rights and interests.</u></p> <p><u>5. Improve information transparency.</u></p>	<p>of the Board.</p> <p><u>4. Exert the function of the functional Committee</u></p> <p><u>5. Respect stakeholders' rights and interests.</u></p> <p><u>6. Improve information transparency.</u></p>	
Article 3-1	<p><u>The Company shall set up full-time (or part-time) units or personnel for matters related to corporate governance, and senior executives for supervision, whose work experience in the legal, financial or stock management field in a public offering company is more than three years or they are qualified as a lawyer or an accountant.</u></p> <p><u>The relevant affairs of corporate governance in the preceding company should at least include the following:</u></p> <p><u>1. Handle company registration and change of registration.</u></p> <p><u>2. Handle the meeting-relevant affairs of Board of Directors and Shareholders Meeting in accordance with the law, and assist the Company to</u></p>	Newly Added	<p>Considering the lack of a Chief Administrator, Secretary of the Board of Directors and other titles in the current Company Law and due to a different scale and personnel allocation of the listed company, currently, including the registration of the Company, the Shareholders Meeting and the meeting of the Board of Directors affairs, execution of meeting record, and providing of business information for directors or supervisors, corporate governance mostly has professional divisions like corporate finance,</p>

Article	Amended	Original	Comment
	<u>comply with the relevant laws and regulations of the Board of Directors and Shareholders Meeting.</u> <u>3. Record the meeting of Board of Directors and Shareholders Meeting.</u> <u>4. Provide required business information and the latest regulations on operations of the Company for directors or independent directors to assist them to follow the regulations.</u> <u>5. Handle affairs related to investor relations.</u> <u>6. Handle other affairs in accordance with the Articles of Association or other contracts.</u>		legal, internal audit and shareholder services units, and, to avoid the increase of personnel costs of the listed companies and retain appropriate flexibility, with reference to Paragraph 1 of Article 9 of Code Of Conduct On Corporate Social Responsibility of Listed Company for setting full-time or part-time position, Paragraph 1 is added, stating required qualifications or experience of supervisory personnel. The corporate social responsibility and corporate governance issues of OTC and listed companies are conducted by the same unit because the two are not in mutual conflict.
Article 4	The Company shall implement a corporate governance system that ensures shareholders' rights and interests, and	The greatest objective of the Company's implementation of the corporate governance system is to ensure	Revise the text with reference to Article 4 of Corporate Governance Best

Article	Amended	Original	Comment
	<p>fair treatment of all shareholders.</p> <p>The Company shall build a corporate governance system that can ensure shareholders fully understand and participate in major company items, and have the rights to make decisions.</p>	<p>shareholders' rights and interests, and the fair treatment of all shareholders.</p> <p>The Company shall build a corporate governance system that can ensure shareholders fully understand and participate in major company items, and have the rights to make decisions.</p>	Practice Principles for TWSE/TPEX Listed Companies.
Article 6	<p>The Board of Directors of the Company shall properly arrange issues and procedures at the Shareholders Meeting, decide principles and procedures of nominee directors and shareholders' proposal, and reasonably process shareholders' proposals forth according to the laws. The Shareholders Meeting shall be arranged at a convenient place and reserve sufficient time, and appoint sufficient qualified personnel to handle registration procedures. Documents on the shareholders' attendance shall be arbitrarily added, and shall leave enough time for reasonable discussion on various topics, and give</p>	<p>The Board of Directors of the Company shall properly arrange issues and procedures the Shareholders Meeting, decide principles and procedures of nominee directors and shareholders' proposal, and reasonably process shareholders' proposals forth according to the laws. The Shareholders Meeting shall be arranged at a convenient place and reserve sufficient time, and appoint sufficient qualified personnel to handle registration procedures. Documents on the shareholders' attendance shall be arbitrarily added, and shall leave enough</p>	Revise the text with reference to Article 6 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article	Amended	Original	Comment
	<p>shareholders the appropriate opportunity to speak.</p> <p>The Shareholders Meeting convened by the Board of Directors shall be presided over by the Chairperson personally and more than half of the Board of Directors (<u>including at least one independent director</u>) and at least one member of the functional committee shall attend personally, and the attendance in the Shareholders Meeting shall be recorded.</p>	<p>time for reasonable discussion on various topics, and give shareholders the appropriate opportunity to speak.</p> <p>The Shareholders Meeting convened by the Board of Directors shall be presided over by the Chairperson personally and more than half of the Board of Directors and at least one member of the functional committee shall attend personally, and the attendance in the Shareholders Meeting shall be recorded.</p>	
Article 7	The Company shall encourage shareholders to participate in corporate governance, and shall appoint a professional stock agency to handle the affairs of the Shareholders Meeting to ensure it is convened under legal, effective and safe premises. The Company shall use	The Company shall encourage shareholders to participate in corporate governance, and shall appoint a professional stock agency to handle the affairs of the Shareholders Meeting to ensure it is convened under legal, effective and safe premises. The	Revise the text with reference to Article 7 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article	Amended	Original	Comment
	<p>various methods, including utilizing technically advanced information disclosure and voting methods, and <u>submit meeting notice, meeting handbook and supplement materials in both Chinese and English</u> to improve the attendance rate of shareholders to the Shareholder Meetings. This also ensures that shareholders can implement their rights at the Shareholder Meetings according to law.</p> <p><u>When the Company adopts electronic voting at the Shareholders Meeting, it should be avoided to revise the provisional motion and the original motion. The annual election of directors and independent directors shall adopt candidate nomination system.</u></p> <p>The Company shall arrange the shareholders to vote for the Shareholders Meeting cases one by one, and input the results of shareholders' agreeing, opposing, or abstaining from voting</p>	<p>Company shall use various methods, and by utilizing technically advanced information disclosure and voting methods, to improve the attendance rate of shareholders in shareholders meetings. This also ensures that shareholders can implement their rights in Shareholders Meetings according to law.</p> <p>The Company shall arrange the shareholders to vote for the Shareholders Meeting cases one by one, and input the results of shareholders' agreeing, opposing, or abstaining from voting into the Internet information reporting system appointed by the securities counter trading center on that</p>	

Article	Amended	Original	Comment
	<p><u>into the public information observation station</u> on that very day of holding the Shareholders Meeting.</p> <p>If the Company gives commemorative shareholder meeting gifts to shareholders, no prejudicial or biased treatment shall be involved.</p>	<p>very day of holding the Shareholders Meeting.</p> <p>If the Company gives commemorative shareholder meeting gifts to shareholders, no prejudicial or biased treatment shall be involved.</p>	
Article 12	<p>The Company's acquisition or disposal of assets, capital loans and endorsements guarantees and other significant financial business behavior, shall be dealt with in accordance with the relevant provisions of the law, and the Company shall set up relevant operating procedures to be submitted to the Shareholders Meeting's adopting, in order to safeguard shareholders' rights and interests.</p> <p><u>When the Company is dealing with matters of merger or public acquisition, besides to handling in accordance with the relevant laws and regulations, it shall pay attention to fairness and rationality of merger or public</u></p>	<p>The Company's acquisition or disposal of assets, capital loans and endorsements guarantees and other significant financial business behavior, shall be dealt with in accordance with the relevant provisions of the law, and the Company shall set up relevant operating procedures to be submitted to the Shareholders Meeting's adopting, in order to safeguard shareholders' rights and interests.</p>	Revise the text with reference to Article 12 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article	Amended	Original	Comment
	<u>acquisition plans and transaction, and pay attention to information disclosure and integrity of subsequently the Company's financial structure.</u>		
Article 13-1	<u>The Board of Directors of the Company is responsible for establishing an interaction mechanism with the shareholders to enhance mutual understandings of the Company's development objectives.</u>	Newly Added	With the trend of international development, to achieve sustainable development and increase the values of listed companies over the long term, the Company shall establish a dialogue and interaction mechanism with shareholders. Hence this article is revised and enlarged.
Article 13-2	<u>The Board of Directors of listed companies shall, besides communicating with shareholders through Shareholders Meetings and encouraging shareholders to participate in the Shareholders Meetings, contact shareholders in an efficient way, understand shareholders' views with handlers and independent directors together and topics for</u>	Newly Added	With the international development trend of Stewardship Code, the communication and interaction between listed companies and shareholders shall be through Shareholders Meeting, besides, the directors, handlers and independent directors shall all

Article	Amended	Original	Comment
	<u>discussion concerned, and make a clear explanation of company policy, in order to obtain the support of shareholders.</u>		understand shareholders' views and make a clear explanation of company policy in order to obtain the support of shareholders, hence this article is revised and enlarged.
Article 20	<p>The Board of Directors of the Company shall <u>guide the Company strategies, supervise the management levels, and be responsible for the Company and the</u> shareholders. For various work and arrangement of the Company's governance system, the Authority of the Board of Directors shall be fully exercised according to regulations, Articles of Association, or Shareholders Meeting resolutions of.</p> <p>The Company's Board of Directors shall consist of at least five directors, depending on the scale of company operation and development, and the status of primary shareholders, and actual operating needs.</p>	<p>The Company's Board of Directors <u>shall be</u> responsible <u>for</u> the Shareholders Meeting. For various work and arrangement of the Company's governance system, the authority of the Board of Directors shall be fully exercised according to regulations, Articles of Association, or Shareholders Meeting resolutions.</p> <p>The Company's Board of Directors shall consist of at least five directors, depending on the scale of company operation and development, and the status of primary shareholders, and actual operating needs.</p>	Revise the text with reference to Article 20 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article	Amended	Original	Comment
	<p>Diversification shall be considered to form the Board of Directors. <u>In addition to directors served as the Company managers shall not be more than 1/3 of all directors</u>, appropriate diversification policies shall be drawn up for their own operation, operation patterns and development demands, including but not limited to the standards of the following two aspects:</p> <ol style="list-style-type: none"> 1. Basic conditions and values: gender, age, nationality, culture, and so on. 2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc. <p>The Board members shall possess knowledge, skills, and quality that are adequate for carrying out their duties. To achieve the goals of corporate governance,</p>	<p>Diversification shall be considered to form the Board of Directors. Appropriate diversification policy shall be drawn up for their own operation, operation patterns and development demands, including but not limited to the standards of the following two aspects:</p> <ol style="list-style-type: none"> 1. Basic conditions and values: gender, age, nationality, culture, and so on. 2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc. <p>The Board members shall possess knowledge, skills, and quality that are adequate for carrying out their duties. To achieve the goals of corporate governance,</p>	

