

MediaTek Inc.

2012 Annual General Shareholders' Meeting Minutes

- 1. Time:** 9:00 a.m., June 13, 2012
- 2. Place:** International Convention Center, MediaTek
No. 1, Du-Shing Road One, Science-Based Industrial
Park, Hsin-Chu City, Taiwan, R.O.C.
- 3. Attendance:** Attending shareholders and proxy representing
928,492,587 shares accounted for 81.46% of the
Company's total outstanding shares (deducting
non-voting shares as in Article 179 of the Company
Law)
- 4. Chairman:** Mr. Ming-kai Tsai **Recorder:** Ms. Jane Chen
- 5. Call Meeting to Order:** The aggregate shareholding of the presenting
shareholders constituted a quorum.
- 6. Chairman's Address:** Omitted.

7. Reporting Items:

Report item (1)

Subject: MediaTek's 2011 Business Report. Please resolve your decision.

Descriptions: MediaTek's 2011 Business Report is attached as page 9, Attachment
1.

Resolved.

Report item (2)

Subject: The Supervisors have duly reviewed MediaTek's 2011 Business
Report, Financial Statements, and earnings allocation. Please
accept the above-mentioned Business Report and Financial
Statements.

Descriptions: The 2011 Supervisors' Review Report is attached as page 10,
Attachment 2.

Resolved.

Report item (3)

Subject: Report on the 2011 Company's endorsements and guarantees.
Please resolve your decision.

Description: Detailed items and amounts are listed below (as of December 31, 2011)

Endorsee	Relationship with MediaTek Inc. (Note 1)	Outstanding amount of the endorsement	Note
MediaTek Wireless Inc. (USA)	100% owned subsidiary	NTD 76,628,520 (USD 2,529,829)	Lease contract guarantee
MTK Wireless Limited (UK)	100% owned subsidiary	NTD 26,123,136 (GBP 556,194)	
Gaintech Co. Limited	100% owned subsidiary	NTD 15,000,000,000	Bank financing guarantee
Core Tech Resources Inc.	100% owned subsidiary	NTD 2,000,000,000	
MediaTek (HK) Inc.	100% owned subsidiary	NTD 7,000,000,000	
Ralink Technology Corp.	100% owned subsidiary	NTD 67,925,325 (USD 2,242,500)	IP procurement performance bond

Note 1:

The Company's Board of Directors authorized the Chairman of the Board to provide endorsements or guarantees for amounts under NTD 300 million on August 28, 2008, but the endorsee or guarantee is limited to the company's 100% owned subsidiaries.

Note 2:

For the year ended December 31, 2011, net increase of endorsement amounted for Gaintech Co. Limited is NTD 15,000,000,000, Core Tech Resources Inc. is NTD 2,000,000,000, MediaTek (HK) Inc. is NTD 7,000,000,000, Ralink Technology Corp. is USD 2,242,500.

Resolved.

Report item (4)

Subject: Share Buyback Execution Report. Please resolve your decision.

Description:

Topic	Explanation
Second Estimation of Share Buyback Status	
Board of Director resolution	07/13/2011
Purpose of the share buyback	To stabilize stock price by maintaining company credibility and shareholders rights.
Type of share buyback	Common stock
Total amount allocated for share buyback	NTD 82,017,132,833
Buyback period	07/14/2011~09/12/2011

Estimated number of buyback shares (as percentage of total outstanding shares)	8,000,000 shares (0.73%)
Estimated buyback price interval	Buyback stock price is between NTD 247 to NTD 371. It is further resolved by the Board of Directors to continue buyback of shares if the stock price falls under NTD 247.
Method of Buyback	Buyback shares from stock exchange
Second Actual Share Buyback Status	
Buyback period	07/18/2011-09/06/2011
Number of buyback shares (as a percentage of total shares outstanding)	8,000,000 shares (0.73%)
Total amount for buyback shares	NTD 2,110,271,228
Average price per buyback share	NTD 263.78
Number of shares that have been cancelled and transferred	8,000,000 shares have been cancelled
Accumulated number of the Company's shares held	0 shares
Ratio of accumulated number of the Company's shares to the total number of shares issued	0%

Resolved.

