

Stock Code: XXXX

○○○○ Corp.

2019 Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Taiwan Stock Exchange Market Observation Post System:

<http://newmops.twse.com.tw>

○○ Annual Report is available at: <http://www.○○○.com>

Printed on MM DD, 2020

Spokesperson

Name: ○○○

Title: Vice President

Tel: 886-2-XXXXXXXX

E-mail:

Deputy Spokesperson

Name: ○○○

Title: Senior Manager

Tel: 886-2-XXXXXXXX

E-mail:

Stock Transfer Agent

○○○

Address:

Tel: 886-2-XXXXXXXX

Website:

Auditors

XXX Accounting Firm

Auditors: ○○○, ○○○

Address:

Tel.: 886-2-XXXXXXXX

Website:

Overseas Securities Exchange

XXX Stock Exchange

Disclosed information can be found at <http://www.xxxx.xx>

Corporate Website

<http://www.○○○.com>

Headquarters, Branches and Plant

Headquarters

Address:

Tel: 886-2-XXXXXXXX

○○ Branch

Address:

Tel: 886-X-XXXXXXXX

Plant

Address:

Tel: 886-X-XXXXXXXX

Contents

I. Letter to Shareholders	3
II. Company Profile	
2.1 Date of Incorporation.....	7
2.2 Company History	7
III. Corporate Governance Report	
3.1 Organization.....	8
3.2 Directors, Supervisors and Management Team.....	10
3.3 Implementation of Corporate Governance	21
3.4 Information Regarding the Company’s Audit Fee and Independence.....	58
3.5 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders.....	61
3.6 Relationship among the Top Ten Shareholders.....	62
IV. Capital Overview	
4.1 Capital and Shares.....	63
4.2 Bonds.....	67
4.3 Global Depository Receipts	70
4.4 Employee Stock Options.....	72
4.5 Status of New Shares Issuance in Connection with Mergers and Acquisitions....	74
4.6 Financing Plans and Implementation.....	74
V. Operational Highlights	
5.1 Business Activities.....	75
5.2 Market and Sales Overview.....	76
5.3 Human Resources.....	79
5.4 Environmental Protection Expenditure.....	79
5.5 Labor Relations.....	80
5.6 Important Contracts.....	80
VI. Financial Information	
6.1 Five-Year Financial Summary.....	80
6.2 Five-Year Financial Analysis.....	85
6.3 Supervisors’ or Audit Committee’s Report in the Most Recent Year.....	87
6.4 Financial Statements for the Years Ended December 31, 2019 and 2018, and Independent Auditors’ Report.....	87
6.5 Consolidated Financial Statements for the Years Ended December 31, 2019 and 2018, and Independent Auditors’ Report.....	87

VII. Review of Financial Conditions, Operating Results, and Risk Management

7.1 Analysis of Financial Status.....88
7.2 Analysis of Operation Results.....89
7.3 Analysis of Cash Flow.....90
7.4 Major Capital Expenditure Items.....91
7.5 Investment Policy in Last Year, Main Causes for Profits or Losses,
Improvement Plans and the Investment Plans for the Coming Year.....91
7.6 Analysis of Risk Management.....92

VIII. Special Disclosure

8.1 Summary of Affiliated Companies.....95
8.2 Private Placement Securities in the Most Recent Years.....96
8.3 The Shares in the Company Held or Disposed of by Subsidiaries
in the Most Recent Years.....97

I. Letter to Shareholders

Dear Shareholders,

First of all, I would like to thank you for your continuing support throughout the year. ○○ has responded to the changing business climate by adopting an aggressive stance in strengthening our competitiveness. Total consolidated revenue for 2019 was NT\$XXX, a XX% increase compared with NT\$XXX in 2018. Net income increased XX% to NT\$XXX, compared with 2018 net income of NT\$XXX. Similarly, diluted earnings per share was up by XX% to NT\$XXX, compared with NT\$XXX a year earlier.

The results of our operating performance in 2019, business plan for 2020, corporate development strategy, external competitive environment, regulatory environment, and macroeconomic conditions, are illustrated as follows:

Operating Performance in 2019

1. Consolidated financial results

Unit: NT\$ millions

	2019		2018		Percent Change (%)
Net sales	XXX	100%	XXX	100%	XX%
Gross profit	XXX	XX%	XXX	XX%	XX%
Operating income	XXX	XX%	XXX	XX%	XX%
Pre-tax income	XXX	XX%	XXX	XX%	XX%
Net income	XXX	XX%	XXX	XX%	XX%
R&D expenses	XXX	XX%	XXX	XX%	XX%
Interest income	XXX	XX%	XXX	XX%	XX%
Interest expenses	XXX	XX%	XXX	XX%	XX%

Net sales amounted to NT\$XXX million and gross profit came in at NT\$XXX million in 2019. Due to improved operating performance and lower costs and operating expenses compared to the year before, net income grew by more than XX% from 2018, an increase of NT\$XXX million.

2. Budget implementation

According to the Company's 2019 annual financial plan, our business successfully

reached XX% and XX% of our targets in revenue and net income, respectively.

3. Profitability analysis

	2019	2018
Debt to asset ratio (%)	XXX	XXX
Long-term capital to property, plant and equipment (%)	XXX	XXX
Current ratio (%)	XXX	XXX
Accounts receivable turnover (times)	XXX	XXX
Inventory turnover (times)	XXX	XXX
Return on assets (%)	XXX	XXX
Return on shareholders' equity (%)	XXX	XXX
Basic after-tax EPS (NT\$)	XXX	XXX

4. Research and development status

In 2019, ○○ invested a total of NT\$XX million in R&D for the ○○ products as well as the development of new products. Having successfully developed ○○ in 2018, it went into mass production in 2019. ○○ is committed to investing in long-term growth by delivering continuous innovations.

Business Plan for 2020

1. Business objectives

- Reinforce product innovation and R&D to maintain competitive advantage;
- Integrate resources, lower costs, raise business efficiency;
- Diversify into higher-margin and higher-growth businesses.

2. Sales forecast and sales policy

Some market survey institutes predict a 5% to 10% increase in ○○ products. ○○ has established full production capacity in ○○ in recent years, upgraded technology and earned product development certification.

The sales policy is outlined as follows in accordance with the projected sales volume of XXX tons in 2020:

- Maintain and establish an excellent brand image for the benefit of the consumer;
- Reinforce sensitivity and flexibility to sales changes in order to respond to market trends.

Development Strategy

The Company's future performance is still very much dependent on an improvement in global economic growth; however, we will leverage our product portfolio, financial strength, intellectual property, human capital, and customer relationships to improve our operational efficiency. We aim to strike a balance between mid- to long-term product development and short-term market demands. Our plan is to focus resources on high-margin products, and to lower production and operating costs. Our strong portfolio of intellectual property can be leveraged to create a formidable barrier to entry for competitors.

The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions

1. External competitive environment

The ○○ industry is mature in Taiwan. Competition is intense. The diversity and homogeneity of products, controlled distribution channels, imitation of business models, pricing pressures, and quality requirements have all made the competition environment brutal. ○○ Corporation has responded to the severe competition with excellent R&D and management to fulfill consumers' demands for variety and to differentiate ourselves from competitors through outstanding quality and a reputable brand image. We are able to negotiate with the owners of distribution channels by offering good quality and popular products; therefore, we will continue to innovate and develop products that are needed by consumers, and become the leading brand in the market.

2. Regulatory environment

Governments around the world are constantly adopting new tax, environmental, investment and labor regulations. ○○ stays up-to-date with changes in laws and regulations in all of our invested areas so appropriate adjustments and allocations can be made to company resources in order to respond to these environmental and legal

changes.

3. Macroeconomic conditions

With respect to the general business environment, global economic growth remains slow. Consumer confidence continues to be fragile, dampening market demand. By continuing to develop comprehensive product technology and deepening our relationships with our customers, ○○ hopes to mitigate the adverse effects of the slowdown on overall market demand.

Finally, we will continue to establish more integrated relationships with consumers, customers, and society as a whole, with the aim of achieving higher returns for our shareholders.

Sincerely yours,

Chairman

○○○

CEO & President

○○○

II. Company Profile

2.1 Date of Incorporation: MM DD, 19XX

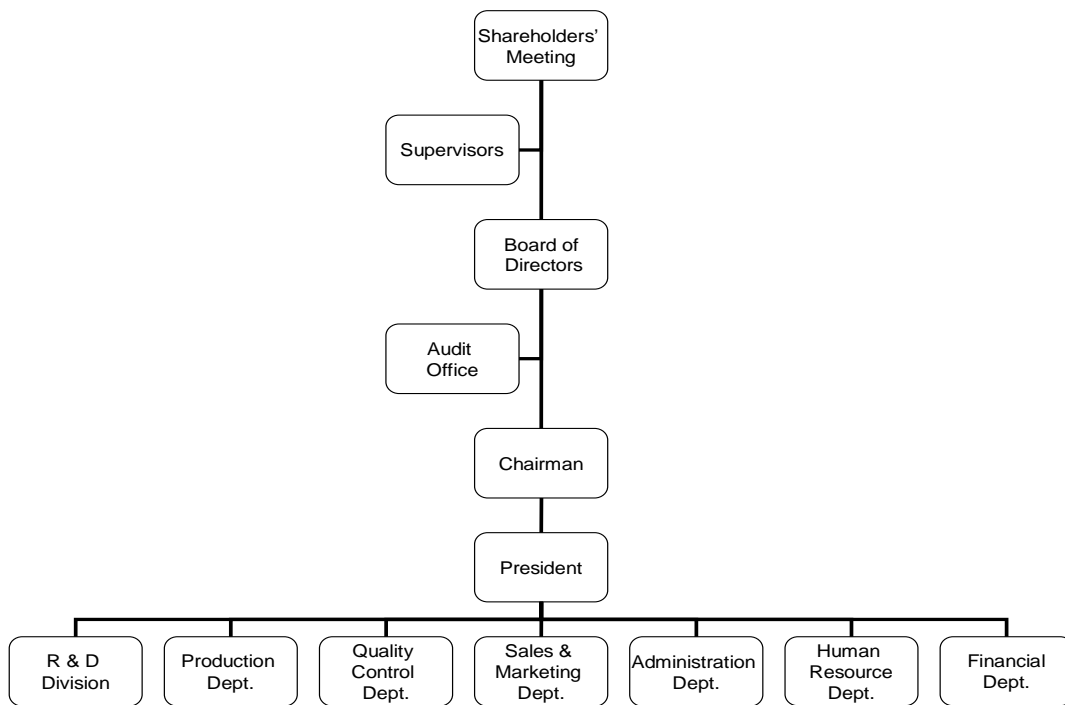
2.2 Company History

Year	Milestones
19XX	Founded on MM DD, 19XX with NT\$XXX capital.
XXXX	Started operations on MM DD, 19XX.
XXXX	Increased capital to NT\$XXX million.
XXXX	○○○ Corporation went public.
XXXX	Listed on Taiwan Stock Exchange (Code-XXXX).
XXXX	Merged with ○○○ Corporation.
XXXX	Acquired 51% of ○○○ Corporation.
XXXX	Created a joint venture with ○○○ Corporation.

III. Corporate Governance Report

3.1 Organization

3.1.1 Organizational Chart



3.1.2 Major Corporate Functions

Department	Functions
President's Office	Strategic planning, business planning authorization and supervision
Audit Office	To identify deficiencies in the internal control system, assess the effectiveness and efficiency of operations, and provide appropriate improvement suggestions to ensure the effectiveness of the internal control system as well as for continuous improvement.
Research & Development Division	Advanced product and technology research and development, intellectual property development and management.
Production Dept.	Responsible for product manufacturing and production capacity allocation.
Quality Control Dept.	Planning and execution of quality control systems.
Sales & Marketing Dept.	Responsible for corporate image planning, maintaining and enhancing external public relations, corporate marketing activities worldwide, and analyzing industry data and trends. It is also in charge of formulating and implementing corporate marketing and product plans.
Administration Dept.	Planning and execution of general affairs, factory affairs, and information systems.
Human Resource Dept.	Responsible for the planning and execution of human resource management.
Finance Dept.	Responsible for the summarization and supply of accounting information, management and operation of finance and investment, annual budgeting, credit control, and stocks services.