Article	Amended	Original	Comment
	<p>the Board of Directors on the whole shall possess the following abilities:</p> <ol style="list-style-type: none"> 1. Operation judgment ability. 2. Accounting and financial analysis ability. 3. Operation management ability. 4. Crisis management ability. 5. Industry knowledge. 6. International market perspective. 7. Leadership. 8. Decision ability. 	<p>the Board of Directors on the whole shall possess the following abilities:</p> <ol style="list-style-type: none"> 1. Operation judgment ability. 2. Accounting and financial analysis ability. 3. Operation management ability. 4. Crisis management ability. 5. Industry knowledge. 6. International market perspective. 7. Leadership. 8. Decision ability. 	
Article 21	<p>The Company shall draw up fair, just and open director election procedures <u>in accordance with the protection of shareholders' rights and interests, the principle of equitable treatment to shareholders, encourage shareholders to participate in</u> and adopt cumulative voting system according to the provisions of the Company Law to fully reflect the opinions of the shareholders.</p> <p>Unless approved by the Company's competent authority, the majority of the board members shall not have spousal</p>	<p>The Company shall incorporate fair, just, and open procedures for the election of directors and adopt the cumulative voting mechanism in order to fully reflect shareholders' views in accordance with the Company Act.</p> <p>Unless approved by</p>	<p>The Board of Directors shall ensure the transparency and implementation of for the nomination and election procedures of directors' and shareholders' rights and interests, treat shareholders fairly and exercise their roles. The Election of Directors is of shareholders' basic rights of shareholders, hence revising Paragraph 1 of this article.</p>

Article	Amended	Original	Comment
	<p>relationship or familiar relationship within the second degree of kinship. .</p> <p>If the dismissal of a director results in a board with less than five directors, the Company shall hold a supplemental election at the next Shareholders Meeting. However, if vacant directors reach one third of seats stipulated by regulations, the Company shall hold a provisional Shareholders Meeting to elect directors within 60 days from the actual vacancy date.</p> <p>The aggregate shareholding percentage of all members of the Board of Directors of the Company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by</p>	<p>the Company's competent authority, the majority of the board members shall not have spousal relationship or familiar relationship within the second degree of kinship.</p> <p>If the dismissal of a director results in a board with less than five directors, the Company shall hold a supplemental election at the next Shareholders Meeting. However, if vacant directors reach one third of seats stipulated by regulations, the Company shall hold a provisional Shareholders Meeting to elect directors within 60 days from the actual vacancy date.</p> <p>The aggregate shareholding percentage of all members of the Board of Directors of the Company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges</p>	

Article	Amended	Original	Comment
	each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.	over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.	
Article 22	<p>According to the Company Act, the Directors of the Company shall be persons of legal ability elected at Shareholders Meeting in accordance with the nomination system for candidate declared in Articles of Association. The qualifications, education background, working experiences and the existence of any other matters set forth in Article 30 of the Company Act with respect to the candidates recommended by shareholders or directors shall be reviewed in advance; no other documentary evidence of the qualifications shall be increased, and the review result thereof shall be provided to shareholders for their reference, so that qualified directors can be elected.</p> <p><u>The Board of Directors</u></p>	<p>According to the Company Act, Directors of the Company shall be persons of legal ability elected at Shareholders Meeting in accordance with the nomination system for candidate declared in Articles of Association. The qualifications, education background, working experiences and the existence of any other matters set forth in Article 30 of the Company Act with respect to the candidates recommended by shareholders or directors shall be reviewed in advance; no other documentary evidence of the qualifications shall be increased, and the review result thereof shall be provided to shareholders for their reference, so that qualified directors can be elected.</p>	Revise the text with reference to Article 22 in Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article	Amended	Original	Comment
	<u>shall, in accordance with the provisions, carefully evaluate the qualifications listed in the preceding paragraph and other matters and the candidate's will after acting as a director before listing the list of the candidates.</u>		
Article 23	<p>Clear distinctions shall be drawn between the responsibilities and duties of the Chairperson of the board of the Company and those of its general manager.</p> <p>Chairperson shall not also act as the general manager. If the Chairperson also acts as the general manager or they are spouses or within the first degree of kinship, the number of Independent Directors should be increased.</p> <p><u>If the Company sets up a functional committee, the responsibilities and duties of the committee shall be clearly defined.</u></p>	<p>Clear distinctions shall be drawn between the responsibilities and duties of the Chairperson of the board of the Company and those of its general manager.</p> <p>Chairperson shall not also act as the general manager.</p>	Revise the text with reference to Article 23 in Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
Article 24	According to the Articles of Association of the Company, three Independent Directors shall be set, and the number of Independent	According to the Articles of Association of the Company, three Independent Directors shall be set, and the number of	Revise the text with reference to Article 24 in Corporate Governance Best Practice Principles

Article	Amended	Original	Comment
	<p>Directors shall not be less than 1/5 of the number of directors.</p> <p>Independent Directors shall be qualified with expertise and his shareholder and part-time job shall be restricted. <u>Unless in compliance with the appropriate laws and/or regulations, Independent Directors shall not act as the director (including Independent Director) or supervisor of more than five TWSE/TPEX listed companies, and they shall maintain independence within the scope of their directorial duties and shall not have any direct or indirect interest in the Company.</u></p> <p>The Company's independent director shall be elected according to Article 192-1 of the Company Act (nomination of candidates). The nomination system shall be clearly stated in the article of association. Shareholders shall elect independent directors from the candidate list. Independent directors</p>	<p>Independent Directors shall not be less than 1/5 of the number of directors.</p> <p>Independent directors shall possess professional knowledge and their shares and part-time work shall be restricted. The scope of their business shall be kept independent, without direct or indirect interest relationship with the Company.</p> <p>The Company's independent director shall be elected according to Article 192-1 of the Company Act (nomination of candidates). The nomination system shall be clearly stated in the article of association. Shareholders shall elect independent directors from the</p>	for TWSE/TPEX Listed Companies.

Article	Amended	Original	Comment
	<p>and non-independent directors shall be elected according to Article 198 of the Company Act. Election quota shall be calculated separately.</p> <p>If the Company and its group enterprises and organizations and other company and its group enterprises and organizations nominate their directors, supervisors or managers as candidates of Independent Directors of the other, the Company shall disclose the candidate in authorizing Independent Directors and explain the suitability of the candidate. If one is elected as an Independent Director, the number of votes cast shall be revealed.</p> <p>The aforementioned group enterprises and organizations are applicable for subsidiaries of the Company, whose direct or indirect endowment exceeds 50% of incorporated</p>	<p>candidate list. Independent directors and non-independent directors shall be elected according to Article 198 of the Company Act. Election quota shall be calculated separately.</p> <p>If the Company and its group enterprises and organizations and other company and its group enterprises and organizations nominate their directors, supervisors or managers as candidates of Independent Directors of the other, the Company shall disclose the candidate in authorizing Independent Directors and explain the suitability of the candidate. If one is elected as an Independent Director, the number of votes cast shall be revealed.</p> <p>The aforementioned group enterprises and organizations are applicable for subsidiaries of the Company, whose direct or indirect endowment exceeds 50% of incorporated</p>	

Article	Amended	Original	Comment
	<p>foundation, and other institutions or legal person with essential control ability.</p> <p>Independent directors and non-independent directors shall not convert their status during their tenure.</p> <p>If the dismissal of an independent director results in insufficient number of independent directors (based on item one or the article of association), a supplemental election shall be held at the next shareholders meeting. If all the independent directors are dismissed, the Company shall convene a provisional shareholders meeting to elect new independent directors within 60 days from the actual dismissal.</p> <p>The professional qualification, restrictions on both shareholding and concurrent positions held, , determination of independence, nomination method, and other requirements to be followed shall be handled in accordance with the Securities and Exchange Act, and rules</p>	<p>foundation, and other institutions or legal person with essential control ability.</p> <p>Independent directors and non-independent directors shall not convert their status during their tenure.</p> <p>If the dismissal of an independent director results in insufficient number of independent directors (based on item one or the article of association), a supplemental election shall be held at the next shareholders meeting. If all the independent directors are dismissed, the Company shall convene a provisional shareholders meeting to elect new independent directors within 60 days from the actual dismissal.</p> <p>The professional qualification, restrictions on both shareholding and concurrent positions held, determination of independence, nomination method, and other requirements to be followed shall be</p>	