8. Acknowledgement Items:

Acknowledgement item (1)

Subject: Adoption of the 2011 Business Report and Financial Statements

Descriptions:

- (1). MediaTek's 2011 Financial Statements, including the balance sheets, income statement, statements of changes in shareholders' equity, and statements of cash flows, were audited by independent auditors Shao-Pin Kuo and Hsin-Min Hsu of Ernst & Young. The report issued by the independent auditors has been approved at the 20th meeting of the 5th Board of Directors.
- (2). For the 2011 Business Report, Independent Auditors' Report, and the aforementioned Financial Statements, please refer to

page 9, Attachment 1, page 11-15, Attachment 3, and page 16-20, Attachment 4.

Decision resolved.

Acknowledgement item (2)

Subject: Adoption of the Proposal for Distribution of 2011 Profits

Descriptions:

- (1). The Board has adopted a Proposal for Distribution of 2011 Profits.
- (2). Please refer to the 2011 profit distribution table below:

Descriptions	Amount (NTD)	Remarks
Net profit for 2011	\$13,623,070,060	
Less: Legal reserve	1,362,307,006	
Plus: Special reserve	1,987,808,502	
2011 Earnings available for distribution	14,248,571,556	
Plus: Unappropriated retained earnings for previous years	42,931,912,206	
Earnings available for distribution	57,180,483,762	
Distribution items:		
Dividend to common shareholders	10,328,124,393	Cash dividend of NT\$9 per share; No stock dividend.
Unappropriated retained earnings	46,852,359,369	

Note:

1. After expensing employee cash bonuses of NT\$1,714,242,506.
2. Remuneration to Directors and Supervisors was NT\$28,497,144 (0.20% of 2011 earnings available for distribution). There is a difference of NT\$3,810,351 with the estimated Directors' compensation. The estimate was calculated based on 0.173% of the distributable earnings while the actual compensation was calculated based on 0.20% of the distributable earnings. The difference would be considered as changes in accounting estimate and be booked in the next fiscal year's financial report, after being approved in the annual shareholders' meeting.
3. The Board of Directors is authorized to determine the cash dividend payout date.
4. The Board of Directors shall be authorized by the annual meeting of shareholders to adjust the dividend payout ratio, shall that ratio be impacted by events such as share buybacks, the transfer or cancellation of treasury stocks, or the exercise of employee stock options.

Chairman: Ming-Kai Tsai President: Ching-Jiang Hsieh Chief Financial Officer: David Ku

Decision resolved.

9. Proposed Resolutions and Election:

Proposal (1)

Subject: Amendment to the Company's "Articles of Incorporation". Please proceed to discuss.

Descriptions:

- (1). To comply with regulations and to accommodate operational requirements, the Company's "Articles of Incorporation" will

be amended. The amendments have been approved at the 20th and 23rd meetings of the 5th Board of Directors.

- (2). For the comparison table of articles being amended, please refer to page 21, Attachment 5.

Decision resolved.

Proposal (2)

Subject: Amendment to the Company's "Rules for Election of Directors and Supervisors". Please proceed to discuss.

Descriptions:

- (1). To adopt the new candidate nomination system for directors and supervisors, the Company's "Rules for Election of Directors and Supervisors" shall be amended. The amendments have been approved at the 20th meeting of the 5th Board of Directors.
- (2). For the comparison table of articles being amended, please refer to page 23, Attachment 6.

Decision resolved.

Proposal (3)

Subject: Amendment to the Company's "Procedures Governing the Acquisition or Disposition of Assets". Please proceed to discuss.

Descriptions:

- (1). The Company proposed to amend "Procedures Governing the Acquisition or Disposition of Assets" in accordance with changes to the guidelines announced by the Financial Supervisory Commission of Executive Yuan on February 13, 2012 (Regulation No. 1010004588) and due to practical operational requirements. The Company's amendments have been approved in the 20th meeting of the 5th Board of Directors.
- (2). As matters regarding the Company's management guidelines for foreign exchange transactions have been incorporated into Section 3 "Engaging in Derivatives Trading" of the "Procedures Governing the Acquisition or Disposition of Assets," and since it is not a document required by law, the Company's "Foreign Exchange Transaction Management Procedure" is hereby abolished.
- (3). For the comparison table of articles being amended, please refer to page 24, Attachment 7.