3.2 Directors, Supervisors and Management Team

3.2.1 Directors and Supervisors

MM DD, 2020

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding		Current		Spouse & Minor		Shareholding		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)	
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation		
							Director	OO	OO	○	MM DD, YY	3	MM DD, YY	XX			XX	XX	XX		XX
Director	OO	OO	○	MM DD, YY	3	MM DD, YY	XX	XX	XX	XX	XX	XX	XX	XX							
Director	OO	OO	○	MM DD, YY	3	MM DD, YY	XX	XX	XX	XX	XX	XX	XX	XX							
Director	OO	OO	○	MM DD, YY	3	MM DD, YY	XX	XX	XX	XX	XX	XX	XX	XX							
Supervisor	OO	OO	○	MM DD, YY	3	MM DD, YY	XX	XX	XX	XX	XX	XX	XX	XX							
Supervisor	OO	OO	○	MM DD, YY	3	MM DD, YY	XX	XX	XX	XX	XX	XX	XX	XX							

Note: Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed.

Major shareholders of the institutional shareholders

MM DD, 2020

Name of Institutional Shareholders	Major Shareholders
○○ Corp.	○○○,○○○,○○○ (XX%)
○○ Co., Ltd.	○○○,○○○,○○○ Co., Ltd., ○○○(XX%)

Note: If the institutional shareholder is not a company, the names and shareholding ratio of shareholders to be disclosed are the names of people who contributed or donated the capital and the ratio of their contribution or donation.

Major shareholders of the Company's major institutional shareholders

MM DD, 2020

Name of Institutional Shareholders	Major Shareholders
○○ Co., Ltd.	○○○,○○○,○○○,○○○,○○○(XX%)

Note: If the institutional shareholder is not a company, the names and shareholding ratio of shareholders to be disclosed are the names of people who contributed or donated the capital and the ratio of their contribution or donation.

Professional qualifications and independence analysis of directors and supervisors

MM DD, 2020

Criteria	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria (Note)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
○○○																X
○○○																X
○○○																X
○○○																X
○○○																X
○○○																X
○○○																X
○○○																X

Note: Please tick the corresponding boxes that apply to the directors or supervisors during the two years prior to being elected or during the term of office.

1. Not an employee of the company or any of its affiliates.
2. Not a director or supervisor of the company or any of its affiliates. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the

person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.

4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
6. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: **not** a director, supervisor, or employee of that other company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
7. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: **not** a director (or governor), supervisor, or employee of that other company or institution. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company.
9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or

institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

10. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.

11. Not been a person of any conditions defined in Article 30 of the Company Law.

12. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

3.2.2 Management Team

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
OO	OOO	OOO	O	MM DD,YY	XXX	XX	XXX	XX	XXX	XX						
OO	OOO	OOO	O	MM DD,YY	XXX	XX	XXX	XX	XXX	XX						
OO	OOO	OOO	O	MM DD,YY	XXX	XX	XXX	XX	XXX	XX						
OO	OOO	OOO	O	MM DD,YY	XXX	XX	XXX	XX	XXX	XX						
OO	OOO	OOO	O	MM DD,YY	XXX	XX	XXX	XX	XXX	XX						

Note: Where the President or person of an equivalent post (the highest level manager) and Chairman of the Board of Directors are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed.

3.2.3 Remuneration of Directors, Independent Directors, Supervisors, President, and Vice Presidents

Remuneration of Directors and Independent Directors

Unit: NT\$ thousands

Title	Name		Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)	Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)	Remuneration from ventures other than subsidiaries or from the parent company (Note 1)		
			Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D)			Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)							
			The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	Cash	Stock			Cash	Stock
Director	○○	○○	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XX	XX	XX	XX	XXX	XXX	XXX
Director	○○	○○																					
Independent Director	○○	○○	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XX	XX	XX	XX	XXX	XXX	XXX
Independent Director	○○	○○																					
	<p>1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration:</p> <p>2. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being independent contractors.</p>																						

Note 1: a. Specify the amount of remuneration received by directors from ventures other than subsidiaries or from the parent company in this field (Please fill in "None" if none).

b. Where the Company's directors received relevant remuneration from ventures other than subsidiaries or from the parent company, the remuneration received by the Company's directors from ventures other than subsidiaries or from the parent company shall be included in the "I" column of the remuneration bracket table with the column name changed to "the parent company and all invested companies."

c. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by the director serving as a director, supervisor or manager of ventures other than subsidiaries or of the parent company.

Note 2: Separately list information for directors (non-independent directors) and independent directors.

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements (I)
Less than NT\$ 1,000,000	000	000	0	0
NT\$1,000,000 ~ NT\$1,999,999	000,000	000,000	000	000
NT\$2,000,000 ~ NT\$3,499,999	000	000	000,000	000,000
NT\$3,500,000 ~ NT\$4,999,999	000	000	000	000
NT\$5,000,000 ~ NT\$9,999,999	0	0	000	000
NT\$10,000,000 ~ NT\$14,999,999	0	0	0	0
NT\$15,000,000 ~ NT\$29,999,999	0	0	0	0
NT\$30,000,000 ~ NT\$49,999,999	0	0	0	0
NT\$50,000,000 ~ NT\$99,999,999	0	0	0	0
Greater than or equal to NT\$100,000,000	0	0	0	0
Total	5	5	5	5

Remuneration of Supervisors

Unit: NT\$ thousands

Title	Name	Remuneration						Ratio of Total Remuneration (A+B+C) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company (Note)
		Base Compensation (A)		Bonus to Supervisors (B)		Allowances (C)		The company	Companies in the consolidated financial statements	
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements			
○○	○○○	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
○○	○○○									
○○	○○○									

- Note: a. Specify the amount of remuneration received by supervisors from ventures other than subsidiaries or from the parent company in this field (Please fill in "None" if none).
- b. Where the Company's supervisors received relevant remuneration from ventures other than subsidiaries or from the parent company, the remuneration received by the Company's supervisors from ventures other than subsidiaries or from the parent company shall be included in the "D" column of the remuneration bracket table with the column name changed to "the parent company and all invested companies."
- c. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by the supervisor serving as a director, supervisor or manager of ventures other than subsidiaries or of the parent company.

Range of Remuneration	Name of Supervisors	
	Total of (A+B+C)	
	The company	Companies in the consolidated financial statements (D)
Less than NT\$ 1,000,000	000,000	000,000
NT\$1,000,000 ~ NT\$1,999,999	000	000
NT\$2,000,000 ~ NT\$3,499,999	0	0
NT\$3,500,000 ~ NT\$4,999,999	0	0
NT\$5,000,000 ~ NT\$9,999,999	0	0
NT\$10,000,000 ~ NT\$14,999,999	0	0
NT\$15,000,000 ~ NT\$29,999,999	0	0
NT\$30,000,000 ~ NT\$49,999,999	0	0
NT\$50,000,000 ~ NT\$99,999,999	0	0
Greater than or equal to NT\$100,000,000	0	0
Total	3	3

Remuneration of the President and Vice Presidents

Unit: NT\$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company (Note)
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
○○○○	○○○○	XXX	XXX	XXX	XXX	XXX	XXX	XX	XXX	XX	XXX	XXX	XXX	

- Note: a. Specify the amount of remuneration received by the president and vice presidents from ventures other than subsidiaries or from the parent company in this field (Please fill in "None" if none).
- b. Where the Company's president and vice president received relevant remuneration from ventures other than subsidiaries or from the parent company, the remuneration received by the Company's president and vice president from ventures other than subsidiaries or from the parent company shall be included in the "E" column of the remuneration bracket table with the column name changed to "the parent company and all invested companies."
- c. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expense received by the president or vice president serving as a director, supervisor or manager of ventures other than subsidiaries or of the parent company.

Range of Remuneration	Name of President and Vice Presidents	
	The company	Companies in the consolidated financial statements (E)
Less than NT\$ 1,000,000	〇〇〇	〇〇〇
NT\$1,000,000 ~ NT\$1,999,999	〇〇〇	〇〇〇
NT\$2,000,000 ~ NT\$3,499,999	0	0
NT\$3,500,000 ~ NT\$4,999,999	0	0
NT\$5,000,000 ~ NT\$9,999,999	0	0
NT\$10,000,000 ~ NT\$14,999,999	0	0
NT\$15,000,000 ~ NT\$29,999,999	0	0
NT\$30,000,000 ~ NT\$49,999,999	0	0
NT\$50,000,000 ~ NT\$99,999,999	0	0
Greater than or equal to NT\$100,000,000	0	0
Total	2	2

Managerial officers with the top five highest remuneration amounts in a TWSE/TPEX-listed company (disclose their names and remuneration method) (Note 1)

Unit: NT\$ thousands

Title	Name	Salary(A) (Note 2)		Severance Pay (B)		Bonuses and Allowances (C) (Note 3)		Employee Compensation (D) (Note 4)				Ratio of total compensation (A+B+C+D) to net income (%) (Note 6)		Remuneration from ventures other than subsidiaries or from the parent company (Note 7)
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements (Note 5)		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
○○○○	○○○○	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XX	XXX	XX	XXX	XXX	XXX
○○○○	○○○○	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XX	XXX	XX	XXX	XXX	XXX
○○○○	○○○○	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XX	XXX	XX	XXX	XXX	XXX

Note 1: Managerial officers with the top five highest remuneration amounts refers to managers at the Company, in which the standard for determining managers is the applicable scope set forth in Order Tai-Cai-Zheng-San-Zi No. 0920001301 from the former Securities and Futures Commission, Ministry of Finance dated March 27, 2003. The top five highest remuneration amounts are determined based on the sum of salaries, severance pay, bonuses and allowances, and employee compensation received by a managerial officer from all companies in the consolidated financial statements (i.e., A+B+C+D).

Note 2: Refers to the salaries, duty allowances, and severance pay paid to the managerial officers with the top five remuneration amounts in the most recent year.

Note 3: Refers to the remuneration paid to the managerial officers with the top five remuneration amounts, including various bonuses, incentives, travel expenses, special disbursements, allowances, accommodation, company car, other physical items, other compensations, etc., in the most recent year. Where housing, cars, other means of transportation, or expenditures exclusively for individuals are offered, the nature and costs of the offered assets, the actual rent or fair market rent, fuel expenses, and other benefits shall be disclosed. In addition,

where a driver is provided, please provide an explanation in the notes on the compensation paid to the driver by the Company, but not calculating as remuneration. The salaries recognized in accordance with IFRS 2 "Share-based Payment," including the share subscription warrants issued to employees, new restricted stock award shares issued to employees, and employee stock at cash capital increase, shall also be calculated as remuneration.

Note 4: Refers to the amount of employee compensation (including stock and cash) approved by the Board of Directors for managerial officers with the top five remuneration amounts in the most recent year. If the amount of employee compensation cannot be estimated this year, the proposed amount should be calculated based on the actual amount and ratio distributed last year.

Note 5: The total remuneration paid by all companies in the consolidated statements (including the Company) to managerial officers with the top five highest remuneration amounts must be disclosed.

Note 6: The net income after-tax refers to the net income after-tax in the standalone financial statements for the most recent year.

Note 7: a. Specify the amount of remuneration received by managerial officers with the top five remuneration amounts from ventures other than subsidiaries or from the parent company in this field (Please fill in "None" if none).

b. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by managerial officers with the top five remuneration amounts who are serving as a director, supervisor or manager of ventures other than subsidiaries or of the parent company.

* The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

Unit: NT\$ thousands

	Title	Name	Employee Compensation - in Stock (Fair Market Value)	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	○○	○○○	XXX	XXX	XXX	XX
	○○	○○○				
	○○	○○○				
	○○	○○○				
	○○	○○○				
	○○	○○○				
	○○	○○○				
	○○	○○○				
	○○	○○○				
	○○	○○○				
	○○	○○○				

3.2.4 Comparison of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, President and Vice Presidents

A. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice presidents of the Company, to the net income.