Article	Amended	Original	Comment
	that regulate the Taiwan Stock Exchange or GreTai Securities Market.	handled in accordance with the Securities and Exchange Act, and rules that regulate The Taiwan Stock Exchange or GreTai Securities Market.	
Article 26	<p>The Company shall expressly stipulate the scope of duties of independent directors and empower them with manpower and material support related to the exercise of their power. The Company or other board members shall not restrict or obstruct independent directors in the execution of their duties.</p> <p>The Company shall stipulate the remuneration of the directors <u>in the articles of association</u>, which shall fully reflect individual performance and long-term operation performance of the Company, and the risk of company's operation shall be taken into consideration. A reasonable and different remuneration shall be set for independent directors.</p> <p>Under the Articles of</p>	<p>The Company shall expressly stipulate the scope of duties of independent directors and empower them with manpower and material support related to the exercise of their power. The Company or other board members shall not restrict or obstruct independent directors in the execution of their duties.</p> <p>The Company shall stipulate the remuneration of the directors <u>in the article of association or by shareholders meeting resolution</u>. Director's remuneration shall fully reflect personal performance and the Company's long-term operation performance, as well as consider the Company's operating risks. A reasonable and different remuneration shall be set for independent directors.</p> <p>Under the Articles of</p>	Revise the text with reference to Article 26 in Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article	Amended	Original	Comment
	Association of the Company, the resolution of the Shareholder Meeting, or by order of competent authorities, if any special surplus reserves are to be drawn, such allocation shall be made after the allocation of legal surplus reserves and before the distribution of remuneration of the directors and supervisors and employee bonuses, and the Articles of Association shall specify the method for profit distribution to be adopted when the reversal of the special surplus reserves are included in the undistributed earnings.	Association of the Company, the resolution of the Shareholder Meeting, or by order of competent authorities, if any special surplus reserves are to be drawn, such allocation shall be made after the allocation of legal surplus reserves and before the distribution of remuneration of the directors and supervisors and employee bonuses, and the Articles of Association shall specify the method for profit distribution to be adopted when the reversal of the special surplus reserves are included in the undistributed earnings.	
Article 27	For the purpose of developing monitoring functions and strengthening management mechanisms, the Board of Directors of the Company shall take into account <u>the size of the Company, nature of business,</u> and the number of the Board of Directors, and set up auditing, <u>remuneration</u> and any other functional committees based on the concept of	For the purpose of developing monitoring functions and strengthening management mechanisms, the Board of Directors of the Company shall take into account <u>the size of the Board of Directors,</u> and the number of <u>the independent directors,</u> and set up audit, compensation and any other functional committees based on the concept of the	Revise the text with reference to Article 27 in Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article	Amended	Original	Comment
	<p>the Company's social responsibility and sustainable business; all these shall be specified in the Articles of Association.</p> <p>Functional committees shall be responsible to the Board of Directors, and submit their proposals to the board for voting. However, this does not apply to audit committee's implementation of their supervisory authority according to Article 14.4.4 of the Securities and Exchange Act.</p> <p>Functional committees shall set their organization regulations to be passed by the Board of Directors through resolution. The content of the organization regulations shall include the number of members of the committee, their tenure period, their authorization, meeting rules, and resources provided by the Company for implementation of their authority.</p>	<p>Company's social responsibility and sustainable business; all these shall be specified in the Articles of Association.</p> <p>Functional committees shall be responsible to the Board of Directors, and submit their proposals to the board for voting. However, this does not apply to audit committee's implementation of their supervisory authority according to Article 14.4.4 of the Securities and Exchange Act.</p> <p>Functional committees shall set their organization regulations to be passed by the Board of Directors through resolution. The content of the organization regulations shall include the number of members of the committee, their tenure period, their authorization, meeting rules, and resources provided by the Company for implementation of their authority.</p>	
Article 28-1	The Company shall establish a	The Company shall set up Compensation	Revise Sub-paragraph 3,

Article	Amended	Original	Comment
	<p>Remuneration Committee; professional qualification, power execution and regulations of the organization of other employees of the Articles of Association and other matters shall be handled in accordance with the Measures for the Establishment and Exercise of Powers by the Remuneration Committee of the Company whose stock is listed on the Stock Exchange or Traded Over the Counter.</p> <p>The Remuneration Committee shall exercise the care of a good administrator, faithfully fulfill the following function and power and submit the suggestion to the Board of Directors for discussion:</p> <p>1. Establish and periodically review the performance evaluation and remuneration policy, system, standards and structure for directors, supervisors and</p>	<p>Committee; professional qualification, power execution and regulations of the organization of other employees of the Articles of Association and other matters shall be in accordance with the Measures for the Establishment and Exercise of and Powers by the Remuneration Committee of the Company whose stock is listed on the Stock Exchange or Traded Over the Counter.</p> <p>The Remuneration Committee shall exercise the care of a good administrator, faithfully fulfill the following function and power and submit the suggestion to the Board of Directors for discussion:</p> <p>1. Establish and periodically review the performance evaluation and remuneration policy, system, standards and structure for directors, supervisors and</p>	<p>Paragraph 3 appropriately in accordance with Article 28.1 in Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Article 235.1 of the Company Act.</p>

Article	Amended	Original	Comment
	<p>managerial officers.</p> <p>2. Periodically evaluate and establish the remuneration of directors, supervisors, and managerial officers.</p> <p>The Remuneration Committee shall fulfill the aforementioned function and power in accordance with the following principles:</p> <p>1. For the performance evaluation and remuneration of directors and supervisors, typical pay levels by peer companies shall be adopted and individual performance, performance of company's operation and future risk shall be taken into consideration.</p> <p>2. Directors and supervisors shall not be induced to engage in activity to pursue remuneration exceeding the risk the Company may tolerate.</p> <p>3. For the proportion of</p>	<p>managerial officers.</p> <p>2. Periodically evaluate and establish the remuneration of directors, supervisors, and managerial officers.</p> <p>The Remuneration Committee shall fulfill the aforementioned function and power in accordance with the following principles:</p> <p>1. For the performance evaluation and remuneration of directors and supervisors, typical pay levels by peer companies shall be adopted and individual performance, performance of company's operation and future risk shall be taken into consideration.</p> <p>2. Directors and supervisors shall not be induced to engage in activity to pursue remuneration exceeding the risk the Company may tolerate.</p>	

Article	Amended	Original	Comment
	remuneration for the short-term performance and the time of payment for partly variable <u>remuneration</u> to the directors and senior supervisors, the industry characteristics and the nature of the business of the Company shall be taken into consideration.	3. For the proportion of <u>dividend</u> for the short-term performance and the time of payment for partly variable remuneration to the directors and senior supervisors, the industry characteristics and the nature of the business of the Company shall be taken into consideration.	
Article 28-2	The Company is advised to establish <u>channels for internal and external personnel to report</u> and reporter protection mechanisms. The unit handling complaints shall be independent and provide encrypted protection for the files submitted <u>by the reporters</u> , and appropriately restrict access to these profiles. The Company shall establish internal procedures and take them into the Company's control system for management purposes.	The Company is advised to establish <u>internal channels for anonymous whistleblowers</u> and protection mechanisms. The unit handling complaints shall be independent and provide encrypted protection for the files submitted by the <u>whistleblowers</u> , and restrict access to these profiles. The Company shall establish internal procedures and take them into the Company's control system for management purposes.	Add this article in accordance with Article 28-2 in Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
Article 37	Members of the Board of Directors shall faithfully conduct	Members of the Board of Directors shall faithfully conduct	Independent directors are parts of the Board of

Article	Amended	Original	Comment
	<p>corporate affairs and discharge this duty of care as good managers. In conducting the affairs of the Company, the board members shall exercise their power with a high level of self-discipline and prudential attitude. Unless matters are reserved for resolutions in Shareholders Meetings by law or in the Articles of Association of the Company, they shall ensure that all matters will faithfully adhere to the resolutions of Board of Directors.</p> <p>Board resolutions that involve company management development and major decisions shall be evaluated carefully, and shall not affect the promotion and operation of corporate governance.</p>	<p>corporate affairs and discharge this duty of care as good managers. In conducting the affairs of the Company, the board members shall exercise their power with a high level of self-discipline and prudential attitude. Unless matters are reserved for resolutions in Shareholders Meetings by law or in the Articles of Association of the Company, they shall ensure that all matters will faithfully adhere to the resolutions of Board of Directors.</p> <p>Board resolutions that involve company management development and major decisions shall be evaluated carefully, and shall not affect the promotion and operation of corporate governance.</p> <p><u>Independent directors shall carry out their duties according to relevant regulations and company policies to maintain the Company and shareholders' rights</u></p>	<p>Directors. Paragraph 1 of this article covers the content of Paragraph 3, thus deleting Paragraph 3 and changing Paragraph 4, 5 and 6 into Paragraph 3, 4 and 5.</p>

Article	Amended	Original	Comment
	<p>The Company formulates methods and procedures for performance evaluation, and evaluates the Board of Directors, Functional Committees and individual directors through self-evaluation, peer's review and external professional institutions or in other appropriate ways. The evaluation content for Board of Directors (Functional Committees) shall include the following factors, and evaluation indicators shall be defined according to the needs of the Company:</p> <ol style="list-style-type: none"> 1. Degree of participation in company's operation; 2. Enhance the quality of decision-making of the Board of Directors; 3. Composition and structure of the Board of Directors; 4. Election and continuous development of directors; 5. Internal control. <p>The content of performance evaluation for directors should include the following factors and adjustment</p>	<p><u>and interests.</u></p> <p>The Company formulates methods and procedures for performance evaluation, and evaluates the Board of Directors, Functional Committees and individual directors through self-evaluation, peer's review and external professional institutions or in other appropriate ways. The evaluation content for Board of Directors (Functional Committees) shall include the following factors, and evaluation indicators shall be defined according to the needs of the Company:</p> <ol style="list-style-type: none"> 1. Degree of participation in company's operation; 2. Enhance the quality of decision-making of the Board of Directors; 3. Composition and structure of the Board of Directors; 4. Election and continuous development of directors; 5. Internal control. <p>The content of performance evaluation for</p>	

Article	Amended	Original	Comment
	<p>shall be made as needed by the Company appropriately:</p> <ol style="list-style-type: none"> 1. The grasp of the Company's goals and missions; 2. Recognition of directors' duties; 3. Degree of participation in the company's operation; 4. Management of internal relationship and communication; 5. Professionalism and continuing professional education and ; 6. Internal controls. <p>The Board of Directors of the Company shall adjust the composition of the Board of Directors according to the result of performance evaluation.</p>	<p>directors should include the following factors and adjustment shall be made as needed by the Company appropriately:</p> <ol style="list-style-type: none"> 1. The grasp of the Company's goals and missions; 2. Recognition of directors' duties; 3. Degree of participation in the company's operation; 4. Management of internal relationship and communication; 5. Professionalism and continuing professional education and ; 6. Internal controls. <p>The Board of Directors of the Company shall adjust the composition of the Board of Directors according to the result of performance evaluation.</p>	
Article 39	<p>According to Articles of Association or Shareholders Meeting resolution, the Company shall buy liability insurance according to the scope of directors' liabilities they are legally responsible for during their tenure's business implementations. The objective is to lower and</p>	<p>According to Articles of Association or Shareholders Meeting resolution, the Company shall buy liability insurance according to the scope of directors' liabilities they are legally responsible for during their tenure's business implementations. The objective is to lower</p>	<p>Paragraph 2 of this Article is added in order to acquaint the Board of Directors with the major items above.</p>