Decision resolved.

Proposal (4)

Subject: Proposal to hold the re-election of the 6th Board of Directors and Supervisors. Please proceed to discuss.

Descriptions:

- (1). The term of the members of the 5th Board of Directors and Supervisors will expire on June 9, 2012. As there is inadequate time to hold an immediate re-election of the Board, we propose to extend the current term in accordance with the provisions of Paragraph 2, Article 195 of the Company Act until the day the 2012 Annual General Shareholders' Meeting is held. In addition, pursuant to the provisions of the Company Act and the Company's Articles of Incorporation, seven Directors (including two Independent Directors) and three Supervisors shall be elected at the 2012 Annual General Shareholders' Meeting for a three-year term commencing immediately following the conclusion of the meeting, i.e. from June 13, 2012 to June, 12 2015.
- (2). For the list of candidates for the two seats of Independent Directors, please refer to the Attachment 8 on page 31.
- (3). Election requested.

Decision resolved:

Position	ID / shareholder NO	Name/Representative	Voted Shares
Directors	1	Ming-Kai Tsai	932,042,923
	2	Jyh-Jer Cho	854,910,734
	11	Ching-Jiang Hsieh	799,855,279
	109274	Cheng-Yaw Sun	750,992,460
	F10283****	Kenneth Kin	728,568,771
Independent Directors	1512	Chung-Yu Wu	646,778,987
	A10250****	Peng-Heng Chang	646,778,987
Supervisors	2471	MediaTek Capital Corp. (Statutory representative: Chung-Lang Liu)	776,137,503
	23053	National Taiwan University (Statutory representative: Ming-Je Tang)	758,138,338
	1955	Paul Wang	755,001,517

Proposal (5)

Subject: Proposal to remove the limitation on directors for non-compete reasons is submitted for resolution. Please proceed to discuss.

Descriptions:

- (1). According to Article 209 of the Company Law, a Director who conducts affairs within the business scope of the Company for himself or for others shall report the essential activities of the conduct in the Shareholders' Meeting and obtain the shareholders' approval.
- (2). It is proposed to suspend the competition restriction on MediaTek's newly elected Directors and representatives given the business needs, as listed below:
 1. Director Ming-kai Tsai is the Chairman of Jmicron Technology Corporation and Andes Technology Corporation. And, as well as the Director of Mobitek Communication Corporation.
 2. Director Ching-Jiang Hsieh is the Chairman of Ralink Technology Corp.
 3. Director Cheng-Yaw Sun is the Chairman of hiSoft Technology International Limited.
 4. Director Kenneth Kin is the Director of Standard Microsystems Corporation (USA) and SVTC Technologies, LLC (USA). And, as well as the Independent Director of eMemory Technology Inc. and AzureWave Technologies, Inc.
 5. Independent Director Chung-Yu Wu is the Independent Director of Global Unichip Corp.
 6. Independent Director Peng-Heng Chang is the President & CEO of Motech Industries, Inc.

Decision resolved.

10. Special Motion : None.

11. Meeting Adjourned

Attachment

Attachment 1

MediaTek Inc. 2011 Business Report

Dear Shareholders:

2011 remained a year of intense competition and challenges for the IC design industry and also MediaTek. Consumers were uncertain and cautious about the global economy, which limited the growth momentum in the end consumer markets. In order to stimulate demand, consumer electronics manufacturers aggressively launched new products with more added values, leading to even more fierce competition in terms of product specifications and prices. Faced such rapid industry changes and intensifying market competition, MediaTek employees endeavor to excel in their work, achieving a net consolidated revenue of NT\$86.9 billion and an earnings per share of NT\$12.35 for the fiscal year of 2011.

MediaTek has long devoted itself to provide a wide range of high cost-performance products which were well received by customers and were able to sustain leading market shares. Aiming at the fast-increasing demand for smartphones in both China and emerging countries, MediaTek is forging ahead with the development of new product lines by extending mobile communications technology offerings from 3G to 4G smartphones. In 2011, we achieved a breakthrough success in smartphone sales and expect to see a huge business potential by triggering another wave of smartphones replacing feature phones. In addition, MediaTek has made considerable progress on the telecommunications carrier front. Our 3G modems have been tested and certified by European and North American operators, demonstrating superior quality and stability. We will embrace the same philosophy we have always adopted to continue to provide high quality and competitive products as well as offer outstanding technical services to help our customers seize the initiative in the fiercely competitive marketplace, which we anticipate to provide the impetus for MediaTek's next wave of growth.