Year	Total remuneration paid to directors, supervisors, president and vice presidents		Ratio of total remuneration paid to directors, supervisors, president and vice presidents to net income (%)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
2018	XXX	XXX	XX%	XX%
2019	XXX	XXX	XX%	XX%

The ratios of remuneration paid to directors, supervisors, president and vice presidents of the Company and the companies in the consolidated financial statements in the last two years, to net income were XX% and XX%, respectively, in 2018 and 2019. The reduction in the compensation percentages of the directors, supervisors, president and vice presidents resulted from the decline in 2019 earnings as compared to 2018.

B. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance.

The Remuneration Committee assists the Board in discharging its responsibilities relating to the Company's compensation and benefits policies, plans and programs, and the evaluation of the directors' and executives' compensation. Remuneration is appropriated according to the business performance of the Company in the year and the stipulated percentage in Article XX of the Articles of Incorporation, which stipulate that: "From the profit earned by the Company as shown through the annual account closing, 1%~2% shall be taken for employee compensation, and 1% taken for directors' and supervisors' compensation, provided that the amount of accumulated loss, if any, be first withheld." The annual earning distribution status is submitted to the Board of Directors for discussion before being sent to the shareholders' meeting for resolution.

The compensation to directors and other key management personnel were determined by the Remuneration Committee of the Company in accordance with the individual performance and the market trends.

The compensation is measured based on the employee's personal achievements, contribution made to the business operation, and the market averages. It has a positive correlation with the performance of the Company's business.

3.3 Implementation of Corporate Governance

3.3.1 Board of Directors

A. Operations of the Board of Directors

A total of XX (A) meetings of the Board of Directors were held in the previous period. The attendance of director and supervisor were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B/A 】	Remarks
Chairman	○○○	XX	X	XX	
Director	○○○	XX	X	XX	
Director	○○○	XX	X	XX	
Independent director	○○○	XX	X	XX	
Independent director	○○○	XX	X	XX	
Supervisor	○○○	XX	X	XX	
Supervisor	○○○	XX	X	XX	
Other mentionable items:					
1. If any of the following circumstances occur,, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:					
(1) Matters referred to in Article 14-3 of the Securities and Exchange Act.					

- (2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors.
2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:
None
3. TWSE/TPEX-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors, and to fill out "Implementation Status of Board Evaluations."
4. Measures taken to strengthen the functionality of the board: The Board of Directors has established an Audit Committee and a Remuneration Committee to assist the board in carrying out its various duties.

B. Implementation Status of Board Evaluations

Evaluation cycle (Note 1)	Evaluation period (Note 2)	Scope of evaluation (Note 3)	Evaluation method (Note 4)	Evaluation items (Note 5)

Note 1: Refers to the cycle of Board evaluations, such as: Once a year.

Note 2: Refers to the period covered by the Board evaluation, such as: evaluation of Board performance between January 1, 2019 and December 31, 2019.

Note 3: The scope of performance evaluations includes the Board of Directors, individual directors, and functional committees.

Note 4: The evaluation method includes internal self-evaluation by the Board of Directors, self-assessment by directors, peer evaluation, and entrusting external professional institutions and experts or using other appropriate methods for performance evaluation.

Note 5: According to the scope of evaluation, evaluation items must at least include the following items:

- (1) Board performance evaluation: At least includes level of participation in company operations, the quality of Board decisions, Board composition and structure, appointment of directors and their continued development, and internal controls.
- (2) Individual director performance evaluation: At least includes grasp of company targets and missions, understanding of the director's role and responsibilities, level of participation in company operations, internal relationship management and communication, director's specialty and continued development, and internal controls.

- (3) Functional committee performance evaluation: Participation in company operations, understanding of the responsibilities of functional committees, improvement of the decision-making quality of functional committees, composition of functional committees, and member selection and internal control.

3.3.2 Audit Committee (or Attendance of Supervisors at Board Meetings)

A. Audit Committee

A total of XX (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B/A 】	Remarks
Independent director	○○○	XX	X	XX	
Independent director	○○○	XX	X	XX	
Independent director	○○○	XX	X	XX	

Other mentionable items:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

(1) Matters referred to in Article 14-5 of the Securities and Exchange Act.

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.

2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None

3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of audits of corporate finance or operations, etc.)

(1)The internal auditors have communicated the result of the audit reports to the members of the Audit Committee periodically, and have presented the findings of all audit reports in the quarterly meetings of the Audit Committee. Should the urgency of the matter require it, the Company's chief internal auditor will inform the members of the Audit Committee outside of the regular reporting. The communication channel between the Audit Committee and the internal auditor has been functioning well.

(2)The Company’s CPAs have presented the findings or the comments for the quarterly corporate financial reports, as well as those matters communication of which is required by law, in the regular quarterly meetings of the Audit Committee. Under applicable laws and regulations, the CPAs are required to communicate to the Audit Committee any material matters that they have discovered. The communication channel between the Audit Committee and the CPAs has been functioning well.

B. Attendance of Supervisors at Board Meetings

A total of XX (A) meetings of the Board of Directors were held in the previous period. The attendance of supervisors was as follows:

Title	Name	Attendance in Person (B)	Attendance Rate (%) 【 B/A 】	Remarks
Supervisor	○○○	XX	XX	
Supervisor	○○○	XX	XX	
Supervisor	○○○	XX	XX	

Other mentionable items:

1. Composition and responsibilities of supervisors:

(1)Communications between supervisors and the Company's employees and shareholders(e.g. communication channels and methods, etc.): The Company has set up a supervisor’s mailbox: supervisor@○○○.com.tw, so that employees and shareholders have adequate access to the supervisors for communications.

(2)Communications between supervisors and the Company's chief internal auditor and CPA(e.g. items, methods and results of the audits of corporate finance or operations, etc.):

A. Communications with the chief internal auditor: Supervisors hold the supervisors meeting each quarter and maintain minutes of the meetings. The directors, president and the Company's top management are then notified of important discussions and resolutions. All supervisors had attended on each occasion, and the chief internal auditor was also present at the meetings to report on audit operations and major internal auditing matters, including execution, reporting, and monitoring of the supervisors’ instructions. In addition, supervisors obtained audit reports on a monthly basis, which were submitted by the chief internal auditor.

B. Communications with the CPA: Supervisors have held supervisors examination meeting and have obtained the examined reports. There were two such meetings, on MM. DD, 2014 and MM. DD, 2014 respectively. All supervisors attended on each occasion, and the CFO, chief internal

auditor and CPAs were also present at the meetings to discuss related subjects, including execution, reporting and monitoring of the supervisors' instructions.

2. If a supervisor expresses an opinion during a meeting of the Board of Directors, the dates of the meetings, sessions, contents of motion, resolutions of the directors' meetings and the company's response to the supervisor's opinion should be specified: None

3.3.3 Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?			The Company has established the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” on XX/XX/2015. The information has been disclosed on the Company’s website.	None
2. Shareholding structure & shareholders’ rights (1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?			In addition to the existing hotline and email channels, the Company has established an internal operating procedure, and has designated appropriate departments, such as Investor Relations, Public Relations, Legal Department, to handle shareholders’ suggestions, doubts, disputes and litigation.	None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?			The Finance & Shared Services Division is responsible for collecting the updated information of major shareholders and the list of ultimate owners of those shares.	
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?			Rules are made to strictly regulate the activities of trading, endorsement and loans between the Company and its affiliates. In addition, the “Criteria of Internal Control Mechanism for a Public Company”, outlined by the Financial Supervisory Commission when drafting the guidelines for the “Supervision and Governance of Subsidiaries”, was followed in order to implement total risk control with respect to subsidiaries.	
(4) Does the company establish internal rules			To protect shareholders’ rights and fairly treat shareholders, the Company has established the	

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
against insiders trading with undisclosed information?			internal rules to forbid insiders trading on undisclosed information. The Company has also strongly advocated these rules in order to prevent any violations.	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board develop and implement a diversified policy for the composition of its members?</p> <p>(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit</p>			<p>Member diversification is considered by the Board members. Factors taken into account include, but are not limited to gender, age, cultures, educational background, race, professional experience, skills, knowledge and terms of service. The Board objectively chooses candidates to meet the goal of member diversification.</p> <p>In order for the sound supervision and reinforcement of management, the Company established the Nomination and Risk</p>	None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>Committee?</p> <p>(3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?</p>			<p>Management Committee in addition to the Remuneration Committee and the Audit Committee. These functional committees shall be responsibilities for the Board of Directors.</p> <p>The company has formulated rules and procedures for evaluating the Board’s performance and conducts it annually. The Company uses two methods to evaluate the performance of the Board.</p> <p>1. Self-assessment of Board members</p> <p>Board members fill in the” Self-Assessment Questionnaire for Board Members” at the end of each year. To evaluate the performance of each members effectively, the questionnaire contains the following factors:</p> <p>A. Their grasp of the Company's goals and missions;</p>	

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>B. Their recognition of director's duties; C. Their degree of participation in the Company's operations; D. Their management of internal relationships and communications; E. Their professionalism and continuing professional education; F. Internal controls.</p> <p>2. Assessment of the Board: The Secretary Office of the Board conducts the assessment of the Board’s performance. The following aspects are taken into consideration: A. The degree of participation in the Company's operations; B. Improvement in the quality of decision making by the Board of Directors;</p>	

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company regularly evaluate the independence of CPAs?			<p>C. The composition and structure of the Board of Directors;</p> <p>D. The election of the directors and their continuing professional education.</p> <p>E. Internal controls.</p> <p>The Company conducts director self-assessments and peer assessments in the first quarter each year. Assessment results were reported to the Board of Directors in (month/year), and are referenced when determining the remuneration of individual directors and nominations for reelection.</p> <p>The Company evaluates the independence of CPAs annually, ensuring that that they are not stakeholders such as a Board member, supervisor, shareholder or person paid by the Company.</p>	

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?			The company provides the name of the personnel and supervisor responsible for corporate governance matters and describes the role/function of the personnel and supervisor and material matters that have been taken care of in the most recent year.	None
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?			The Company provides detailed contact information, including telephone numbers and email addresses in the “Stakeholder Area” section of the corporate website. In addition, personnel are in place to exclusively deal with issues of social responsibility, ensuring that various interested parties have channels to communicate with the Company.	None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?			The Company designates XXX Inc. to deal with shareholder affairs.	None
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? (2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?			The Company has set up a Chinese/English website (www.○○○.com.tw) to disclose information regarding the Company’s financials, business and corporate governance status. The Company has assigned an appropriate person to handle information collection and disclosure. Contact person: ○○○, TEL: +886-X-XXX-XXXX The Company has established a spokesman system. Investor conference information is disclosed on the corporate website.	None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?			<p>The Company has reported annual financial statements within two months after the end of each fiscal year and announced them on the company website (www. ○○○.com.tw).</p> <p>The Company announced and reported its financial statements for Q1, Q2, and Q3 and filed monthly operating status before the deadline.</p>	
<p>8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?</p> <p>(1) Status of employee rights and employee wellness: Please refer to the “<i>Employees</i>” section on pages XX-XX of this annual report.</p> <p>(2) Status of risk management policies and risk evaluation: Please refer to the “<i>Risk Management</i>” section on pages XX-XX of this annual report.</p> <p>(3) The Company has purchased D&O insurance for its directors and supervisors since year 2006.</p> <p>(4) Directors’ and supervisors’ training records:</p>				

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	

Title	Name	Training hours	Study period		Sponsoring Organization	Course
			From	To		
Director	○○○	6H	2019/MM/DD	2019/MM/DD	Corporate Governance Association	Corporate Governance and Risk Management
Director	○○○	6H	2019/MM/DD	2019/MM/DD	Taiwan Academy of Banking and Finance	Board Operations and Corporate Government
Director	○○○	12H	2019/MM/DD	2019/MM/DD	Securities & Futures Institute	Board Directors and Supervisors’ Duty Under Corporate Governance

9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.