Article	Amended	Original	Comment
	<p>distribute the risk of major damages caused to the Company and shareholders as a result of directors' error or negligence.</p> <p><u>The Company shall incorporate the insured amount, insurance coverage and premium rate and other major items of the liability insurance into the report to be submitted to the forthcoming Board of Directors after the purchase hereof.</u></p>	and distribute the risk of major damages caused to the Company and shareholders as a result of directors' error or negligence.	
Article 41	<p>The Company shall maintain a smooth communication channel with banks, other creditors, employees, consumers, suppliers, communities, or other <u>stakeholders</u> who deal with the Company, as well as respect and safeguard their due legal rights and interests. Furthermore, <u>a zone dedicated to the shareholders shall be set separately on the Company's website.</u></p>	<p>The Company shall maintain a smooth communication channel with banks, other creditors, employees, consumers, suppliers, communities, or <u>stakeholders</u> who deal with the Company, as well as respect and safeguard their due legal rights and interests.</p>	Revise the text with reference to Article 51 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
Article 48	<p>Investor conference convened by the Company shall be organized pursuant to rules set by the Taiwan Stock Exchange, and be recorded by video or audio. Financial and</p>	<p>Investor conference convened by the Company shall be organized pursuant to rules set by the Taiwan Stock Exchange, and be recorded by video or audio. Financial and</p>	Revise the text with reference to Article 58 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article	Amended	Original	Comment
	business information from the investor conference shall be uploaded to an Internet information reporting system pursuant to rules issued by the Taiwan Stock Exchange, and stakeholders shall have access to it through the Company's website or other appropriate channels.	business information from the investor conference shall be uploaded to an Internet information reporting system according to Taiwan Stock Exchange rules. Company website or other appropriate channels shall be provided for stakeholders to make inquiries.	
Article 49	<p>The Company shall, in accordance with relevant laws and the regulations issued by the Taiwan Stock Exchange, disclose the year's information related to corporate governance <u>and keep it updated (in case audit committee is set, the information of supervisor shall be not disclosed)</u>:</p> <ol style="list-style-type: none"> 1. Corporate governance structure and regulations. 2. The Company's equity structure and shareholders' rights and interests (<u>clear divided policy included</u>). 3. Structure of Board of Directors, <u>and professionalism and Independence of Members</u> 	<p>The Company shall disclose the year's information related to corporate governance pursuant to relevant laws, and rules set by the Taiwan Stock Exchange:</p> <ol style="list-style-type: none"> 1. Corporate governance structure and regulations. 2. Company equity structure and shareholders' rights and interests. 3. Board structure and independence. 	<ol style="list-style-type: none"> 1. Revise the text of Paragraph 1 of this article in order to acquaint investors with the latest information of the Company. 2. As the issue of dividends greatly concerns shareholders' rights and interests, Sub-paragraph 2, Paragraph 1 of this article, in accordance with the guidance of ZQ(F)Z No. 1010045969 issued by the Financial Supervisory Commission on Oct. 4,

Article	Amended	Original	Comment
	<p>4. The Board of Directors and manager's responsibilities.</p> <p>5. The composition, responsibility, and independence of the Audit Committee.</p> <p>6. The composition, responsibility, and operation of the Remuneration Committee <u>and other functional committees</u>.</p> <p>7. Remuneration given to directors, general manager and vice general manager in recent two years, and <u>the analysis of the percentage of</u> total remuneration to net profit (after tax) ratio analysis, remuneration policy, standards and formation, procedure for setting remuneration, and correlation to management performance. Under exceptional circumstances, individual director and supervisor's remuneration shall be disclosed.</p> <p>8. Circumstances of directors' advanced</p>	<p>4. The Board of Directors and manager's responsibilities.</p> <p>5. The composition, responsibility, and independence of the Audit Committee.</p> <p>6. The composition, responsibility, and operation of the Remuneration Committee.</p> <p>7. Remuneration given to directors, general manager and vice general manager in recent two years, and the total remuneration to net profit (after tax) ratio analysis, remuneration policy, standards and formation, procedure for setting remuneration, and correlation to management performance. . Under exceptional circumstances, individual director and supervisor's remuneration shall be disclosed.</p>	<p>2012, in order to encourage the Company to disclose information related to dividends for easy inquiries of investors.</p> <p>3. Revise the text of Sub-paragraph 3, Paragraph 1 of this article in order to acquaint investors with the professional fields of the Company.</p> <p>4. Revise and incorporate the provisions of Sub-paragraph 6, Paragraph 1 of this article on the information disclosed by the Compensation Committee into Sub-paragraph 6, Paragraph 1 hereof in order to acquaint investors with the information of other functional committees of Board of Directors, except the Compensation Committee and</p>

Article	Amended	Original	Comment
	<p>study</p> <p>9. Stakeholders' rights, <u>relationship, appeal channel, issue concerned and appropriate response mechanism</u></p> <p>10. Detailed information disclosure items regulated by law.</p> <p>11. The disparity of the Company's operation from its governance code and the Code of Governance & Practice OTC and Listed Companies issued by the authorities responsible, and the causes.</p> <p>12. Other corporate governance related information.</p> <p>The Company shall use appropriate methods to disclose its specific plans and measures for improving the corporate governance based on the actual implementation hereof.</p>	<p>8. Circumstances of directors' advanced study</p> <p>9. Stakeholders' rights and relationship.</p> <p>10. Detailed information disclosure items regulated by law.</p> <p>11. The disparity of the Company's operation from its governance code and the Code of Governance & Practice OTC and Listed Companies issued by the authorities responsible, and the causes.</p> <p>12. Other corporate governance related information.</p> <p>The Company shall use appropriate methods to disclose its specific plans and measures for improving the corporate governance based on the actual implementation hereof.</p>	Audit Committee.

Attachment II

Taiming Assurance Broker Co., Ltd. The Corporate Social Responsibility Best Practice Principles Comparison Table of the Amendment

Article	Amended	Original	Comment
Article 7	<p><u>Directors of the Company shall fulfill their obligations as good managers by urging the Company to implement corporate social responsibility, and inspect at any time the performance of implementation for continuing improvement, thereby ensuring the implementation of the corporate social responsibility.</u></p> <p>The Board of Directors of the Company should, during the Company's implementation of the corporate social responsibility, <u>fully take into account the interests of stakeholders</u> as follows:</p> <p>1. Propose missions and visions of the corporate social responsibility, formulate polices, systems and</p>	<p>This paragraph is newly added.</p> <p>The Board of Directors of the Company shall, during the Company's implementation of the corporate social responsibility, include the following items:</p> <p>1. Propose missions and visions of the corporate social responsibility, formulate polices, systems and</p>	<p>Revise the text with reference to Article 7 of Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Article	Amended	Original	Comment
	<p>relevant management guidelines on it.</p> <p>2. Incorporate the corporate social responsibility into the Company's business and development orientation, and review the particular promotion programs for the responsibility above.</p> <p>3. Ensure the real-time and correct disclosure of the information related to the responsibility.</p> <p>In response to the issues in economic, environmental and social terms during the operation of the Company, the Board of Directors shall authorize the senior management to address them and report the solution to the Board of Directors. The procedures and persons in charge shall be specified.</p>	<p>relevant management guidelines on it.</p> <p>2. Incorporate the corporate social responsibility into the Company's business and development orientation, and review the particular promotion programs for the responsibility above.</p> <p>3. Ensure the real-time and correct disclosure of the information related to the responsibility.</p> <p>In response to the issues in economic, environmental and social terms during the operation of the Company, the Board of Directors shall authorize the senior management to address them and report the solution to the Board of Directors. The procedures and persons in charge shall be specified.</p>	
Article 22-1	<u>OTC and listed companies shall treat their clients or consumers in a fair</u>	This paragraph is newly added	This paragraph is additionally formulated

Article	Amended	Original	Comment
	<u>and reasonable manner, including such principles as fairness & integrity, good credit, right promotional claims, good commodities or services, information & disclosure, balanced payment & performance, guarantee support and operators' competence, and lay down relevant implementing strategies and particular measures.</u>		and enacted in accordance with the principle of fair reception of customers in financial service industry, with a view to enabling OTC and listed companies to treat their customers in a fair and reasonable manner in both terms of products and services.
Article 26	<p>The Company shall make efforts to evaluate the impact on communities imposed by its operation, and hire proper local labors where the Company operates for a better identification.</p> <p>The Company shall <u>invest resources into organizations committed to the solution of social or environmental issues through equity investment,</u> commercial events, article donations, corporate volunteer</p>	<p>The Company shall make efforts to evaluate the impact on communities imposed by its operation, and hire proper local labors where the Company operates for a better identification.</p> <p>The Company shall involve itself in the events launched by civil organizations dedicated to community development & education, charity and public welfare organizations as well as local authorities, in</p>	This Article is revised in accordance with Article 27 of Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies

Article	Amended	Original	Comment
	services or other professional public welfare services, or involves itself in the events launched by civil organizations dedicated to community development & education, charity and public welfare organizations as well as local authorities, in a bid to boost the community.	a bid to boost the community through commercial events, article donations, corporate volunteer services or other professional public welfare services.	

The 2016 Consolidated Financial Statements
Independent Auditors' Report

The Board of Directors and Shareholders
Taiming Assurance Broker Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Taiming Assurance Broker Co., Ltd. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2016 and 2015, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the 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 Company as of December 31, 2016 and 2015, 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2016. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's consolidated financial statements for the year ended December 31, 2016 are stated as follows :

Revenue recognition

Key audit matters

The Taiming Company's revenue is mainly from the commission on premium: NT\$422,621 thousand for the first year commission and NT\$141,696 thousand for the renewal years, totaled for 78% of the revenue.

The monthly commission revenue of the Taiming Company is based on the premium of insurance products at rates agreed upon with insurance companies and on other terms. Besides it also receives policy settlement commission, which is checked for any difference. The calculation of the commission revenue from the premium of the first year and the renewal years could either be over- or underestimated, and therefore, it is a key audit issue.

The accounting policy on commission revenue assessment is shown in Note 4 (14).

Audit process followed:

1. Identify the internal control mechanism followed by the management to calculate the commission revenue correctly (including its information system) and observe how it operates.
2. Obtain the commission computation formula followed, policy information of the first year and the renewal years and the computation factors including the commission rate agreed upon with insurance companies, independently recalculate the commission revenue amount renewal years to assess if it is correct.
3. Audit the amount in the statement of the account from insurance companies and evaluate if the commission revenue renewal years is reasonable or not.

Recognition of commission payable

Key audit matters

The commission payable by the Taiming Company at the end of 2016, including the first year, and the renewal years and the annual bonus is NT\$76,875 thousand totaled for 66% of other payables.

To assess the commission payable by the Taiming Company, calculate the commission payable based on calculations including that generated from the first year, the renewal years, the annual bonus and the agreed to commission distribution rate in business provisions pursuant to the salesperson remuneration operation and business provisions in the internal control system; as the correctness of the calculation of commission payable may lead to misstatements, it is a key matter for audit.