On the product development front, over the past year MediaTek continued to launch high cost-performance smartphone solutions, multimedia single chips for handsets, EDGE chips for handsets, four-in-one single chips that integrate Wi-Fi/Bluetooth/GPS/FM, the world's first single-chip solution that supports 120Hz polarized/shutter type 3D technology, and the world's smallest 802.11n Wi-Fi single chips, all of which were widely adopted by our customers. Furthermore, the acquisition of Ralink Technology Corp., announced in March 2011, has further strengthened MediaTek's network communications products, such as wireless networking, Ethernet, xDSL and a full range of communications chip solutions. We expect a multiplicative effect in MediaTek's product offerings with expansion into the wired/wireless home or enterprise network terminal product market and expect to expand our global operations and further enhance our worldwide leading position.

MediaTek has continued to dedicate resources to research on advanced technology, emphasize the importance of employee training, enhance capability of R&D team and develop management talent with both the technological knowledge and innovative vision required for the company's next phase of development. MediaTek was named an outstanding enterprise in Council of Labor Affairs' annual "Employee Assistance Programs." With respect to corporate social responsibility, MediaTek has also been actively providing sponsorships in technological, environmental and educational projects, and has been recognized by the U.K.'s Financial Times through its Boldness in Business Award. On the R&D front, MediaTek's achievements have continued to receive acclaim from professional organizations both at home and abroad. One such honor was the 5th National Telecom Award 2011 – "Best Technology for Mobile Phone" presented by CMAI Association of India. MediaTek also published five research papers on ISSCC in 2011, a record high for the country's industrial community, thus becoming the first and only Taiwanese enterprise to have papers accepted for publication on ISSCC for nine consecutive years.

Looking forward, the way consumers use electronic products has been re-shaped by the rise of new technologies and the widespread adoption of new applications. The concept of wireless communications and digital homes will become even more deeply ingrained in the minds of consumers and in their households and demand for entertainment, games, software, communications and information services is also expected to demonstrate explosive growth. In an industry so full of opportunities, we respond to each challenge by fully understanding the needs of our customers and aggressively creating new market potential. We will continue to strengthen our R&D and marketing capabilities, and through our teamwork and solid execution ability, MediaTek is confident in pursuing the company's next phase of growth and in generating fruitful results for our shareholders, customers and employees alike. Once again we thank our shareholders for the generous and continued support.

Chairman: Ming-Kai Tsai

President: Ching-Jiang Hsieh

Chief Financial Officer: David Ku

Attachment 2

MediaTek Inc. Supervisors' Report

The Financial Statements of MediaTek Inc. in fiscal year 2011 have been duly audited by Ernst & Young and are believed to fairly represent the financial standing, operation results and cash flows of MediaTek Inc. We, the Supervisors, have duly reviewed the Financial Statements along with the Business Report and proposal for profits distribution and hereby verify that they comply with the requirements of Company Law and relevant regulations. This report is duly submitted in accordance with Article 219 of the Company Law, and we hereby submit this report.

To MediaTek Inc. 2012 Annual General Shareholders' Meeting

MediaTek Inc.

Supervisor: Paul Wang (MediaTek Capital Corp., representative)

Supervisor: Chung-Lang Liu (National Tsing Hua University, representative)

Supervisor: Yan-Kuin Su (National Cheng Kung University, representative)

March 21, 2012

Attachment 3

Independent Auditors' Report

(English translation of a report originally issued in Chinese)

To the Board of Directors and Shareholders
of MediaTek Inc.

We have audited the accompanying balance sheets of MediaTek Inc. as of December 31, 2011 and 2010, and the related statements of income, changes in shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China (R.O.C.). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MediaTek Inc. as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended, in conformity with requirements of the Business Entity Accounting Act and Regulation on Business Entity Accounting Handling with respect to financial accounting standards, Guidelines Governing the Preparation of Financial Reports by Securities Issuers, and accounting principles generally accepted in the R.O.C.