Note: Regardless of whether the evaluation item is achieved or not, the company shall state an appropriate explanation.

3.3.4 Composition, Responsibilities and Operations of the Remuneration Committee

The Remuneration Committee assists the Board in discharging its responsibilities relating to the Company’s compensation and benefits policies, plans and programs, and the evaluation of the directors’ and executives’ compensation.

The Chairman of the Remuneration Committee convened four regular meetings in 2019. The Remuneration Committee Charter is available on the Company’s corporate website.

A. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title	Criteria	Meets One of the Following Professional Qualification Requirements, Together with at Least Five Years’ Work Experience			Independence Criteria (Note)										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remarks			
		An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university	A judge, public prosecutor, attorney, Certified Public Accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10					
	○○○																	X	
	○○○																	X	
	○○○																	X	
	○○○																	X	
	○○○																	X	
	○○○																	X	
	○○○																	X	
	○○○																	X	

Note: Please tick the corresponding boxes that apply to a member during the two years prior to being elected or during the term(s) of office.

1. Not an employee of the company or any of its affiliates.
2. Not a director or supervisor of the company or any of its affiliates. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of

the company or ranking in the top 10 in holdings.

4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
6. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
7. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company.
9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2

years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

10. Not been a person of any conditions defined in Article 30 of the Company Law.

B. Attendance of Members at Remuneration Committee Meetings

There are XX members in the Remuneration Committee. A total of XX (A) Remuneration Committee meetings were held in the previous period. The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【 B/A 】	Remarks
Convener	○○○	XX	X	XX	
Committee Member	○○○	XX	X	XX	
Committee Member	○○○	XX	X	XX	

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified):
None.
2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

3.3.5 Fulfillment of CSR and Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation ²	
1. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies? ³			<p>The Company integrates and manages the potential risks of all strategies, operations, financial activities, and hazards that may affect its operations and profits. The Company implements enterprise risk management to provide suitable risk management for all stakeholders, and uses a risk map to assess the frequency of risk events and severity of impact on the Company's operations. The priority and level of risks are defined on the basis, and risk management strategies are adopted for each risk level.</p> <p>The Company's risk management involves the management of strategy risks, operational risks, financial risks, hazard risks, as well as risks associated with climate change and non-compliance with environmental protection and climate-related regulations and other international conventions.</p> <p>The Company's risk management policies were passed by the Board of Directors in 2018 and serves as the highest guiding principle for the Company's risk management. The Company periodically assesses risks each year, and formulated risk management policies for various risks, covering management objectives, organizational structure, responsibility, and risk management procedures. The policy is implemented to effectively identify, measure, and control the Company's risks, so that risks from business activities are controlled within an acceptable range.</p>	None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation ²	
2. Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?			<p>Under the hands-on leadership of our company Chairman AAA and first-line managers, we have established the OOO Corporate Social and Environmental Responsibility Committee (CSER Committee) and designated dedicated personnel, striven to internalize CSR as part of OOO employees' DNA, and embraced international standards in an effort to become model international corporate citizens.</p> <p>The OOO CSER Committee is the group's highest guidance unit; it is chaired by Chairman AAA, and has members comprising executive managers of the OOO Group. The committee is responsible for determining annual CSR economic, environmental, and social involvement goals, regularly supervising implementation, and directing OOO Technology's short-/ mid-/ long-term realization of goals and visions.</p>	None
3. Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries?			<p>Environmental, Safety, and Health (ESH) and Hazardous Substance Management System Certificates</p> <p>All OOO manufacturing facilities in Taiwan, China, and the United States have received ISO 14001 certifications for environmental management systems, OHSAS 18001 for occupational safety and health, and QC 080000 certification for hazardous substance management systems. New facilities will be certified as well. In line with ISO 14001 and OHSAS 18001's concept of continuous improvement, OOO diligently carries out its responsibilities of pollution prevention, energy and resource conservation, waste reduction, accident prevention, and the establishment of a safe and comfortable work place. By</p>	None

Evaluation Item	Implementation Status ¹		Abstract Explanation ²	Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
			<p>practising QC 080000 for hazardous substance management, OOO ensures its processes and products comply with the requirements of the Stockholm Convention. OOO continues to identify ESH risks, drafting feasible control measures and carrying them out to reduce ESH and hazardous substance risks. In 2016, all of the Company’s fabs in Taiwan were certified by the Taiwan Occupational Safety and Health Management System (TOSHMS), which is not only valid for Taiwan but also compatible with global safety and health management systems.</p>	

Evaluation Item	Implementation Status ¹		Abstract Explanation ²	Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?			<p><u>Power-Saving Goal</u> According to the Company’s operating model, the vast majority of our carbon dioxide emissions come from power use. Because of this, we are actively promoting various energy-saving and power-saving programs. Taking three years as one program period, the aim is to reduce our power usage by roughly XX% by 2021 (taking 2018 as the base year).</p> <p><u>Water Saving Goal</u> Taking 2018 as the base year, the Company aims to reduce water consumption by XX% per unit product by 2021. Facing a changing global environment and increasing water shortages, the need to conserve water is the next most important environmental imperative after energy saving and carbon dioxide reduction. Based on the need to protect water resources and maintain sustainable operations, planning a water-saving program has already been initiated. By improving processes, conserving water, and using water, active steps have been taken to reduce waste water from our production processes. Our water-saving programs cover a three-year period. Based on water consumption per unit product in 2018, the plan is to reduce water consumption by at least XX% per unit product by 2021.</p> <p><u>Wastewater and Rainwater Reuse</u> (a) The Company’s Thai plant has a waste water treatment system, and employs activated carbon to recycle waste water. Using an estimated flow value (10m³/hr), the plant can recycle an average of XXX m³ per year. (b) A rain water has been installed at the Company’s headquarters building. Rainwater is used for landscaping plants. (c) We rely on a clear-cut process and design for making manufacturing improvements that integrate and implement waste reduction and resource recycling. Compared with 2018, in 2019 the Company’s general industrial waste fell by XX%, hazardous industrial waste was reduced by XX%, and recyclable waste output rose by XX%. Meanwhile, the process solder dross output fell by XX%.</p>	None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation ²	
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?			Extreme weather and natural disasters are the number one risk according to the Global Risk Report 2019 published by the World Economic Forum (WEF). To respond to the impact of climate change on business operations and disclose information on climate change, the Company periodically reports to the Board of Directors and Risk Management Committee, so that the Board of Directors and senior executives will understand the impact of climate change on the Company. Furthermore, the Company's departments in 2019 began to review their business operations and identify risks associated with climate change, and analyzed the direct and indirect impacts of extreme weather, the effects of changes in laws, technologies, and market demand, and the risks and opportunities brought by the Company's business activities in cultural and social aspects. The Company formulates risk management strategies and plans based on analysis results, which are the core of its actions in response to climate change, and it estimates management costs and the financial impact on this basis. The data collected above is used to strengthen the Company's climate change governance, and financial impacts are systematically assessed to reduce risks and seize business opportunities.	None
(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the			<u>CO₂ Emission Reduction Goal</u> In keeping with global environmental trends, the Company is responding to calls for the reduction of greenhouse gas emissions and upholding the emissions reduction goals set for industrialized countries in the Kyoto Protocol by adopting target management and holding ourselves to high standards. Taking 2018 as the base year, OOO will continue with its energy saving campaign until the goal of	None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation ²	
last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?			<p>reducing energy consumption and CO₂ emissions by XX% in 2021 is reached. We have begun systematically performing greenhouse gas inventories in line with the International Standards Organization's (ISO's) greenhouse gas control guide lines and expected future greenhouse gas reduction requirements. Internal documentation and verification procedures have also been established that will enable the implementation of effective reduction programs in the future.</p> <p>The ISO-14064 standard is used to perform regular annual greenhouse gas emission inventories, and reproduce greenhouse gas reports containing summaries of the Company’s greenhouse gas emissions for the previous year. In 2012, we issued our first greenhouse gas report (for 2011). The most recent report was for 2020, and contained inventories of XX operating locations or factories.</p> <p>Our greenhouse gas emissions for 2018 totaled XXX tons, and total water consumption totaled 0000 thousand tons; waste generated totaled 0000 tons. Our CO₂ emissions was approximately 0000 tons in 2019; water consumption totaled 0000 thousand tons; waste generated totaled 0000 tons.</p> <p>The Company passed the ISO14064-1 (greenhouse gas inventory) certification issued by SGS Taiwan in June 2015, and received a verification statement with a reasonable grade. Our inventory results are posted on our company website and on the Industrial Development Bureau's greenhouse gas information center website. Furthermore, since 2013 the Company has participated in the Carbon Disclosure Project at our customers' invitation . Greenhouse gas data for the previous year is posted on the project website; this information can be used by all</p>	

Evaluation Item	Implementation Status ¹		Abstract Explanation ²	Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
			<p>relevant stakeholder groups.</p> <p>Energy conservation and carbon dioxide reduction management policy: The Company's quantified management goals for energy conservation and carbon dioxide reduction: Reduce carbon intensity in 2025 by 56.6% compared to 2014.</p> <p>Water management policy: The stability of water supply has become an issue faced by countries around the world due to climate change. To fulfill our CSR and respond to the issue of global water shortage, the Company set 2018 as the baseline year and aims to lower overall water consumption intensity (total water consumption/NT\$1 million of output value) by 30% before 2025, taking action to jointly face the challenges of climate change together with companies worldwide.</p>	
<p>4. Social issues</p> <p>(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>			<p><u>Comply with Relevant Regulations</u> OOO not only complies with local regulations but also upholds the internationally-recognized human rights of workers and respects the United Nations Universal Declaration on Human Rights, and the International Labor Organization’s fundamental conventions on core labor standards. OOO hires all employees equally based on his or her job qualifications regardless of gender, religion, race, nationality or political affiliation.</p> <p><u>Human Resource Policies and Measures</u> The following is an overview of relevant human resource policies and measures:</p>	None

Evaluation Item	Implementation Status ¹		Abstract Explanation ²	Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
			<p>(a) Labor Insurance, National Health Insurance, and group insurance coverage from the first day of work.</p> <p>(b) The Company has specific Employee Retirement Guidelines. In February 1998, we established a Labor Pension Supervision Committee approved by the Taipei City Government. Since May 1998, we have been allocating a retirement pension equivalent to 2% of employees’ monthly salaries on a monthly basis. In 2005, the new Labor Pension Act came into force. Consequently, OOO now deposits 6% of each employee's monthly salary into a dedicated account at the Labor Insurance Bureau. When employees reach the age of 60, they may collect their pension from their personal retirement fund account.</p>	
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?			<p>Employee welfare: The Company provides an employee cafeteria, café, convenience store, fitness room, lounge, and parking lot to all employees, and also offers flexible work hours for employees to adjust their work hours based on their situation. Employees can also take a free shuttle bus for commuting to work.</p> <p>Business performance reflects on employee bonuses: The Company is required to allocate no less than 000 percent of profits as employee bonuses each year.</p>	None
(3) Does the company provide a healthy and safe working environment and organize			<p><u>Labor Health and Safety Committee</u> We have established a Labor Health and Safety Committee consisting of the heads of relevant company units and at least one-third labor representatives. Our Labor Health and Safety Committee meets every three months to review our</p>	None

Evaluation Item	Implementation Status ¹		Abstract Explanation ²	Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
training on health and safety for its employees on a regular basis?			<p>employee health and safety rules and regulations, and to discuss self-inspection implementation, the work group’s reports, and various health and safety matters. Committee members may submit interim proposals concerning health and safety, and the committee follows up on improvement measures.</p> <p><u>Health and Safety Education and Emergency Response Training</u> We also hold regular fire/flood protection exercise and first aid training classes for our employees in order to boost our disaster response and relief skills. In 2019 for example, our plants organized occupational health and safety training, emergency response and firefighting training, and external specialist training for new and current employees. Over XXX people took part in nearly XXX man-hours of training to ensure personnel safety and reduce the impact of accidents.</p> <p><u>Safety and Health Management</u> OOO not only conforms to regulatory requirements on safety and health but has also introduced the OHSAS 18001 occupational safety & health management system.</p>	
(4) Does the company provide its employees with career development and training sessions?			OOO Group not only assesses and provides feedback on employees’ skills and interests, but also offers training and development activities that match their career development objectives and job needs.	None
(5) Do the company's products and services comply with relevant			<p><u>Customer Service Department</u> Establishment of the Customer Service Department allows us to integrate existing customer service resources to respond to and match customers’ various</p>	None