Related accounting policy and critical disclosure information about the commission payable are shown in Note 4(14) and Note 14 of the audit procedures followed.

1. To find out the internal control mechanism followed by the management to assess the commission payable and observe the process in operation.
2. To obtain the salesman remuneration mechanism and business provisions in the internal control followed by Taiming Assurance Broker Co., Ltd., and assess if the commission paid at the end of the term is reasonable based on commission of the first year, the renewal years, the annual bonus and the commission distribution rate.
3. To check if the commission of the first year, the renewal years and the annual bonus actually distributed after the term is reasonable or not.

Other Items

We have also audited the parent company only financial statements of Taiming Assurance Broker Co., Ltd. as of and for the years ended December 31, 2016 and 2015 on which we have issued an unmodified opinion.

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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the auditing standards generally accepted in the Republic of China 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 the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Company 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 for the year ended December 31, 2016 and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audit resulting in this independent auditors' report are Chen-Hsiu Yang and Shiuh-Ran Cheng.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2017

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail. Also, as stated in Note X to the financial statements, the additional footnote disclosures that are not required under generally accepted accounting principles were not translated into English.

Taiming Assurance Broker Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2016 and 2015
(Expressed in Thousands of New Taiwan Dollars)

Code	Asset	Dec. 31, 2016		Dec. 31, 2015	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 139,806	23	\$ 127,158	23
1110	Financial assets at fair value through profit and loss—current (Notes 4 and 7)	85,085	14	69,580	12
1125	Available-for-sale financial assets—current (Notes 4 and 8)	75,980	13	70,183	13
1147	Debt instrument investment with no active market (Notes 4 and 6)	20,000	3	20,000	4
1170	Accounts and notes receivable (Notes 4, 9 and 25)	108,340	18	90,916	16
1410	Prepayment	816	-	1,005	-
1470	Other current assets	<u>5</u>	<u>-</u>	<u>463</u>	<u>-</u>
11XX	Total Current Assets	<u>430,032</u>	<u>71</u>	<u>379,305</u>	<u>68</u>
	Non-current Assets				
1543	Financial assets carried at cost—non-current (Notes 4 and 10)	54,000	9	52,000	9
1550	Investments accounted for using equity method (Note 11)	1,774	-	-	-
1600	Property, plant and equipment (Notes 4 and 12)	46,906	8	48,931	9
1760	Investment properties (Notes 4 and 13)	69,036	11	69,399	12
1821	Other intangible assets	-	-	3,543	1
1840	Deferred income tax assets (Notes 4 and 20)	1,724	-	1,515	-
1990	Other non-current assets—others (Notes 4 and 16)	<u>5,709</u>	<u>1</u>	<u>6,653</u>	<u>1</u>
15XX	Total Non-Current Assets	<u>179,149</u>	<u>29</u>	<u>182,041</u>	<u>32</u>
1XXX	Total Assets	<u>\$ 609,181</u>	<u>100</u>	<u>\$ 561,346</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2150	Notes payable	\$ 204	-	\$ 764	-
2200	Other payables (Note 14)	116,523	19	93,020	17
2230	Current income tax liability (Notes 4 and 20)	10,102	2	7,596	1
2399	Other current liabilities—others	<u>10,629</u>	<u>2</u>	<u>9,223</u>	<u>2</u>
21XX	Total Current Liabilities	<u>137,458</u>	<u>23</u>	<u>110,603</u>	<u>20</u>
	Non-current liabilities				
2550	Liability reserve—non-current (Notes 4 and 15)	19,416	3	16,698	3
2570	Deferred income tax liabilities (Notes 4 and 20)	77	-	92	-
2670	Other non-current liabilities—others	<u>503</u>	<u>-</u>	<u>463</u>	<u>-</u>
25XX	Total Non-current Liabilities	<u>19,996</u>	<u>3</u>	<u>17,253</u>	<u>3</u>
2XXX	Total Liabilities	<u>157,454</u>	<u>26</u>	<u>127,856</u>	<u>23</u>
	Equity attributable to owners of parent (Notes 4 and 17)				
	Equity				
3110	Common Stock	<u>236,880</u>	<u>39</u>	<u>236,880</u>	<u>42</u>
3200	Capital surplus	<u>51,892</u>	<u>8</u>	<u>61,367</u>	<u>11</u>
	Retained earnings				
3310	Legal reserve	71,499	12	64,111	12
3320	Special reserve	5,688	1	-	-
3350	Unappropriated earnings	<u>85,659</u>	<u>14</u>	<u>74,695</u>	<u>13</u>
3300	Total Retained Earnings	<u>162,846</u>	<u>27</u>	<u>138,806</u>	<u>25</u>
3400	Other equity interests	<u>109</u>	<u>-</u>	<u>(5,688)</u>	<u>(1)</u>
31XX	Total equity attributable to owners of parent	<u>451,727</u>	<u>74</u>	<u>431,365</u>	<u>77</u>
36XX	Non-controlling interests (Notes 4 and 17)	<u>-</u>	<u>-</u>	<u>2,125</u>	<u>-</u>
3XXX	Total Equity	<u>451,727</u>	<u>74</u>	<u>433,490</u>	<u>77</u>
	Total Liabilities and Equity	<u>\$ 609,181</u>	<u>100</u>	<u>\$ 561,346</u>	<u>100</u>

Taiming Assurance Broker Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2016 and 2015
(Expressed in Thousands of New Taiwan Dollars, except earnings per share)

Code		2016		2015	
		Amount	%	Amount	%
4000	Operating revenues (Notes 4 and 25)	\$ 722,611	100	\$ 602,663	100
5000	Operating cost (Notes 18 and 25)	<u>551,012</u>	<u>76</u>	<u>450,502</u>	<u>75</u>
5950	Gross Profit from operations	<u>171,599</u>	<u>24</u>	<u>152,161</u>	<u>25</u>
	Operating expenses (Notes 18 and 25)				
6100	Marketing Expenses	9,815	1	9,036	1
6200	Administrative Expenses	<u>71,412</u>	<u>10</u>	<u>77,203</u>	<u>13</u>
6000	Total Operating Expenses	<u>81,227</u>	<u>11</u>	<u>86,239</u>	<u>14</u>
6900	Operating income	<u>90,372</u>	<u>13</u>	<u>65,922</u>	<u>11</u>
	Non-operating income and expenses				
7060	Share of profits (losses) of associates accounted for using equity method	(1,122)	-	-	-
7100	Interest income	428	-	445	-
7190	Other gains (losses)(Note 16)	2,509	-	4,193	1
7130	Dividend income	6,747	1	8,963	1
7225	Gains on disposal of investments	-	-	3,286	1
7235	Gains on financial assets at fair value through profit and loss	<u>505</u>	<u>-</u>	<u>496</u>	<u>-</u>
7000	Total Non-operating Income and Expenses	<u>9,067</u>	<u>1</u>	<u>17,383</u>	<u>3</u>
7900	Profit before tax	99,439	14	83,305	14
7950	Income tax expense (Notes 4 and 20)	<u>16,732</u>	<u>3</u>	<u>13,309</u>	<u>2</u>
8200	Net profit	<u>82,707</u>	<u>11</u>	<u>69,996</u>	<u>12</u>
	Other comprehensive income (loss)				

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Code		2016		2015	
		Amount	%	Amount	%
	Items that are not reclassified to profit or loss:				
8311	Re-measurement of defined benefit obligation	(\$ 191)	-	(\$ 150)	-
8349	Income tax relating to items that are not reclassified (Notes 4 and 20)	33	-	25	-
8310	Total of items that are not reclassified to profit or loss	(158)	-	(125)	-
	Items that may be reclassified subsequently to profit or loss:				
8362	Unrealized profit (loss) on available-for-sale financial assets	5,797	1	(32,502)	(6)
8360	Total of items that may be reclassified to profit or loss	5,797	1	(32,502)	(6)
8300	Other comprehensive income or loss (after tax)	5,639	1	(32,627)	(6)
8500	Total comprehensive income for this year	<u>\$ 88,346</u>	<u>12</u>	<u>\$ 37,369</u>	<u>6</u>
	Profit attributable to:				
8610	Owners of parent	\$ 85,787	12	\$ 73,882	12
8620	Non-controlling interests	(3,080)	(1)	(3,886)	-
8600		<u>\$ 82,707</u>	<u>11</u>	<u>\$ 69,996</u>	<u>12</u>
	Total comprehensive income attributable to:				
8710	Owners of parent	\$ 91,426	13	\$ 41,255	7
8720	Non-controlling interests	(3,080)	(1)	(3,886)	(1)
8700		<u>\$ 88,346</u>	<u>12</u>	<u>\$ 37,369</u>	<u>6</u>
	Earnings per share (Note 21)				
9750	Basic earnings per share	<u>\$ 3.62</u>		<u>\$ 3.12</u>	
9850	Diluted earnings per share	<u>\$ 3.61</u>		<u>\$ 3.11</u>	

Taiming Assurance Broker Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2016 and 2015
(Expressed in Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of Parent									
		Retained earnings				Unappropriated Earnings	Other Equity Interest Unrealized Gain (Loss) on Available-for-sale			Non-controlling Interests	Total Equity
Code		Common Stock	Capital Surplus	Legal Reserve	Special Reserve		Financial Assets	Total			
A1	Balance, January 1, 2015	\$ 188,000	\$ 61,367	\$ 57,366	\$ -	\$ 75,363	\$ 26,814	\$ 408,910	\$ 4,184	\$ 413,094	
	Distribution of 2014 earnings										
B1	Legal reserve	-	-	6,745	-	(6,745)	-	-	-	-	
B5	Cash dividend	-	-	-	-	(18,800)	-	(18,800)	-	(18,800)	
B9	Stock dividend	48,880	-	-	-	(48,880)	-	-	-	-	
O1	Non-controlling interests (Note 16)	-	-	-	-	-	-	-	1,827	1,827	
	Total comprehensive income in 2015										
D1	Net Profit in 2015	-	-	-	-	73,882	-	73,882	(3,886)	69,996	
D3	Other comprehensive after-tax income (loss) in 2015	-	-	-	-	(125)	(32,502)	(32,627)	-	(32,627)	
D5	Total amount of comprehensive income in 2015	-	-	-	-	73,757	(32,502)	41,255	(3,886)	37,369	
Z1	Balance, December 31, 2015	236,880	61,367	64,111	-	74,695	(5,688)	431,365	2,125	433,490	
	Distribution of 2015 earnings										
B1	Legal reserve	-	-	7,388	-	(7,388)	-	-	-	-	
B3	Special reserve	-	-	-	5,688	(5,688)	-	-	-	-	
B5	Cash dividend	-	-	-	-	(61,589)	-	(61,589)	-	(61,589)	
E1	Distribution of cash dividend from capital reserve	-	(9,475)	-	-	-	-	(9,475)	-	(9,475)	
	Total comprehensive income in 2016										
D1	Net Profit in 2016	-	-	-	-	85,787	-	85,787	(3,080)	82,707	
D3	Other comprehensive after-tax income (loss) in 2016	-	-	-	-	(158)	5,797	5,639	-	5,639	
D5	Total amount of comprehensive income in 2016	-	-	-	-	85,629	5,797	91,426	(3,080)	88,346	
O1	Non-controlling interests (Note 16)	-	-	-	-	-	-	-	955	955	
Z1	Balance, December 31, 2016	\$ 236,880	\$ 51,892	\$ 71,499	\$ 5,688	\$ 85,659	\$ 109	\$ 451,727	\$ -	\$ 451,727	