The Company has prepared consolidated financial statements as of December 31, 2011 and 2010 and for the years then ended. We have expressed an unqualified opinion on those consolidated financial statements.

Ernst & Young
CERTIFIED PUBLIC ACCOUNTANTS
March 21, 2012
Taipei, Taiwan
Republic of China

Notice to Readers

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

The accompanying financial statements are intended only to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the R.O.C. and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the R.O.C.

MEDIATEK INC.

BALANCE SHEETS

As of December 31, 2011 and 2010

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Notes	2011	2010	LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2011	2010
Current assets				Current liabilities			
Cash and cash equivalents	2, 4(1)	\$ 27,137,268	\$ 43,169,400	Accounts payable		\$ 6,696,357	\$ 5,944,114
Held-for-trading financial assets-current	2, 4(2)	-	46,271	Payables to related parties	5	119,190	378,408
Financial assets designated as at fair value through profit or loss-current	2, 4(3)	393,510	122,100	Income tax payable	2, 4(20)	470,032	940,351
Available-for-sale financial assets-current	2, 4(4)	1,627,536	2,236,473	Accrued expenses	2, 4(15)	12,856,882	14,503,360
Bond portfolios with no active market-current	2, 4(8)	1,000,000	-	Other current liabilities		598,081	393,068
Accounts receivable, net	2, 4(5)	3,200,385	3,970,346	Total current liabilities		20,740,542	22,159,301
Receivables from related parties, net	5	61,418	45,165				
Other receivables	4(6)	2,156,836	985,513	Other liabilities			
Inventories, net	2, 4(7), 5	6,278,630	6,442,692	Accrued pension liabilities	2, 4(11)	190,538	107,227
Prepayments		305,418	1,981,284	Deposits received		5,969	876
Other current assets		265,275	492,113	Deferred income tax liabilities-noncurrent	2, 4(20)	821,539	659,967
Deferred income tax assets-current	2, 4(20)	72,475	71,887	Total other liabilities		1,018,046	768,070
Restricted assets-current	6	9,947	9,917	Total liabilities		21,758,588	22,927,371
Total current assets		42,508,698	59,573,161				
Funds and investments	2, 4(8)			Shareholders' equity			
Financial assets designated as at fair value through profit or loss-noncurrent		-	879,477	Capital	4(12)		
Available-for-sale financial assets-noncurrent		1,592,572	1,489,399	Common stock		11,475,108	10,999,317
Bond portfolios with no active market-noncurrent		-	1,000,000	Capital collected in advance		83	365
Investments accounted for using the equity method		79,575,986	56,166,531	Capital reserve			
Total funds and investments		81,168,558	59,535,407	Additional paid-in capital in excess of par	4(14)	23,161,573	11,051,733
Property, plant and equipment	2, 4(9), 5			Treasury stock transaction	4(14)	941,301	785,420
Land		888,722	888,722	Donated assets	4(14)	1,260	1,260
Buildings and facilities		5,768,329	5,609,034	Long-term investment transaction	4(8), 4(14)	225,366	207,315
Machinery and equipment		98,833	99,449	Employee stock option	2, 4(8), 4(15)	276,382	213,676
Computer and telecommunication equipment		798,950	643,376	Total capital reserve		24,605,882	12,259,404
Testing equipment		2,014,374	1,905,310	Retained earnings			
Miscellaneous equipment		158,006	157,549	Legal reserve	4(13)	21,710,122	18,613,978
Total cost		9,727,214	9,303,440	Special reserve	4(16)	4,198,121	355,131
Less : Accumulated depreciation		(3,325,826)	(2,758,795)	Undistributed earnings	4(16)	56,554,982	73,739,007
Add : Construction in progress		54,736	116,079	Other adjustments			
Prepayments for equipment		46,995	83,522	Cumulative translation adjustments	2, 4(8)	(2,253,504)	(4,380,730)
Property, plant and equipment, net		6,503,119	6,744,246	Unrealized gain (loss) on financial instruments	2, 4(8)	43,192	182,608
Intangible assets	2, 4(10)			Treasury stock	2, 4(17)	(55,970)	(55,970)
Patents		121,990	265,526	Total shareholders' equity		116,278,016	111,713,110
Software		126,410	221,684				
Goodwill		6,817,211	6,817,211				
IPs and others		649,016	1,318,669				
Total intangible assets		7,714,627	8,623,090				
Other assets							
Refundable deposits		141,602	164,577				
Total other assets		141,602	164,577				
Total assets		\$ 138,036,604	\$ 134,640,481	Total liabilities and shareholders' equity		\$ 138,036,604	\$ 134,640,481