Evaluation Item	Implementation Status ¹		Abstract Explanation ²	Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?			<p>demands in a timely and precise manner and improve customer satisfaction through assurance of service quality. A free 24-hour service hotline accepts product queries, service consulting, and complaints from customers.</p> <p><u>Online Service Platform</u> We have now developed an online customer service platform that uses the Internet for prompt interaction and exchange of information with our customers. The platform can be integrated with the customers’ own network to provide information on the entire supply chain, including order status, shipping date, design integration and engineering details.</p> <p><u>Customer Protection</u> We respect and protect all technology, techniques, documents and information provided by our customers, while requiring all of our employees and suppliers to abide by the relevant confidentiality agreements. We also have security controls in place to ensure the safety of the Company’s and our customers’ confidential information.</p>	
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and			<p>To ensure the safety of work environments in the Company's supply chain and that business operations are eco-friendly and ethical, the Company has established a Supplier Code of Conduct and requires suppliers to comply with the code and the following matters.</p> <p>Human rights of laborers: The Company prohibits the use laborers of who are forced or bound by guarantee (including debt) or contract, laborers who are not working voluntarily, are being exploited, or imprisoned, or laborers enslaved or were trafficked.</p>	None

Evaluation Item	Implementation Status ¹		Abstract Explanation ²	Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
safety, or labor and human rights? If so, describe the results.			<p>Occupational health and safety: The Company provides employees with suitable, well maintained personal protective equipment and teaching materials on hazardous incidents and related risks.</p> <p>Environmental protection: The Company is required to obtain all necessary environment related permits (such as emission monitoring), approval, and registration documents, and must maintain and update the documents. The Company must abide by operations specified in the permit and reporting requirements.</p>	
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification			The British Standard Institution (BSI) reviewed our CSR report against the AccountAbility AA 1000 Assurance Standard and the GRI Standards on materiality, inclusivity and responsiveness.	None

Evaluation Item	Implementation Status ¹		Abstract Explanation ²	Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
unit?				
6. Describe the difference, if any, between actual practice and the corporate social responsibility principles, if the company has implemented such principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies:				
7. Other useful information for explaining the status of corporate social responsibility practices:				
<p><u>Environmental Protection</u> Promoting environmental protection: Caring for the Earth. We are working to promote ecological sustainability. The Tree Valley Park will serve as an example of green development through programs such as the Tree Valley Park 100,000 Seedling Plan. OOO will also support related green activities carried out by the Tree Valley Culture Foundation.</p> <p><u>Social Contributions</u> Since 2008, OOO has sponsored OO University with the OOO Scholarship. The scholarship was established to honor the spirit of OOO, who believed in cultivating top university students’ interest in academic research and cross-strait academic exchanges. Each year, XX outstanding OO University sophomores and juniors receive a NT\$XXX scholarship and an opportunity to attend a 2-month-long research seminar in China.</p> <p><u>Charitable Donations</u> Since its inception in 1997, OOO has been committed to helping government and non-profit disaster relief efforts, including donations made to the September 21st Earthquake in 1999 and the SARS Medical Team of the Hsinchu General Hospital in 2003. Employees also initiated donations for the International Red Cross in response to the 2008 Sichuan Earthquake. With matching funds from the OO foundation, total donations reached NT\$XXX.</p> <p><u>Helping Disadvantaged Minorities</u> During periods of economic slowdowns, OOO has carried out its corporate social responsibility mandate by helping disadvantaged groups. In 2019,</p>				

Evaluation Item	Implementation Status ¹		Abstract Explanation ²	Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
XXX employees volunteered a total of XXX hours at charities and programs to help disadvantaged minorities.				

- Note: 1. If "Yes" is checked under implementation, please describe the key policies, strategies, and measures and results adopted. If "No" is checked under implementation, please give reasons and describe relevant strategies and measures to be adopted in the future.
2. Companies who have compiled CSR reports may cite the source from specific pages of their CSR reports instead.
3. The materiality principle refers to environmental, social, or corporate governance issues that have a material impact on the investors or other stakeholders of the company.

3.3.6 Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?</p>			<p>The Board of Directors passed the Company's Ethical Corporate Management Best-Practice Principles on December 31, 2017. The Principles is a guideline to provide high ethical standards for all employees. The principles are disclosed in the annual report and on the company website. The Board of Directors and senior management place the greatest importance in adopting the highest standards of integrity and ethics in corporate management and employee work conduct. Bribery, corruption, deception, and all other forms of</p>	None

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?			<p>improper conduct are prohibited.</p> <p>The Company conducts quarterly evaluations of operating activities with relatively high risk of unethical conduct. The Company’s Ethical Corporate Management Best-Practice Principles have established preventive measures against the following:</p> <ul style="list-style-type: none"> (a) Offering and acceptance of bribes; (b) illegal political donations; (c) improper charitable donations or sponsorship; (d) offering or acceptance of unreasonable presents or hospitality, or other improper benefits; 	

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>(e) misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights;</p> <p>(f) engaging in unfair competitive practices;</p> <p>(g) damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.</p> <p>The aforementioned principles and related regulations were announced and disseminated to employees, managers and Board of Directors to enhance integrity and self-discipline.</p>	

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?			In order to prevent any unethical conduct, all employees must disclose any matters that have or may have the appearance of undermining the Principle, such as any actual or potential conflict of interest. Key employees and senior officers must periodically declare their compliance status with the Principle. OOO requires all our suppliers, vendors and partners to declare in writing that they will not engage in any fraud or provide unethical conduct when dealing with the Company or our officers and employees. Internal and external online hotlines have been established for any relevant persons to use in reporting any ethical irregularities for personal investigation by a designated senior management of OOO. The Company reviews and revises the principle each	

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			year.	
<p>2. Fulfill operations integrity policy</p> <p>(1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?</p> <p>(2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct</p>			<p>The Company holds annual business meetings, conveying our integrity requirements to all our business partners. In addition, an ethic-related clause is included in every business contract. If there is any breach of the clause, the Company may terminate the partnership at any time without any further obligation or compensation.</p> <p>The Company established the “Corporate Integrity Team” on XX/XX/2015 under the Board’s supervision and submits quarterly reports to the Board of Directors.</p>	None

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>regularly (at least once a year) to the Board of Directors while overseeing such operations?</p> <p>(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p>			<p>The Company follows the Company Act, the Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Law Against Accepting Bribes Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest and other relevant regulations for listed companies. The Company also conducts due diligence before trading with upstream and downstream companies to minimize the risks. At the same time, the Company has made a hotline available for submissions of regarding conflicts of interest.</p>	

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?</p>			<p>The Company has established accounting and internal control systems to ensure integrity in our operations. After internal auditors have analyzed and reviewed the annual audit program according to the risk evaluation results, the Company will compile them into an audit report.</p>	
<p>(5) Does the company regularly hold internal and external educational trainings on operational integrity?</p>			<p>The Company carries out regular training for employees every quarter. For new employees, training on ethical rules, conflicts of interest,</p>	

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			business morals, and all other related subjects are carried out during their first week of work. All employees are required to receive integrity training for at least two hours each year.	
3. Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?			The Company establishes various reporting channels so that employees and relevant people can report improper business behaviors through the system. After a confidential investigation, anyone who violates the regulations on operational integrity will be punished according to the Company’s regulations on reward and punishment. In cases of illegal conduct, legal actions will be taken as well.	None

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?			The Company has in place SOPs authorized by the Board which could be applied on any confidential investigations and follow-up actions on such cases after completing investigation.	
(3) Does the company provide proper whistleblower protection?			The Company takes whistleblower protection seriously since the core purpose is protection from unlawful reprisal for diligent employees who step forward to identify potential wrongdoing. The Company has a dedicated hotline for whistleblower protection whether first-line managers and the Board if necessary, can directly review and determine appropriate actions against reprisal of complaints.	

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?			The Company’s Ethical Corporate Management Best-Practice Principles and the results of our implementation have been posted on the Company’s Chinese / English website and MOPS.	None
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation. There have been no differences.				
6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies). (a) To implement the basics of ethical corporate management policies, the Company operates under the Company Act, Securities and Exchange Act, Businesses Entity Accounting Act, related regulations for TWSE/TPEX-Listed Companies, and other laws and decrees				

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>concerning business transactions.</p> <p>(b) The Company has set up the "Management Procedures for Preventing Insider Trading", which specifies that directors, supervisors, managers, and employees are not allowed to reveal inside information to others or to inquire non-public information that is irrelevant to his/her business scope.</p> <p>(c) For more detailed information, please refer to the Company’s official website: http://www.xxxxxx.com/xxxxxx.html.</p>				

Note: Regardless of whether the evaluation item is achieved or not, the company shall state an appropriate explanation.

3.3.7 Corporate Governance Guidelines and Regulations

Please refer to the Company's website at www.ooo.com

3.3.8 Other Important Information Regarding Corporate Governance

None.

3.3.9 Internal Control Systems

A. Disclosures Required for the Implementation of the Internal Control System

Please refer to page XX of the Chinese annual report.

B. Penal Provisions

If there has been any legal penalty against the company and its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder interests or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement: None.

3.3.10 Major Resolutions of Shareholders' Meeting and Board Meetings

Item	Date	Major resolutions
Board meeting	MM, DD, 2019	<ol style="list-style-type: none">1. Approval of the 2018 business report and financial statements.2. Approval of the distribution of 2018 retained earnings and employee profit sharing.3. Approval of the Year 2018 business plan and financial budget.
Shareholders' meeting	MM, DD, 2019	<ol style="list-style-type: none">1. Approval of the 2018 business report and financial statements.2. Approval of the distribution of 2018 retained earnings and employee profit sharing.3. Approval of amendment to the Articles of Incorporation.

Board meeting	MM, DD, 2019	<ol style="list-style-type: none"> 1. Approval of purchasing up to NT\$XXX billion of the Company's common shares from the open market. 2. Approval of 2019 semi-annual financial statement. 3. Approval of the promotion of Mr. ○○○ to the position of Vice President of ○○○.
Board meeting	MM, DD, 2020	<ol style="list-style-type: none"> 1. Approval of the 2019 business report and financial statements. 2. Approval of the distribution of 2019 retained earnings and employee compensation. 3. Approval of the Year 2020 business plan and financial budget. 4. Appointment of Mr. ○○○ as the head of Internal Auditing.

3.3.11 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors

None

3.3.12 Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit, Corporate Governance and R&D

MM, DD, 2019

Title	Name	Date of Appointment	Date of Termination	Reasons for Resignation or Dismissal
President	○○○	MM, DD, 201X	MM, DD, 2022	Retirement
Chief Internal Auditor	○○○	MM, DD, 201X	MM, DD, 2022	Promoted to position of vice president of ○○○
Corporate Governance Officer	○○○	MM, DD, 201X	MM, DD, 2021	Retirement

3.4 Information Regarding the Company's Audit Fee and Independence

3.4.1 Audit Fee

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Remarks
○ & ○	○○○	2019.01.01~2019.12.31	

Note: If the Company has changed CPA or Accounting Firm during the current fiscal year, the company shall report the information regarding the audit period covered by each CPA and the replacement reason.