Taiming Assurance Broker Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flow
For the Years Ended December 31, 2016 and 2015
(Expressed in Thousands of New Taiwan Dollars)

C o d e		2016	2015
	Cash flow from operating activities		
A10000	Profit Before Tax in this year	\$ 99,439	\$ 83,305
A20010	Gains and Losses:		
A20100	Depreciation expenses	3,613	4,420
A20200	Amortization expenses	276	568
A20300	Doubtful debt (retransferred interest) expenses	(133)	376
A20400	Gains on financial assets at fair value through profit and loss	(505)	(496)
A21200	Interest income	(428)	(445)
A21300	Dividend income	(6,747)	(8,963)
A22300	Share of profits (losses) of associates accounted for using equity method	1,122	-
A22500	Profit from disposal of property and equipment	-	(586)
A23100	Gain on disposal of investments	-	(3,286)
A30000	Changes in operating assets and liabilities		
A31110	Decrease (increase) in financial assets held for trading	(15,000)	50
A31150	Increase in accounts and notes receivable	(17,424)	(18,279)
A31180	Decrease (increase) in other accounts receivable	133	(371)
A31220	Increase in prepaid retirement pension	(103)	(107)
A31230	Decrease (increase) in prepayments	189	(473)
A31240	Increase in other current assets	(166)	(150)
A32130	Increase (decrease) in notes payable	(42)	515
A32180	Increase in other payables	23,503	19,298
A32200	Increase in liability reserve	2,718	2,762
A32230	Increase (decrease) in other current liability	3,749	(1,098)
A32990	Increase in other liabilities	40	-
A33000	Cash inflows generated by operations	94,234	77,040
A33500	Income Tax Paid	(14,417)	(12,191)
AAAA	Net cash inflows generated by operating activities	<u>79,817</u>	<u>64,849</u>
	Cash flows from investment activities		
B00300	Acquisition of financial Assets available for Sale	-	(36,613)
B00400	Proceeds from disposal of financial assets available for sale	-	7,060

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C o d e		2016	2015
B00600	Acquisition of debt instrument investment with no active market	-	(20,000)
B01200	Acquisition of financial assets at cost	(2,000)	-
B01800	Acquisition of investment using equity method	(1,773)	-
B02300	Less: Net assets of subsidiaries (Note 19)	(222)	-
B02700	Acquisition of property and equipment	(1,225)	(413)
B02800	Proceeds from disposal of property, plant, and equipment	-	1,081
B03700	Increases in refundable deposits	(5)	(12)
B07500	Interest income received	428	445
B07600	Dividend received	<u>6,747</u>	<u>8,963</u>
BBBB	Net cash used in investment activity	<u>1,950</u>	(<u>39,489</u>)
	Cash flows from financing activities		
C04500	Cash dividend paid	(71,064)	(18,800)
C05800	Changes in non-controlling interests	<u>1,945</u>	<u>1,827</u>
CCCC	Net cash used in financing activities	(<u>69,119</u>)	(<u>16,973</u>)
EEEE	Net increase in cash and cash equivalents	12,648	8,387
E00100	Cash and cash equivalents at beginning of year	<u>127,158</u>	<u>118,771</u>
E00200	Cash and cash equivalent at end of year	<u>\$ 139,806</u>	<u>\$ 127,158</u>

Taiming Assurance Broker Co., Ltd.
Balance Sheet
December 31, 2016 and 2015
(Expressed in Thousands of New Taiwan Dollars)

Code	Asset	Dec. 31, 2016		Dec. 31, 2015	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 139,418	23	\$ 126,528	23
1110	Financial assets at fair value through profit and loss—current (Notes 4 and 7)	85,085	14	69,580	12
1125	Available-for-sale on financial asset—current (Notes 4 and 8)	75,980	13	70,183	13
1147	Debt instrument investment with no active market (Notes 4 and 6)	20,000	3	20,000	4
1170	Accounts and notes receivable (Notes 4, 9 and 24)	108,355	18	90,916	16
1410	Prepayment	807	-	989	-
1470	Other current assets	5	-	23	-
11XX	Total Current Assets	<u>429,650</u>	<u>71</u>	<u>378,219</u>	<u>68</u>
	Non-current Assets				
1543	Financial assets carried at cost—non-current (Notes 4 and 10)	54,000	9	52,000	9
1550	Investment accounted for using equity method (Notes 4 and 11)	2,156	-	2,417	1
1600	Property, plant and equipment (Notes 4 and 12)	46,906	8	48,931	9
1760	Investment properties (Notes 4 and 13)	69,036	11	69,399	12
1840	Deferred income tax assets (Notes 4 and 19)	1,724	-	1,515	-
1990	Other non-current assets—others (Notes 4 and 16)	5,709	1	5,792	1
15XX	Total Non-Current Assets	<u>179,531</u>	<u>29</u>	<u>180,054</u>	<u>32</u>
1XXX	Total Asset	<u>\$ 609,181</u>	<u>100</u>	<u>\$ 558,273</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2150	Notes payable	\$ 204	-	\$ 764	-
2220	Other payables (Note 14)	116,523	19	92,490	17
2230	Income tax liabilities (Notes 4 and 19)	10,102	2	7,596	1
2399	Other current liabilities—others	10,629	2	8,805	2
21XX	Total Current Liabilities	<u>137,458</u>	<u>23</u>	<u>109,655</u>	<u>20</u>
	Non-current liabilities				
2550	Liability reserve—non-current (Notes 4 and 15)	19,416	3	16,698	3
2570	Deferred income tax liabilities (Notes 4 and 19)	77	-	92	-
2670	Other non-current liabilities—others	503	-	463	-
25XX	Total Non-current Liabilities	<u>19,996</u>	<u>3</u>	<u>17,253</u>	<u>3</u>
2XXX	Total Liabilities	<u>157,454</u>	<u>26</u>	<u>126,908</u>	<u>23</u>
	Equity (Notes 4 and 17)				
3110	Common Stock	236,880	39	236,880	42
3200	Capital surplus	51,892	8	61,367	11
	Retained earnings				
3310	Legal reserve	71,499	12	64,111	12
3320	Special reserve	5,688	1	-	-
3350	Unappropriated earnings	85,659	14	74,695	13
3300	Total Retained Earnings	162,846	27	138,806	25
3400	Other equity	109	-	(5,688)	(1)
3XXX	Total Equity	<u>451,727</u>	<u>74</u>	<u>431,365</u>	<u>77</u>
	Total Liabilities and Equity	<u>\$ 609,181</u>	<u>100</u>	<u>\$ 558,273</u>	<u>100</u>

Taiming Assurance Broker Co., Ltd.

Statements of Comprehensive Income

For the Years Ended December 31, 2016 and 2015

(Expressed in Thousands of New Taiwan Dollars, except earnings per share)

Code		2016		2015	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4 and 24)	\$ 722,521	100	\$ 602,364	100
5000	Operating cost (Notes 18 and 24)	<u>550,972</u>	<u>76</u>	<u>450,475</u>	<u>75</u>
5950	Gross Profit from operations	<u>171,549</u>	<u>24</u>	<u>151,889</u>	<u>25</u>
	Operating expenses (Notes 18 and 24)				
6100	Marketing Expenses	7,673	1	9,022	2
6200	Administrative Expenses	<u>68,517</u>	<u>10</u>	<u>68,778</u>	<u>11</u>
6000	Total Operating Expenses	<u>76,190</u>	<u>11</u>	<u>77,800</u>	<u>13</u>
6900	Operating income	<u>95,359</u>	<u>13</u>	<u>74,089</u>	<u>12</u>
	Non-operating income and expenses				
7100	Interest income	428	-	442	-
7130	Dividend income	6,747	1	8,963	1
7190	Other gains (losses) (Note 16)	2,569	-	2,459	-
7225	Gain on disposal of investments	-	-	3,286	1
7070	Share of profits (losses) of associates accounted for using equity method	(3,089)	-	(2,544)	-
7235	Gains on financial assets at fair value through profit and loss	<u>505</u>	<u>-</u>	<u>496</u>	<u>-</u>
7000	Total Non-operating Income and Expenses	<u>7,160</u>	<u>1</u>	<u>13,102</u>	<u>2</u>
7900	Profit before tax	102,519	14	87,191	14
7950	Income tax expense (Notes 4 and 19)	<u>16,732</u>	<u>2</u>	<u>13,309</u>	<u>2</u>
8000	Net profit	<u>85,787</u>	<u>12</u>	<u>73,882</u>	<u>12</u>