The accompanying notes are an integral part of these financial statements.

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

MEDIATEK INC.

STATEMENTS OF INCOME

For the years ended December 31, 2011 and 2010

(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Notes	2011	2010
Gross sales		\$ 57,285,540	\$ 79,274,483
Less : Sales returns		(26,338)	(670)
Sales discounts		(3,416,836)	(7,285,383)
Net sales	2, 4(18), 5	53,842,366	71,988,430
Cost of goods sold	4(19), 5	(31,773,236)	(32,726,157)
Gross profits		22,069,130	39,262,273
Operating expenses	2, 4(19)		
Selling expenses		(2,065,159)	(2,645,089)
General and administrative expenses		(1,715,355)	(2,362,311)
Research and development expenses		(13,448,835)	(16,987,827)
Total operating expenses		(17,229,349)	(21,995,227)
Operating income		4,839,781	17,267,046
Non-operating income and gains			
Interest income		397,139	347,417
Gain on equity investments, net	2, 4(8)	8,662,095	14,445,432
Foreign exchange gain, net	2	19,498	92,380
Reversal of bad debts		87,757	-
Others		90,939	86,351
Total non-operating income and gains		9,257,428	14,971,580
Non-operating expenses and losses			
Interest expenses		(4,524)	-
Loss on disposal of property, plant and equipment	2	(14,847)	(27,465)
Loss on disposal of investments	4(8)	(7,890)	-
Valuation loss on financial assets	2, 4(2)	(58,295)	(17,482)
Others		(53,105)	-
Total non-operating expenses and losses		(138,661)	(44,947)
Income from continuing operations before income tax		13,958,548	32,193,679
Income tax expense	2, 4(20)	(335,478)	(1,232,242)
Net income		\$ 13,623,070	\$ 30,961,437
Basic Earnings Per Share (in New Taiwan Dollars)	2, 4(21)	<u>Before tax</u> <u>After tax</u>	<u>Before tax</u> <u>After tax</u>
Net income		\$ 12.65 \$ 12.35	\$ 29.57 \$ 28.44
Pro-forma data: (Assuming that the Company's shares owned by its subsidiary were not treated as treasury stock)			
Basic Earnings Per Share (in New Taiwan Dollars)	2, 4(21)	<u>\$ 12.71</u> <u>\$ 12.40</u>	<u>\$ 29.55</u> <u>\$ 28.42</u>
Net income			
Diluted Earnings Per Share (in New Taiwan Dollars)	2, 4(21)	<u>\$ 12.51</u> <u>\$ 12.21</u>	<u>\$ 29.01</u> <u>\$ 27.90</u>
Net income			

The accompanying notes are an integral part of these financial statements.

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

MEDIATEK INC.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2011 and 2010

(Amounts in thousands of New Taiwan Dollars)