Fee Range		Fee Items	Audit Fee	Non-audit Fee	Total
1	Under NT\$ 2,000,000				
2	NT\$2,000,001 ~ NT\$4,000,000			✓	
3	NT\$4,000,001 ~ NT\$6,000,000				
4	NT\$6,000,001 ~ NT\$8,000,000		✓		✓
5	NT\$8,000,001 ~ NT\$10,000,000				
6	Over NT\$100,000,000				

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Audit Fee	Non-audit Fee					Period Covered by CPA's Audit	Remarks
			System of Design	Company Registration	Human Resource	Others	Subtotal		
○ & ○	○○○	x,xxx	-	xxx	-	xxx	xxx		
	○○○								

3.4.2 Replacement of CPA

A. Regarding the former CPA

Replacement Date	January 1, 2020		
Replacement reasons and explanations	The original CPAs of the Company were ○○○ (CPA A) and ○○○ (CPA B) from ○○○ firm. Due to internal restructuring at ○○○ firm , the CPAs of the Company were changed to ○○○ (CPA C) and ○○○ (CPA D), beginning January 1, 2020.		
Describe whether the Company terminated or the CPA did not accept the appointment	Parties	CPA	The Company
	Status		
	Termination of appointment	-	-
	No longer accepted (continued) appointment	-	-
Other issues (except for unqualified issues) in the audit reports within the last two years	None		
Differences with the company	Yes	-	Accounting principles or practices
		-	Disclosure of Financial Statements
		-	Audit scope or steps
		-	Others
	None	✓	
	Remarks/specify details:		
Other Revealed Matters	None		

B. Regarding the successor CPA

Name of accounting firm	○○○
Name of CPA	○○○ and ○○○
Date of appointment	April 11, 2020
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

3.4.3 Audit Independence

The Company's Chairman, Chief Executive Officer, Chief Financial Officer, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates during 2019.

3.5 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Title	Name	Unit: Shares			
		2019		As of Apr. 30, 2020	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Director	○○○	XXX	XXX	XXX	XXX

3.5.1 Shares Trading with Related Parties

Name	Reason for Transfer	Date of Transaction	Transferee	Relationship between Transferee and Directors, Supervisors, Managers and Major Shareholders	Shares	Transaction Price (NT\$)

3.5.2 Shares Pledge with Related Parties

Name	Reason for Pledge	Date of Transaction	Transferee	Relationship between Transferee and Directors, Supervisors, Managers and Major Shareholders	Shares	Shares holding %	Shares Pledged %	Pledged Amount

3.6 Relationship among the Top Ten Shareholders

As of 12/31/2019

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
○○○	XXX	XXX	XXX	XXX	XXX	XXX	○○○	○○○	

3.7 Ownership of Shares in Affiliated Enterprises

Unit: shares/ %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
	XXX	XXX	XXX	XXX	XXX	XXX

IV. Capital Overview

4.1 Capital and Shares

4.1.1 Source of Capital

A. Issued Shares

As of 04/30/2020

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other

B. Type of Stock

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	

C. Information for Shelf Registration

Securities Type	Preparing to Issue Amount		Issued Amount		Purpose and Effect for Issued Shares	Issue Period for Unissued Shares	Remarks
	Total Shares	Authorized Amount (NT\$ thousands)	Shares	Price (NT\$)			

4.1.2 Status of Shareholders

As of 12/31/2019

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders						
Shareholding (shares)						
Percentage						

4.1.3 Shareholding Distribution Status

A. Common Shares

As of 12/31/2019

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999			
1,000 ~ 5,000			
5,001 ~ 10,000			
10,001 ~ 15,000			
15,001 ~ 20,000			
20,001 ~ 30,000			
30,001 ~ 50,000			
50,001 ~ 100,000			
100,001 ~ 200,000			
200,001 ~ 400,000			
400,001 ~ 600,000			
600,001 ~ 800,000			
800,001 ~ 1,000,000			
1,000,001 or over			
Total			

B. Preferred Shares

As of 12/31/2019

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage

4.1.4 List of Major Shareholders

As of 12/31/2019

Shareholder's Name	Shareholding	
	Shares	Percentage

Note: List all shareholders with a stake of 5 percent or greater, and if those are fewer than 10 shareholders, also list all shareholders who rank in the top 10 in shareholding percentage, and specify the number of shares and stake held by each shareholder on the list.

4.1.5 Market Price, Net Worth, Earnings, and Dividends per Share

Unit: NT\$

Items	2018	2019	01/01/2020-03/31/2020
Market Price per Share			
Highest Market Price	XXX	XXX	XXX
Lowest Market Price	XXX	XXX	XXX
Average Market Price	XXX	XXX	XXX
Net Worth per Share			
Before Distribution	XXX	XXX	XXX
After Distribution	XXX	XXX	XXX
Earnings per Share			
Weighted Average Shares (thousand shares)	XXX	XXX	XXX
Diluted Earnings Per Share	XXX	XXX	XXX
Adjusted Diluted Earnings Per Share	XXX	XXX	XXX
Dividends per Share			
Cash Dividends	XXX	XXX	XXX
Stock Dividends			
• Dividends from Retained Earnings	XXX	XXX	XXX
• Dividends from Capital Surplus	XXX	XXX	XXX
Accumulated Undistributed Dividends	XXX	XXX	XXX
Return on Investment			
Price / Earnings Ratio (Note 1)	XXX	XXX	XXX
Price / Dividend Ratio (Note 2)	XXX	XXX	XXX
Cash Dividend Yield Rate (Note 3)	XXX	XXX	XXX

Note 1: Price / Earnings Ratio = Average Market Price / Earnings per Share

Note 2: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share

Note 3: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

4.1.6 Dividend Policy and Implementation Status

A. Dividend Policy

If earnings are available for distribution at the end of a fiscal year, 10% of net earnings – that is, after offsetting any loss from prior year(s) and paying all taxes and dues – shall be set aside as legal reserve and appropriated in accordance with the Securities Exchange Law. The remaining net earnings can be distributed along with prior accumulated unappropriated retained earnings. The Board of Directors will consider the above-mentioned factors when making the dividend distribution proposal. Dividends will be distributed in accordance with the resolution approved by the Board of Directors and at the annual shareholders' meeting.

B. Proposed Distribution of Dividend

The proposal for the distribution of 2019 profits was passed at the meeting of the Board of Directors. The proposal for a cash dividend of NT\$ XXX per share and a stock dividend of NT\$ XXX per share will be discussed at the annual shareholders' meeting.

4.1.7 Compensation of Employees, Directors and Supervisors

A. Information Relating to Compensation of Employees, Directors and Supervisors in the Articles of Incorporation

Article XX of the Articles of Incorporation stipulates that: "From the profit earned by the Company as shown through the annual account closing, 1%~2% shall be taken for employee compensation, and 1% taken for directors' and supervisors' compensation, provided that the amount of accumulated loss, if any, be first withheld."

B. The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

C. Distribution of Compensation of Employees, Directors and Supervisors for 2019 Approved in the Board of Directors Meeting

(1) Recommended Distribution of Compensation of Employees, Directors and Supervisors:
(NT\$ thousands)

Employee Compensation – in Cash	\$ XXX
Employee Compensation – in Stock	XXX
Directors' and Supervisors' Compensation	<u>XXX</u>
Total	\$ XXX

(2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation.

D. Information of 2018 Distribution of Compensation of Employees, Directors and Supervisors (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed) and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated.

The Number of Shares	XXX
Stock Price	\$ XXX
Directors' and Supervisors' Compensation-in Stock(NT\$ thousands)	\$ XXX
Employee Compensation-in Stock(NT\$ thousands)	\$ XXX
Employee Compensation – in Cash (NT\$ thousands)	\$ XXX
Directors' and Supervisors' Compensation – in Cash (NT\$ thousands)	XXX
Directors' and Supervisors' Compensation	<u>XXX</u>
Total	\$ XXX

The above-mentioned actual distribution of compensation of employees, directors and supervisors was in line with the resolution of the Board of Directors.

4.1.8 Buy-back of Treasury Stock

A. Repurchases already completed

As of 04/30/2020

Treasury stocks: Batch Order	XXX th Batch	XXX th Batch
Purpose of buy-back		
Timeframe of buy-back		
Price range		
Class, quantity of shares repurchased		
Value of shares repurchased (in NT\$ thousands)		
Quantity of repurchased shares as a percentage of total shares to be repurchased (%)		
Shares sold/transferred		
Accumulated number of company shares held		
Percentage of total company shares held (%)		

B. Any repurchase still in progress

As of 04/30/2020

Treasury stocks: Batch Order	XXX th Batch	XXX th Batch
Purpose of buy-back		
Type of shares repurchased		
Limit on the total value of shares repurchased		
Period for share repurchase		
Quantity of shares to be repurchased		
Price range		
Class, quantity of shares repurchased		
Value of shares repurchased (in NT\$ thousands)		
Quantity of repurchased shares as a percentage of total shares to be repurchased (%)		

4.2 Bonds

4.2.1 Corporate Bonds

Corporate Bond Type		2020 Unsecured Corporate Bonds, Phase I	2020 Secured Corporate Bonds, Phase I
Issue date		January 1, 2020	January 1, 2020
Denomination		NT\$10,000,000	NT\$10,000,000
Issuing and transaction location		Market (listed)	Market (listed)
Issue price		Issue by denomination	Issue by denomination
Total price		NT\$2,000,000,000	NT\$2,000,000,000
Coupon rate		0.00%	0.00%
Tenor		7 years Maturity: January 1, 2027	7 years Maturity: January 1, 2027
Guarantee agency		None	None
Consignee		XXX Bank	XXX Bank
Underwriting institution		None	None
Certified lawyer		None	None
CPA		None	None
Repayment method		Repayment in lump sum upon maturity	Repayment of 50% of the principal in the sixth year and the remaining 50% in the seventh year
Outstanding principal		NT\$2,000,000,000	NT\$2,000,000,000
Terms of redemption or advance repayment		None	None
Restrictive clause		None	None
Name of credit rating agency, rating date, rating of corporate bonds		Rating agency: XXX Co., Ltd. Rating date: December 1, 2019 Credit rating: twAAA	Rating agency: XXX Co., Ltd. Rating date: December 1, 2019 Credit rating: twAAA
Other rights attached	As of the printing date of this annual report, converted amount of (exchanged or subscribed) ordinary shares, GDRs or other securities	N/A	N/A
	Issuance and conversion (exchange or subscription) method	None	None

Issuance and conversion, exchange or subscription method, issuing condition dilution, and impact on existing shareholders' equity	None	None
Transfer agent	None	None

4.2.2 Convertible Bonds

Corporate bond type		3 rd Unsecured Convertible Corporate Bond		
Item	Year	2018	2019	As of the printing date of this annual report
Market price of the convertible bond	Highest	XXX.XX	XXX.XX	XXX.XX
	Lowest	XXX.XX	XXX.XX	XXX.XX
	Average	XXX.XX	XXX.XX	XXX.XX
Convertible Price		NT\$XX.X	NT\$XX.X	NT\$XX.X
Issue date and conversion price at issuance		Issue Date: 2018/1/1 Conversion price at issuance: NT\$XX.X/share		Issue Date: 2018/1/1 Conversion price at issuance: NT\$XX.X/share
Conversion methods		Issuing of new stocks		Issuing of new stocks

4.2.3 Exchangeable Bonds

Corporate bond type		3 rd Unsecured Convertible Corporate Bond		
Item	Year	2018	2019	As of the printing date of this annual report
Amount of holding target		XX	XX	XX
Exchangeable price		NT\$XX.X	NT\$XX.X	NT\$XX.X
Market price of the exchangeable bond	Highest	XXX.XX	XXX.XX	XXX.XX
	Lowest	XXX.XX	XXX.XX	XXX.XX
	Average	XXX.XX	XXX.XX	XXX.XX
Issue date		2018/1/1		
Exchangeable target		XXX		

4.2.4 Shelf Registration for Issuing Bonds

Expected to raise and total amount of issuance	
Total amount issued	
Total amount remaining	
Expected issue date for remaining	

4.2.5 Corporate Bonds with Warrants

Types of bonds with warrants	Corporate bonds with warrants, Phase I	Corporate bonds with warrants, Phase I
Issue date		
Type and amount when executing		
Expiry date		
Methods of executing		
Exercise price		
Terms of restricted executing		
Unexecuted warrants balance		
Ratio of unexecuted warrants to outstanding shares		