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Code		2016		2015	
		<u>A m o u n t</u>	<u>%</u>	<u>A m o u n t</u>	<u>%</u>
	Other comprehensive income (loss)				
	Items that are not reclassified to profit or loss:				
8311	Re-measurement of defined benefit obligation	(191)	-	(150)	-
8349	Income tax relating to items that are not reclassified (Notes 4 and 19)	<u>33</u>	<u>-</u>	<u>25</u>	<u>-</u>
8310	Total of items that are not reclassified to profit or loss	(<u>158</u>)	<u>-</u>	(<u>125</u>)	<u>-</u>
	Items that may be reclassified subsequently to profit or loss:				
8362	Unrealized profit (loss) on available-for-sale financial assets	<u>5,797</u>	<u>1</u>	(<u>32,502</u>)	(<u>5</u>)
8360	Total of items that may be reclassified to profit or loss	<u>5,797</u>	<u>1</u>	(<u>32,502</u>)	(<u>5</u>)
8300	Other comprehensive income or loss (after tax)	<u>5,639</u>	<u>1</u>	(<u>32,627</u>)	(<u>5</u>)
8500	Total comprehensive income for this year	<u>\$ 91,426</u>	<u>13</u>	<u>\$ 41,255</u>	<u>7</u>
	Earnings per share (Note 20)				
9750	Basic earnings per share	<u>\$ 3.62</u>		<u>\$ 3.12</u>	
9850	Diluted earnings per share	<u>\$ 3.61</u>		<u>\$ 3.11</u>	

Taiming Assurance Broker Co., Ltd.
Statements of Changes in Equity
For the Years Ended December 31, 2016 and 2015
(Expressed in Thousands of New Taiwan Dollars)

Code		Common Stock	Capital surplus	Retained earnings		Unappropriated earnings	Other Equity	Total Equity
				Legal Reserve	Special Reserve		Unrealized gain (loss) on Available-for-sale Financial Assets	
A1	Balance, January 1, 2015	\$ 188,000	\$ 61,367	\$ 57,366	\$ -	\$ 75,363	\$ 26,814	\$ 408,910
	Distribution of 2014 earnings							
B1	Legal reserve	-	-	6,745	-	(6,745)	-	-
B5	Cash dividend	-	-	-	-	(18,800)	-	(18,800)
B9	Stock dividend	48,880	-	-	-	(48,880)	-	-
D1	Net Profit in 2015	-	-	-	-	73,882	-	73,882
D3	Other comprehensive after-tax income (loss) in 2015	-	-	-	-	(125)	(32,502)	(32,627)
D5	Total comprehensive income in 2015	-	-	-	-	73,757	(32,502)	41,255
Z1	Balance, December 31, 2015	236,880	61,367	64,111	-	74,695	(5,688)	431,365
	Distribution of 2015 earnings							
B1	Legal reserve	-	-	7,388	-	(7,388)	-	-
B3	Special reserves	-	-	-	5,688	(5,688)	-	-
B5	Cash dividend	-	-	-	-	(61,589)	-	(61,589)
C15	Distribution of cash dividend from capital reserve	-	(9,475)	-	-	-	-	(9,475)
D1	Net Profit in 2016	-	-	-	-	85,787	-	85,787
D3	Other comprehensive after-tax income (loss) in 2016	-	-	-	-	(158)	5,797	5,639
D5	Total amount of comprehensive income in 2016	-	-	-	-	85,629	5,797	91,426
Z1	Balance, December 31, 2016	<u>\$ 236,880</u>	<u>\$ 51,892</u>	<u>\$ 71,499</u>	<u>\$ 5,688</u>	<u>\$ 85,659</u>	<u>\$ 109</u>	<u>\$ 451,727</u>

Taiming Assurance Broker Co., Ltd.

Statements of Cash Flow

For the Years Ended December 31, 2016 and 2015

(Expressed in Thousands of New Taiwan Dollars)

Code		2016	2015
	Cash flow from operating activities		
A10000	Profit Before Tax in this year	\$ 102,519	\$ 87,191
A20010	Gains and Losses:		
A20100	Depreciation expenses	3,613	4,372
A20300	Doubtful debt (retransferred interest)	(133)	376
A20400	Gains on financial assets at fair value through profit and loss	(505)	(496)
A21200	Interest income	(428)	(442)
A21300	Dividend income	(6,747)	(8,963)
A22400	Share of profits (losses) of associates accounted for using equity method	3,089	2,544
A23100	Gain on disposal of investments	-	(3,286)
A30000	Net variable in operational assets/liabilities		
A31110	Decrease (increase) in financial assets held for trading	(15,000)	50
A31150	Increase in accounts and notes receivable	(17,439)	(18,274)
A31180	Decrease (increase) in other accounts receivable	133	(376)
A31220	Increase in prepaid retirement pension	(103)	(107)
A31230	Decrease (increase) in prepayments	182	(249)
A31240	Increase in other current assets	18	(5)
A32130	Increase (decrease) in notes payable	(560)	515
A32180	Increase in other payables	24,033	19,063
A32200	Increase in liability reserve	2,718	2,762
A32230	Increase (decrease) in other current liability	1,824	(1,516)
A32990	Increase in other liabilities	40	-
A33000	Cash inflows generated by operations	97,254	83,159
A33500	Income Tax Paid	(14,417)	(12,191)
AAAA	Net cash inflows generated by operating activities	<u>82,837</u>	<u>70,968</u>
	Cash flows from investment activities		
B00300	Acquisition of financial Assets available for Sale	-	(36,613)
B00400	Proceeds from disposal of financial assets available for sale	-	7,060
B00600	Acquisition of debt instrument investment with no active market	-	(20,000)
B01200	Acquisition of financial assets at cost	(2,000)	-

(Continued on next page)

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C o d e		2016	2015
B01800	Acquisition of investment using equity method	(2,828)	(1,080)
B02700	Acquisition of property and equipment	(1,225)	(302)
B03700	Increase in refundable deposits	(5)	(12)
B07500	Interest income received	428	442
B07600	Dividend received	<u>6,747</u>	<u>8,963</u>
BBBB	Net cash used in investment activities	<u>1,117</u>	(<u>41,542</u>)
	Cash flows from financing activities		
C04500	Cash dividend paid	(<u>71,064</u>)	(<u>18,800</u>)
CCCC	Net cash used in financing activities	(<u>71,064</u>)	(<u>18,800</u>)
EEEE	Net increases in cash and cash equivalents	12,890	10,626
E00100	Cash and cash equivalents at beginning of year	<u>126,528</u>	<u>115,902</u>
E00200	Cash and cash equivalents at end of year	<u>\$ 139,418</u>	<u>\$ 126,528</u>

Attachment IV

Taiming Assurance Broker Co., Ltd.
Distribution of 2016 Profits

Unit: NT\$

Item	Amount
Unappropriated retained earnings of previous years	31,216
Less: Re-measurement of defined benefit obligation	(158,929)
Plus: Net income of 2016	85,786,685
Less: Legal reserve (10%)	(8,578,669)
Plus: Special reserve retransferred from the previous years	5,688,175
Retained earnings available for distribution	82,768,478
Distribution item:	
Cash dividends to common shareholders – NT\$ 3.2 per share	(75,801,600)
Unappropriated retained earnings	6,966,878

Note :

Dividends distributed by the Company are based on the outstanding shares of 23,688,000.

Taiming Assurance Broker Co., Ltd.
The Company's Corporate Charter
Comparison Table of the Amendment

Article	Amended	Original	Comment
Article 11	<p>Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.</p> <p><u>The voting power of the Company's shareholder at a shareholders' meeting may be exercised in writing or by way of electronic transmission.</u></p>	Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.	This article shall be amended according to Article 177-1 of the Company Act and relevant provisions for electronic voting implemented by the Company since 2017.
Article 13	The Company shall have 7 to 9 directors and the authorization for the number of directors will be given to the Board of Directors. The board of directors shall have at least three independent directors and not less than 1/5 of the total number of directors. The term of office of directors is three years. The directors shall be elected by the shareholders' meeting from among the persons with disposing capacity, regardless of	The Company shall have 7 to 9 directors and the authorization for the number of directors will be given to the Board of Directors. The board of directors shall have at least three independent directors and not less than 1/5 of the total number of directors. The term of office of directors is three years. The directors shall be elected by the shareholders' meeting from among the persons with disposing capacity, regardless of	1. According to Article 192-1 of the Company Act and Article 5 of the Procedures for Director Election of the Company, directors (including independent directors) in the Company will be elected with the candidate nomination

Article	Amended	Original	Comment
	<p>their shares. At the expiration of the term of office of a director and under the circumstance that the election cannot be held in time, the director's term is automatically lengthened until the newly elected director takes office.</p> <p><u>As specified in Article 192-1 of the Company Act</u>, the candidate nomination system shall be followed for election of <u>directors</u> in the Company. The shareholders shall elect directors from the list of director candidates. Relevant laws and regulations shall be followed to select candidates with professional qualifications as independent directors, shareholding, restrictions on part-time job, affirmation of independence, nomination and election mode or other matters.</p> <p>The Company may buy liability insurance for its directors, within the scope of business during their term of office.</p>	<p>their shares. At the expiration of the term of office of a director and under the circumstance that the election cannot be held in time, the director's term is automatically lengthened until the newly elected director takes office.</p> <p>The candidate nomination system shall be followed for election of <u>independent</u> directors in the Company. The shareholders shall elect directors from the list of director candidates. Relevant laws and regulations shall be followed to select candidates with professional qualifications as independent directors, shareholding, restrictions on part-time job, affirmation of independence, nomination and election mode or other matters.</p> <p>The Company may buy liability insurance for its directors, within the scope of business during their term of office.</p>	<p>system.</p> <p>2. Amendment made in combination with the launch of electronic voting system in the Company.</p>
Article 21	The Company's Corporate Charter was agreed to and signed on	The Company's Corporate Charter was agreed to and signed on	Add the latest date and the number of times

Article	Amended	Original	Comment
	<p>October 3, 2002.</p> <p>The first Amendment was approved on May 1, 2004.</p> <p>The second Amendment was approved on June 10, 2005.</p> <p>The third Amendment was approved on June 9, 2006.</p> <p>The fourth Amendment was approved on June 13, 2007.</p> <p>The fifth Amendment was approved on June 20, 2008.</p> <p>The sixth Amendment was approved on June 17, 2009.</p> <p>The seventh Amendment was approved on June 14, 2013.</p> <p>The eighth Amendment was approved on July 26, 2013.</p> <p>The ninth Amendment was approved on Oct. 11, 2013.</p> <p>The tenth Amendment was approved on May 14, 2014.</p> <p>The eleventh Amendment was approved on June 10, 2015.</p> <p>The twelfth Amendment was approved on June 15, 2016.</p> <p><u>The thirteenth Amendment was approved on June 14, 2017.</u></p>	<p>October 3, 2002.</p> <p>The first Amendment was approved on May 1, 2004.</p> <p>The second Amendment was approved on June 10, 2005.</p> <p>The third Amendment was approved on June 9, 2006.</p> <p>The fourth Amendment was approved on June 13, 2007.</p> <p>The fifth Amendment was approved on June 20, 2008.</p> <p>The sixth Amendment was approved on June 17, 2009.</p> <p>The seventh Amendment was approved on June 14, 2013.</p> <p>The eighth Amendment was approved on July 26, 2013.</p> <p>The ninth Amendment was approved on Oct. 11, 2013.</p> <p>The tenth Amendment was approved on May 14, 2014.</p> <p>The eleventh Amendment was approved on June 10, 2015.</p> <p>The twelfth Amendment was approved on June 15, 2016.</p>	<p>of amendment for</p> <p>The Company's Corporate Charter.</p>