Description	Common stock		Capital reserve	Retained earnings			Cumulative translation adjustments	Unrealized gain (loss) on financial instruments	Treasury stock	Total
	Common stock	Capital collected in advance		Legal reserve	Special reserve	Undistributed earnings				
Balance as of January 1, 2010	\$ 10,901,189	\$ -	\$ 8,267,826	\$ 14,943,414	\$ 273,489	\$ 74,894,668	\$ (527,304)	\$ 172,173	\$ (55,970)	\$ 108,869,485
Appropriation and distribution of 2009 earnings (Note 1):										
Legal reserve	-	-	-	3,670,564	-	(3,670,564)	-	-	-	-
Special reserve	-	-	-	-	81,642	(81,642)	-	-	-	-
Cash dividends	-	-	-	-	-	(28,343,090)	-	-	-	(28,343,090)
Stock dividends	21,802	-	-	-	-	(21,802)	-	-	-	-
Bonus to employees - in stock	74,855	-	3,593,106	-	-	-	-	-	-	3,667,961
Net income for the year ended December 31, 2010	-	-	-	-	-	30,961,437	-	-	-	30,961,437
Employee stock option distributed to subsidiaries' employees	-	-	91,476	-	-	-	-	-	-	91,476
Issuance of stock from exercising employee stock options	1,471	365	66,877	-	-	-	-	-	-	68,713
The effects of subsidiaries' shareholding of the Company's stock recorded as treasury stock	-	-	202,226	-	-	-	-	-	-	202,226
Unrealized gain (loss) on financial instruments	-	-	-	-	-	-	-	10,435	-	10,435
Adjustment arising from changes in the percentage of ownership in investees	-	-	37,893	-	-	-	-	-	-	37,893
Cumulative translation adjustments	-	-	-	-	-	-	(3,853,426)	-	-	(3,853,426)
Balance as of December 31, 2010	10,999,317	365	12,259,404	18,613,978	355,131	73,739,007	(4,380,730)	182,608	(55,970)	111,713,110
Appropriation and distribution of 2010 earnings (Note 2):										
Legal reserve	-	-	-	3,096,144	-	(3,096,144)	-	-	-	-
Special reserve	-	-	-	-	3,842,990	(3,842,990)	-	-	-	-
Cash dividends	-	-	-	-	-	(21,999,457)	-	-	-	(21,999,457)
Net income for the year ended December 31, 2011	-	-	-	-	-	13,623,070	-	-	-	13,623,070
Issuance of new shares due to combination	555,336	-	12,259,039	-	-	-	-	-	-	12,814,375
Treasury stock acquired	-	-	-	-	-	-	-	-	(2,109,914)	(2,109,914)
Treasury stock retired	(80,000)	-	(161,410)	-	-	(1,868,504)	-	-	2,109,914	-
Employee stock option distributed to subsidiaries' employees	-	-	88,803	-	-	-	-	-	-	88,803
Issuance of stock from exercising employee stock options	455	(282)	3,321	-	-	-	-	-	-	3,494
The effects of subsidiaries' shareholding of the Company's stock recorded as treasury stock	-	-	155,881	-	-	-	-	-	-	155,881
Unrealized gain (loss) on financial instruments	-	-	-	-	-	-	-	(139,416)	-	(139,416)
Adjustment arising from changes in the percentage of ownership in investees	-	-	844	-	-	-	-	-	-	844
Cumulative translation adjustments	-	-	-	-	-	-	2,127,226	-	-	2,127,226
Balance as of December 31, 2011	\$ 11,475,108	\$ 83	\$ 24,605,882	\$ 21,710,122	\$ 4,198,121	\$ 56,554,982	\$ (2,253,504)	\$ 43,192	\$ (55,970)	\$ 116,278,016

Note 1: Directors' and supervisors' remuneration of NT\$65,907 thousand and employees' bonuses of NT\$12,226,536 thousand had been charged against earnings of 2009.

Note 2: Directors' and supervisors' remuneration of NT\$48,045 thousand and employees' bonuses of NT\$3,863,296 thousand had been charged against earnings of 2010.

The accompanying notes are an integral part of these financial statements.

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

MEDIATEK INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2011 and 2010

(Amounts in thousands of New Taiwan Dollars)