4.3 Global Depository Receipts

Item	Issue date	January 1, 2019	January 1, 2020
Issuance and listing		NYSE	NYSE
Total amount		US\$X,XXX,XXX	US\$X,XXX,XXX
Unit issuing price		US\$XX.XX	US\$XX.XX
Units issued		X,XXX,XXX	X,XXX,XXX
Source of negotiable securities		The Company's common shares held by the original shareholders	The Company's common shares held by the original shareholders

Amount of negotiable securities		XX,XXX,XXX	XX,XXX,XXX	
Rights and obligations of GDR holders		Same as those of common share holders	Same as those of common share holders	
Trustee		None	None	
Depository bank		OOO bank	OOO bank	
Custodian bank		OOO bank	OOO bank	
Outstanding balance		X,XXX,XXX	X,XXX,XXX	
Treatment of expenses incurred at issuance and thereafter		Issue cost: amortized by the issuing companies and shareholder participants according to the actual shares issued Expenses incurred after issuance: amortized by the issuing company		
Important conventions about depository and escrow agreement		The depository institution performs the obligations for GDR holders, while the guarantee agency holds the GDR common shares.		
Market price per unit	20XX	Highest	x.xx	x.xx
		Lowest	x.xx	x.xx
		Average	x.xx	x.xx
	Current year to 20XX/XX/XX	Highest	x.xx	x.xx
		Lowest	x.xx	x.xx
		Average	x.xx	x.xx

4.4 Employee Stock Options

4.4.1 Issuance of Employee Stock Options

Type of Stock Option	XXX th Tranche	XXX th Tranche
Approval date		
Issue date		
Units issued		
Shares of stock options to be issued as a percentage of outstanding shares		
Duration		
Conversion measures		
Conditional conversion periods and percentages		
Converted shares		
Exercised amount		
Number of shares yet to be converted		
Adjusted exercise price for those who have yet to exercise their rights		
Unexercised shares as a percentage of total issued shares		
Impact on possible dilution of shareholdings		

4.4.2 List of Executives Receiving Employee Stock Options and the Top Ten Employees with Stock Options

As of 04/30/2020

	Title	Name	No. of Stock Options	Stock Options as a Percentage of Shares Issued	Exercised				Unexercised				
					No. of Shares Converted	Strike Price (NT\$)	Amount (NT\$ thousands)	Converted Shares as a Percentage of Shares Issued	No. of Shares Converted	Strike Price (NT\$)	Amount (NT\$ thousands)	Converted Shares as a Percentage of Shares Issued	
Executive officers													
Employees													

4.4.3 Issuance of New Restricted Employee Shares

As of 04/30/2020

Type of New Restricted Employee Shares	XXX th Tranche	XXX th Tranche
Date of Effective Registration		
Issue date		
Number of New Restricted Employee Shares Issued		
Issued Price (NT\$)		
New Restricted Employee Shares as a Percentage of Shares Issued		
Vesting Conditions of New Restricted Employee Shares		
Restricted Rights of New Restricted Employee Shares		
Custody Status of New Restricted Employee Shares		
Measures to be Taken When Vesting Conditions are not Met		
Number of New Restricted Employee Shares that have been Redeemed or Bought Back		
Number of Released New Restricted Employee Shares		
Number of Unreleased New Restricted Shares		
Ratio of Unreleased New Restricted Shares to Total Issued Shares (%)		
Impact on possible dilution of shareholdings		

4.4.4 List of Executives Receiving New Restricted Employee Shares and the Top Ten Employees with New Restricted Employee Shares

As of 04/30/2020

	Title	Name	No. of New Restricted Shares	New Restricted Shares as a Percentage of Shares Issued	Released			Unreleased				
					No. of Shares	Issue Price (NT\$)	Amount (NT\$ thousands)	Released Restricted Shares as a Percentage of Shares Issued	No. of Shares	Strike Price (NT\$)	Amount (NT\$ thousands)	Unreleased Restricted Shares as a Percentage of Shares Issued
Executive officers												
Employees												

4.5 Status of New Shares Issuance in Connection with Mergers and Acquisitions

Company Name		
Company address		
Chairman		
Paid-in capital		
Main business		
Major product		
Financial data of the latest year	Total assets	
	Total liabilities	
	Total shareholders' equity	
	Operating revenue	
	Gross profit	
	Operating income (loss)	
	Net income (loss)	
Earnings per share		

4.6 Financing Plans and Implementation

Please refer to page XX of the Chinese annual report.

4.6.1 Finance Plans

A. For each uncompleted public issue or private placement of securities, and for such issues and placements that were completed in the most recent three years but have not yet fully yielded the planned benefits.

B. Source of funds

Issuance	Issue Date	Tenor	Outstanding	Expansion Plan

4.6.2 Implementation

Capital received from previously-issued corporate bonds has been fully executed

according to the required procedures.

V. Operational Highlights

5.1 Business Activities

5.1.1 Business Scope

A. Main areas of business operations

B. Revenue distribution

Unit ; NT\$ thousands

Major Divisions	Total Sales in Year 2019	(%) of Total Sales

C. Main products

D. New products development

XXX new products were launched in 2019. Sales of new products in XXX years accounted for XXX of ○○○. Over the years, we have successfully created many innovative, breakthrough and market-leading products.

5.1.2 Industry Overview

Please refer to page XX of the Chinese annual report.

A. Macroeconomic Environment

B. Current Status and Future Development of ○○○

C. Relationship with Up-, Middle- and Downstream Companies

D. Product Trends and Competition

(1) Product Trends

(2) Product Competition

5.1.3 Research and Development

Please refer to page XX of the Chinese annual report.

A. Research and Development Expenses by the Central Research Institute (CRI) in the Past Two Years

Year	2018	2019	2020 (As of April 30)
Total Expenses (NT\$ thousands)	XXX	XXX	XXX

B. Research and Development Achievements of the CRI in the Past Two Years

Year		2018	2019	2020 (As of April 30)
New Products Launched		XXX	XXX	XXX
Research Reports		XXX	XXX	XXX
Patents	Approved	XXX	XXX	XXX
	Pending	XXX	XXX	XXX

1. Overview of Product Development
2. Overview of Research Achievement
3. Research Scope
4. Other R&D Related Projects
5. Ongoing Projects
6. Launch Date
7. Key Success Factors

5.1.4 Long-term and Short-term Development

Please refer to page XX of the Chinese annual report.

A. Long-term Development

- a. Branding
- b. Manufacturing and R&D
- c. Trade and Distribution
- d. Channel Management
- e. Strategic Alliances and Mergers & Acquisitions

B. Short-term Development

- a. Increasing Brand Value
- b. Improving Profitability
- c. Respecting the Market Mechanism
- d. Being Disciplined and Getting Things Done
- e. Being Socially Responsible

5.2 Market and Sales Overview

5.2.1 Market Analysis

A. Sales (Service) Region

(Division) \ (Area)	Taiwan	Asia	Europe	Americas	Other Area	Total

%

B. Market Share (%) of Major Product Categories in the Last Two Years

C. Market Analysis of Major Product Categories

D. Favorable and Unfavorable Factors in the Long Term

5.2.2 Production Procedures of Main Products

A. Major Products and Their Main Uses

B. Major Products and Their Production Processes

5.2.3 Supply Status of Main Materials

Product Group	Major Raw Materials	Source of Supply	Supply Situation

5.2.4 Major Suppliers and Clients

Please refer to page XX of the Chinese annual report.

A. Major Suppliers in the Last Two Calendar Years

Unit: NT\$ thousands

Item	2018				2019				2020 (As of March 31)			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
2	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
3	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
4	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
5	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
6	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
7	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
8	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
9	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
10	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
	Others				Others				Others			
	Net Total Supplies		100		Net Total Supplies		100		Net Total Supplies		100	

Note 1: Major suppliers refer to those commanding 10%-plus share of annual order volume.

2: For the listed company, the most recent quarterly financial information which has been audited or reviewed by the accountant, prior to the publication date of the annual report, should be disclosed.

B. Major Clients in the Last Two Calendar Years

Unit: NT\$ thousands

Item	2018				2019				2020 (As of March 31)			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
2	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
3	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
4	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
5	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
6	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
7	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
8	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
9	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
10	○○○	XXX	%		○○○	XXX	%		○○○	XXX	%	
	Others				Others				Others			
	Net Sales		100		Net Sales		100		Net Sales		100	

Note 1: Major clients refer to those commanding 10%-plus share of annual order volume.

2: For the listed company, the most recent quarterly financial information which has been audited or reviewed by the accountant, prior to the publication date of the annual report, should be disclosed.

5.2.5 Production in the Last Two Years

Unit: NT\$ thousands

Output Year	2019			2018		
	Capacity	Quantity	Amount	Capacity	Quantity	Amount
Major Products (or by department)						
Total						

5.2.6 Shipments and Sales in the Last Two Years

Unit: NT\$ thousands

Shipments & Sales Major Products (or by departments)	Year	2019				2018			
		Local		Export		Local		Export	
		Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Total									

5.3 Human Resources

Year		2018	2019	Data as of ending data in the current year
Number of Employees				
	Total			
Average Age				
Average Years of Service				
Education	Ph.D.			
	Masters			
	Bachelor's Degree			
	Senior High School			
	Below Senior High School			

5.4 Environmental Protection Expenditure

5.4.1 Total Losses

Any losses suffered by the company in the most recent fiscal year and up to the

annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions):

None

5.4.2 Countermeasures

The Company has taken into consideration any potential risks or violation of environmental and regulations in formulating its environmental management system. The Company also closely monitors developments in the government's environmental policies and regulations to be able to design precautionary measures. For the pollution and wastes generated in the production process, the Company takes the following measures to protect the environment:

- (1) Prevention of water pollution: set up wastewater treatment plants and a water quality analysis laboratory at the XXX factory.
- (2) Prevention of stationary pollution source: waste gas is collected by extraction pipes, and released into the air after the pollutants are removed through the wet scrubber.
- (3) Cleaning of wastes: Works are done in accordance with the Waste Cleaning Plan, the disposal of waste is reported online in a legal way, and wastes are legally cleaned and recycled.

5.5 Labor Relations

5.5.1 Employee Welfare

List any employee benefit plans, continuing education, training, retirement systems, the status of their implementation, and the status of labor agreements and measures for preserving employees' rights and interests:

Please refer to page XX of the Chinese annual report.

5.5.2 Labor Disputes

A. Total Losses

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including labor inspection results found in violation of the Labor Standards Act, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions): None

B. Countermeasures

Please refer to page XX of the Chinese annual report.