Attachment VI

Taiming Assurance Broker Co., Ltd. Comparison Table of the Amendment to The Rules for Election of Directors

Article	Amended	Original	Comment
Article 5	<p>Elections of directors at the Company shall be conducted in accordance with the candidate nomination system <u>and procedures set out in Article 192-1 of the Company Act. The Company shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors will be elected.</u></p> <p>When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next</p>	<p>Elections of directors at the Company shall be conducted in accordance with the <u>Company's Corporate Charter. Elections of independent directors at the Company shall be conducted in accordance with the</u> candidate nomination system set out in Article 192-1 of the Company Act.</p> <p>When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next</p>	<p>1. According to Article 192-1 of the Company Act and Article 6 of the "Procedures for Election of Directors and Supervisors in ○○ Co., Ltd.", directors (including independent directors) shall be elected by candidate nomination system.</p> <p>2. Amendment made in combination with the launch of electronic voting system in the Company.</p>

Article	Amended	Original	Comment
	<p>shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's Corporate Charter, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders</p>	<p>shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's Corporate Charter, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders</p>	

Article	Amended	Original	Comment
	meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.	meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.	

Attachment VII

Taiming Assurance Broker Co., Ltd.

The Operating Procedure for Acquisition and Disposal of Assets

Comparison Table of the Amendment

Article	Amended	Original	Comment
Article 9	<p>To acquire or dispose of real property or equipment, the responsible unit of the company shall cite the reasons for such action and then complete transaction based on the authorization level and quota of the Company after inquiry, price comparison or bargaining.</p> <p>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 <u>agency</u>, 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</p>	<p>To acquire or dispose of real property or equipment, the responsible unit of the company shall cite the reasons for such action and then complete transaction based on the authorization level and quota of the Company after inquiry, price comparison or bargaining.</p> <p>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 <u>institutions</u>, 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</p>	<p>Amendment is subject to Article 9 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies announced on February 9, 2017. (Hereinafter referred to as the Processing Standard).</p>

Article	Amended	Original	Comment
	<p>event from a professional appraiser and shall further comply with the following provisions:</p> <p>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>Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>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</p>	<p>professional appraiser and shall further comply with the following provisions:</p> <p>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>Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>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</p>	

Article	Amended	Original	Comment
	<p>public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>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</p>	<p>be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>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</p>	

Article	Amended	Original	Comment
	the original professional appraiser.	appraiser.	
Article 11	<p>When the Company acquires or disposes of memberships or intangible assets, the Company shall consider the market conditions and future profits thereof, and evaluate the reasonableness of price. The organization responsible shall submit the appraisal, and follow the limit and level authorized by the Company's authorization mechanism.</p> <p>Where a public 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 <u>agency</u>, 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</p>	<p>When the Company acquires or disposes of the memberships or intangible assets, the Company shall consider the market conditions and future profits thereof, and evaluate the reasonableness of price. The organization responsible shall submit the appraisal and follow the limit and level authorized by the Company's authorization mechanism.</p> <p>Where a public 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 <u>institutions</u>, 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</p>	Amendment is done pursuant to Article 11 of the Disposal Standard.

Article	Amended	Original	Comment
	Standards No. 20 published by the Accounting Research and Development Foundation.	Standards No. 20 published by the Accounting Research and Development Foundation.	
Article 14	<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 <u>redemption of money market funds issued by domestic securities investment trust enterprises</u>, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been audited by the Audit Committee and approved by the board of directors:</p> <p>1. The purpose, necessity and</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 <u>trade of domestic money market funds</u>, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been audited by the Audit Committee and approved by the board of directors:</p> <p>1. The purpose, necessity and</p>	Any additions and amendment shall be pursuant to Article 14 of the Disposal Standard.

Article	Amended	Original	Comment
	<p>anticipated benefit of the acquisition or disposal of assets.</p> <p>2. The reason for choosing the related party as a trading counterparty.</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 15 and Article 16.</p> <p>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.</p> <p>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.</p> <p>6. An appraisal report</p>	<p>anticipated benefit of the acquisition or disposal of assets.</p> <p>2. The reason for choosing the related party as a trading counterparty.</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 15 and Article 16.</p> <p>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.</p> <p>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.</p> <p>6. An appraisal report</p>	

Article	Amended	Original	Comment
	<p>from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 30, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been audited by the Audit Committee and approved by the board of directors need not be counted toward the transaction amount.</p> <p>With respect to the acquisition or disposal of business-use equipment between the company and its parent or subsidiaries, the company's board of directors may pursuant to Article 7, paragraph 1, subparagraph 3 delegate the board chairman to</p>	<p>from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 30, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been audited by the Audit Committee and approved by the board of directors need not be counted toward the transaction amount.</p> <p>With respect to the acquisition or disposal of business-use equipment between the company and its parent or subsidiaries, the company's board of directors may pursuant to Article 7, paragraph 1, subparagraph 3 delegate the board chairman to</p>	

Article	Amended	Original	Comment
	<p>decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, 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.</p> <p>The matters for which paragraph 1 requires audited by the Audit Committee 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 application of</p>	<p>decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, 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.</p> <p>The matters for which paragraph 1 requires audited by the Audit Committee 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 application of</p>	

Article	Amended	Original	Comment
	Article 6, paragraphs 4 and 5.	Article 6, paragraphs 4 and 5.	
Article 22	<p>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 board of directors for deliberation and passage. <u>However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized</u></p>	<p>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 board of directors for deliberation and passage.</p>	Any additions and amendment shall be pursuant to Article 22 of the Disposal Standard.

Article	Amended	Original	Comment
	<u>capital.</u>		
Article 30	<p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</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>redemption of</u></p>	<p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</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 trade</p>	<p>1. Additions and amendments are made pursuant to Article 30 of the Disposal Standard.</p> <p>2. If the equipment acquired or disposed of is necessary for daily business activities, given the large size of the companies, announcements and declarations will be too frequent, impairing the reference value and the materiality of information disclosure; therefore, current articles and provisions are revised. In respect of public companies in which the paid-in capital is less than</p>

Article	Amended	Original	Comment
	<u>money market funds issued by domestic securities investment trust enterprises.</u> 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.	of domestic money market funds. 2. Merger, demerger, acquisition, or transfer of shares. 3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company. 4. <u>Except for asset transaction, the Company's disposal of creditor's rights or investments in Mainland specified in preceding three paragraphs, the transaction amount is up to 20% of the Company's paid-in capital or NT\$300 million. This however shall not apply under the following circumstances:</u> <u>(1) Trading in government bonds.</u> <u>(2) Securities trading by investment professionals on foreign or domestic securities exchanges or securities dealer's business premises, or</u>	NT\$10 billion, if the equipment is acquired or disposed of for operation, and the counterparty is not a related party, the transaction amount shall be NT\$1 billion. 3. The ordinary corporate bonds and the equity-free ordinary financial bonds offered by the investment professionals in the domestic primary markets currently, valid, and if they are mainly to earn interest, when they are sold in the secondary market, announcement is to be made based on current regulations.

Article	Amended	Original	Comment
	<p>4. <u>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 any of the following criteria:</u> <u>(1) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</u> <u>(2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</u></p> <p>5. Where land is acquired under an</p>	<p><u>subscription of securities by a securities firm, either in the primary market or in accordance with relevant regulations</u> <u>(3) Trading in bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds.</u> <u>(4)Where the type of assets acquired or disposed of is equipment/machinery for business use, and the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</u></p> <p>(5) Where land is acquired under an</p>	<p>Considering the benefits and consistency of information disclosure, the application scope of announcement is excluded. In addition, pursuant to Article 2, Paragraph 1 of Regulations Governing Issuance of Bank Debentures by Banks, the previous equity-free ordinary financial bonds exclude the subordinated financial bonds.</p> <p>4. In addition, when securities firms need acting as underwriters or recommending securities firms for emerging companies, subscription</p>

Article	Amended	Original	Comment
	<p>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 reaches NT\$500 million.</p> <p>6. <u>Where an asset transaction other than any of those referred to in the preceding five 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:</u> <u>(1) Trading of government bonds.</u> <u>(2) Securities trading.</u></p>	<p>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 reaches NT\$500 million.</p>	<p>by the securities firms of unlisted securities of such emerging companies in accordance with the TPEx regulations, shall also be excluded from the scope of announcement .</p> <p>5. In case of changes after the Company makes announcement , it shall announce the changed content in two days; when the items published according to regulations are inaccurate or the Company shall correct the omissions, the Company also has to restate all items within two days after the Company becomes aware of such inaccuracy or</p>

Article	Amended	Original	Comment
	<p><u>by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, or subscription by investment professionals of ordinary corporate bonds or of general bank debentures without equity characteristics that are offered and issued in the domestic primary market, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</u></p> <p><u>(3) Trading of bonds under repurchase/ resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</u></p> <p>The amount of</p>	<p>The amount of</p>	errors.

Article	Amended	Original	Comment
	<p>transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> 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. <p>"Within the preceding year" as used in the preceding paragraph refers to the year</p>	<p>transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> 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. <p>"Within the preceding year" as used in the preceding paragraph refers to the year</p>	

Article	Amended	Original	Comment
	<p>preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>A public 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.</p> <p>When a public company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety <u>within two days counting inclusively from the date of knowing of such error</u></p>	<p>preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>A public 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.</p> <p>When a public company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error</p>	

Article	Amended	Original	Comment
	<p>or omission.</p> <p>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.</p>	<p>or omission.</p> <p>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.</p>	