5.6 Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions

VI. Financial Information

6.1 Five-Year Financial Summary

6.1.1 Condensed Balance Sheet

A. Consolidated Condensed Balance Sheet – Based on IFRS

Unit: NT\$ thousands

Item	Year	Financial Summary for The Last Five Years					As of the printing date of this annual report
		2015	2016	2017	2018	2019	
Current assets							
Property, Plant and Equipment							
Intangible assets							
Other assets							
Total assets							

Current liabilities	Before distribution						
	After distribution						
Non-current liabilities							
Total liabilities	Before distribution						
	After distribution						
Equity attributable to shareholders of the parent							
Capital stock							
Capital surplus							
Retained earnings	Before distribution						
	After distribution						
Other equity interest							
Treasury stock							
Non-controlling interest							
Total equity	Before distribution						
	After distribution						

B. Consolidated Condensed balance sheet – Based on ROC GAAP

Unit: NT\$ thousands

Item	Year	Financial Summary for The Last Five Years					As of the printing date of this annual report
		2015	2016	2017	2018	2019	
Current assets							
Funds & Long-term investments							
Fixed assets							
Intangible assets							
Other assets							
Total assets							
Current liabilities	Before distribution						

	After distribution						
Long-term liabilities							
Other liabilities							
Total liabilities	Before distribution						
	After distribution						
Capital stock							
Capital surplus							
Retained earnings	Before distribution						
	After distribution						
Unrealized gain or loss on financial instruments							
Cumulative translation adjustments							
Net loss unrecognized as pension cost							
Total equity	Before distribution						
	After distribution						

6.1.2 Condensed Statement of Comprehensive Income/Condensed Statement of Income

A. Consolidated Condensed Statement of Comprehensive Income – Based on IFRS

Item \ Year	Financial Summary for The Last Five Years					As of the printing date of this annual report
	2015	2016	2017	2018	2019	
Operating revenue						
Gross profit						
Income from operations						
Non-operating income						
Non-operating expenses						
Income before tax						
Net income (Loss)						
Other comprehensive income (income after tax)						
Total comprehensive income						
Net income attributable to shareholders of the parent						
Net income attributable to non-controlling interest						
Comprehensive income attributable to Shareholders of the parent						
Comprehensive income attributable to non-controlling interest						
Earnings per share						

B. Consolidated Condensed Statement of Income – Based on ROC GAAP

Unit: NT\$ thousands

Item	Year	Financial Summary for The Last Five Years					As of the printing date of this annual report
		2015	2016	2017	2018	2019	
Operating revenue							
Gross profit							
Income from operations							
Non-operating income							
Non-operating expenses							
Income before tax							
Income from operations of continued segments - after tax							
Income from discontinued operations							
Extraordinary gain or loss							
Cumulative effect of accounting principle changes							
Net income							
Earnings per share							

6.1.3 Auditors' Opinions from 2015 to 2019

Year	Accounting Firm	CPA	Audit Opinion
2015			
2016			
2017			
2018			
2019			

6.2 Five-Year Financial Analysis

A. Consolidated Financial Analysis – Based on IFRS

Item		Year		Financial Analysis for the Last Five Years					As of the printing date of this annual report
		2015	2016	2017	2018	2019			
Financial structure (%)	Debt Ratio								
	Ratio of long-term capital to property, plant and equipment								
Solvency (%)	Current ratio								
	Quick ratio								
	Interest earned ratio (times)								
Operating performance	Accounts receivable turnover (times)								
	Average collection period								
	Inventory turnover (times)								
	Accounts payable turnover (times)								
	Average days in sales								
	Property, plant and equipment turnover (times)								
	Total assets turnover (times)								
Profitability	Return on total assets (%)								
	Return on stockholders' equity (%)								
	Pre-tax income to paid-in capital (%)								
	Profit ratio (%)								
	Earnings per share (NT\$)								
Cash flow	Cash flow ratio (%)								
	Cash flow adequacy ratio (%)								
	Cash reinvestment ratio (%)								
Leverage	Operating leverage								
	Financial leverage								
Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)									

B. Consolidated Financial Analysis – Based on ROC GAAP

Item		Year		Financial Analysis for the Past Five Years				
		2015	2016	2017	2018	2019		
Financial structure (%)	Debt Ratio							
	Ratio of long-term capital to fixed assets							
Solvency (%)	Current ratio							
	Quick ratio							
	Interest earned ratio (times)							
Operating performance	Accounts receivable turnover (times)							
	Average collection period							
	Inventory turnover (times)							
	Accounts payable turnover (times)							
	Average days in sales							
	Fixed assets turnover (times)							
	Total assets turnover (times)							
Profitability	Return on total assets (%)							
	Return on stockholders' equity (%)							
	Ratio to issued capital (%)	Operating income						
		Pre-tax income						
	Profit ratio (%)							
Earnings per share (NT\$)								
Cash flow	Cash flow ratio (%)							
	Cash flow adequacy ratio (%)							
	Cash reinvestment ratio (%)							
Leverage	Operating leverage							
	Financial leverage							
Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)								

6.3 Supervisors' /Audit Committee's Report for the Most Recent Year

To: The General Meeting of Shareholders as of year 2020

The undersigned has duly audited the Operating Report, Financial Statements and Schedule of Earnings Distribution prepared by the Board of Directors for the year of 2019, and found the same to be true and correct. Therefore, the Supervisors' Report is hereby issued in accordance with Article 219 of Company Law.

○○○○ Corporation

Supervisors: ○○○

(Date)

6.4 Financial Statements for the Years Ended December 31, 2019 and 2018, and Independent Auditors' Report

Please refer to page XX of the Chinese annual report.

6.5 Financial Statements for the Years Ended December 31, 2019 and 2018, and Independent Auditors' Report

Please refer to page XX of the Chinese annual report.

VII. Review of Financial Conditions, Financial Performance, and Risk Management

7.1 Analysis of Financial Status

Unit: NT\$ thousands

Item \ Year	2019	2018	Difference	
			Amount	%
Current Assets				
Fixed Assets				
Other Assets				
Total Assets				
Current Liabilities				
Long-term Liabilities				
Total Liabilities				
Capital stock				
Capital surplus				
Retained Earnings				
Other Adjustments				
Total Stockholders' Equity				
Analysis of changes in financial ratios:				

- **Effect of changes on the company's financial condition:** The Company's financial condition has not changed significantly.
- **Future response actions:** Not applicable

7.2 Analysis of Financial Performance

Unit: NT\$ thousands

Item \ Year	2019	2018	Difference	
			Amount	%
Gross Sales				
Less: Sales Returns				
Sales Allowances				
Net Sales				
Cost of Sales				
Gross Profit				
Operating Expenses				
Operating Income				
Non-operating Income and Gains				
Non-operating Expenses and Losses				
Income Before Tax				
Tax Benefit (Expense)				
Cumulative Effect of Change in Accounting Principles				
Analysis of changes in financial ratios:				

- **Effect of changes on the company's future business:** The Company's business scope has not changed significantly.
- **Future response actions:** Not applicable.

7.3 Analysis of Cash Flow

7.3.1 Cash Flow Analysis for the Current Year

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	Cash Outflow (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
Analysis of change in cash flow in the current year:					

7.3.2 Remedy for Cash Deficit and Liquidity Analysis

Item	Year	2019	2018	Variance (%)
	Cash Flow Ratio (%)			
Cash Flow Adequacy Ratio (%)				
Cash Reinvestment Ratio (%)				
Analysis of financial ratio change:				

7.3.3 Cash Flow Analysis for the Coming Year

Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (Inflow) (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans

7.4 Major Capital Expenditure Items

7.4.1 Major Capital Expenditure Items and Source of Capital

Unit: NT\$ thousands

Project	Actual or Planned Source of Capital	Actual or Planned Date of Completion	Total Capital	Actual or Expected Capital Expenditure			
				2019	2020	2021	2022

7.4.2 Expected Benefits

A. Estimated Increase in Production, Sales, and Gross Profits

Unit: NT\$ thousands

Year	Item	Quantity of Production	Quantity of Sales	Amount of Sales	Gross Profit

B. Other Benefits : None.

7.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

Unit:

Remarks Item	2019 Income (Loss) Amount	Policies	Reasons for Gain or Loss	Action Plan	Investment Plan for the Next 12 Months

7.6 Analysis of Risk Management

7.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

(1) Interest rate

In 2019, the interest expenses of the Company represented XX% of annual revenue. Going forward, the Company will continue to carefully monitor interest rate movements, adopt proper hedging strategies, and make use of capital markets financing instruments to ensure that our financing costs are at a comparatively low level.

(2) Foreign exchange rates

The income/loss from foreign exchange transactions in 2019 was an amount equivalent to XX% of total operating income. The Company has a clear operating strategy and risk control procedure to respond to changes in the spot exchange rate, stays in close contact with financial institutions, and adjusts its foreign exchange strategy to minimize the risk of exchange rate accordingly.

(3) Inflation

The impact of inflation does not currently have a significant impact on the Company's profits and business operations.

7.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

The Company did not engage in any high-risk or high-leveraged investments. The transactions and procedures related to lending and endorsement are based on the Company's "Procedures for Lending" and "Procedures for Endorsement Guarantee". Furthermore, derivative transactions follow the "Procedures for Acquisition and Disposal of Assets".

7.6.3 Future Research & Development Projects and Corresponding Budget

Research Projects	Completion (%)	Expected Research Expenditure	Expected Completion Schedule	Major Risk Factors

7.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

The Company consistently pays close attention to any changes in local and foreign policies and makes appropriate amendments to our systems when necessary. During 2019 and as of the date of publication of this annual report, changes in related laws have not had a significant impact on our operations.

7.6.5 Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales

The Company attaches great importance to improvements in technology and carefully monitors market trends and assesses the impact they may have on the company's operations.

7.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

Since its inception, the Company has consistently maintained an ethical business philosophy and fulfilled its social responsibilities. Aside from working to strengthen internal management and conforming to all relevant corporate governance requirements, the Company has also organized numerous public welfare activities.

7.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans

The Company has no ongoing merger and acquisition activities. In considering future M&A activities, the Company will evaluate their efficiency, risks, vertical integration

and other factors in accordance with its internal control system.

7.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans

Any expansion of the Company's facilities will be subject to careful evaluation by a special task force in accordance with the Company's internal control system.

7.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

The Company has consistently focused on identifying alternative sources for purchasing, and has worked to diversify its customer base in order to reduce the concentration of sales.

7.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%

The shareholdings of the Company's directors and supervisors have been stable during the last few years, and there have been no major transfers or swaps of shares.

7.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights

The structure of our principal shareholders is solid. A strong professional management team is in place to maximize both shareholders and the Company's best interest. Accordingly, we believe that the risk of changing in management rights that would cause damage to the Company is mitigated. In addition, our risk management department is responsible to monitor any related risks and report to the Board. Our policy is to maintain a steady ownership and management structure. As of the date of this Annual Report, such risks were not identified by the Company.

7.6.12 Litigation or Non-litigation Matters

(1) Major ongoing lawsuits, non-lawsuits or administrative lawsuit: None.

(2) Major ongoing lawsuits, non-lawsuits or administrative lawsuits caused by directors, supervisors or shareholders with over 10% shareholdings: None.

7.6.13 Other Major Risks

(1) Market risk

The Company's available-for-sale assets are publicly traded securities, with fair values that are affected by changes in market prices. Significant market risks are mitigated through the Company's careful selection of its investment holdings. In addition, the Company uses forward exchange contracts to offset the exchange rate fluctuations of net assets, net liabilities and/or other firm commitments. As such, no significant market risk is anticipated.

(2) Credit risk

The Company is exposed to credit risk on default by counter-parties to forward contracts. Contracts with positive fair values at the balance sheet date are evaluated for credit risk. As a result, no material losses resulting from counter-party defaults are anticipated.

(3) Liquidity risk

The Company's available-for-sale financial instruments are publicly traded in an active market and can be sold at their fair values. In addition, the Company has enough operating capital to meet cash demands. As such, no significant demand for additional cash is anticipated.

VIII. Special Disclosure

8.1 Summary of Affiliated Companies

Please refer to page XX of the Chinese annual report.

Item	(Year) (Number of Times) Private Placement Issue Date: XXX	(Year) (Number of Times) Private Placement Issue Date: XXX
Securities under private placement		
Date of resolution and approved quantity		
Basis and rationale		

for price setting										
Selection method of specified parties										
Reasons for private placement										
Date of payment and completion										
Information on contributing parties	Target	Eligibility	Quantity Purchased	Relationship with the Company	Participation in Company Operations	Target	Eligibility	Quantity Purchased	Relationship with the Company	Participation in Company Operations
Actual purchase (or conversion) price										
Difference between the actual purchase (or conversion) price and the reference price										
Impact of private placement on shareholders' equity (ex. causing an increase in accumulated losses)										
Use of funds from private placement and progress of proposed plans										
Effectiveness of private placement										

8.2 Private Placement Securities in the Most Recent Years:

Name of Subsidiary	Stock Capital Collected	Fund Source	Shareholding Ratio of the Company	Date of Acquisition or Disposition	Shares and Amount Acquired	Shares and Amount Disposed of	Investment Gain (Loss)	Shareholdings and Amount in Most Recent Year	Mortgage	Endorsement Amount Made for the Subsidiary	Amount Loaned to the Subsidiary