Description	2011	2010
Cash flows from operating activities :		
Net income	\$ 13,623,070	\$ 30,961,437
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	678,986	691,378
Amortization	1,027,349	1,406,083
Bad debt (reversal) provision	(87,757)	129,666
Amortization of financial assets discount or premium	(85)	296
Cash dividends from equity investees	166,503	123,710
(Gain) loss on (recovery) decline in market value and obsolescence of inventories	(588,362)	969,798
Net loss on disposal of property, plant and equipment	14,847	27,465
Net loss on disposal of intangible assets (included in other losses)	74	-
Net gain on equity investments	(8,662,095)	(14,445,432)
Adjustment of valuation on financial assets and liabilities	69,128	(53,306)
Loss on disposal of investments	7,890	-
Deferred income tax	160,984	543,032
Employees' bonuses	1,714,243	3,863,296
Changes in operating assets and liabilities:		
Financial assets designated as at fair value through profit or loss	585,210	(978,500)
Accounts receivable	(126,761)	(1,874,645)
Receivables from related parties	(16,253)	15,416
Other receivables	(186,844)	407,673
Inventories	752,424	(2,342,737)
Prepayments	1,675,866	(1,827,506)
Other current assets	226,838	(190,152)
Accounts payable	752,243	(1,156,899)
Payables to related parties	(259,218)	(49,168)
Income tax payable	(470,319)	93,123
Accrued expenses	(3,360,721)	(781,777)
Other current liabilities	205,013	91,115
Accrued pension liabilities	83,311	19,812
Net cash provided by operating activities	7,985,564	15,643,178
Cash flows from investing activities :		
Increase in restricted deposits	(30)	(3,000)
Increase in available-for-sale financial assets	(1,190,681)	(563,917)
Purchase of property, plant and equipment	(454,463)	(1,573,425)
Proceeds from disposal of property, plant and equipment	-	894
Proceeds from disposal of available-for-sale financial assets	1,822,490	621,000
Increase in intangible assets	(117,203)	(642,855)
Decrease in refundable deposits	22,975	76,744
Net cash provided by (used in) investing activities	83,088	(2,084,559)
Cash flows from financing activities :		
Proceeds from exercise of employee stock options	3,494	68,713
Increase in deposits received	5,093	-
Cash dividends	(21,999,457)	(28,343,090)
Treasury stock acquired	(2,109,914)	-
Net cash used in financing activities	(24,100,784)	(28,274,377)
Net decrease in cash and cash equivalents	(16,032,132)	(14,715,758)
Cash and cash equivalents at the beginning of the year	43,169,400	57,885,158
Cash and cash equivalents at the end of the year	\$ 27,137,268	\$ 43,169,400
Supplemental disclosures of cash flow information :		
Income tax paid during the year	\$ 644,813	\$ 596,087
Interest paid during the year	\$ 4,524	\$ -
Non-cash activities :		
Stock dividends and employees' bonuses capitalized(including additional paid-in capital)	\$ -	\$ 3,689,763
Change in unrealized (loss) gain on financial instruments	\$ (139,416)	\$ 10,435
Cumulative translation adjustments	\$ 2,127,226	\$ (3,853,426)
Adjustments arising from changes in percentage of ownership in investees	\$ 844	\$ 37,893
Adjustments of cash dividends distributed to subsidiaries holding the Company's stock	\$ 155,881	\$ 202,226
Shares issued to acquire a subsidiary	\$ 12,814,375	\$ -

The accompanying notes are an integral part of these financial statements.

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

Attachment 4

**Independent Auditors' Report:
MediaTek Inc. & Subsidiaries**

(English translation of a report originally issued in Chinese)

To the Board of Directors and Shareholders
of MediaTek Inc.

We have audited the accompanying consolidated balance sheets of MediaTek Inc. and its subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China (R.O.C.). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of MediaTek Inc. and its subsidiaries as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended, in conformity with requirements of the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, and accounting principles generally accepted in the R.O.C.

Ernst & Young
CERTIFIED PUBLIC ACCOUNTANTS
March 21, 2012
Taipei, Taiwan
Republic of China

Notice to Readers

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

The accompanying financial statements are intended only to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the R.O.C. and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the R.O.C.

English Translation of Financial Statements Originally Issued in Chinese
MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of December 31, 2011 and 2010
(Amounts in thousands of New Taiwan Dollars)

ASSETS	Notes	2011	2010	LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2011	2010
Current assets				Current liabilities			
Cash and cash equivalents	2, 4(1)	\$ 85,821,438	\$ 85,927,357	Short-term loans	4(13)	\$ 4,089,150	\$ -
Held-for-trading financial assets-current	2, 4(2)	66	46,271	Accounts payable		8,062,967	7,389,844
Financial assets designated as at fair value through profit or loss-current	2, 4(3)	1,617,350	510,422	Payables to related parties	5	958,936	1,029,160
Available-for-sale financial assets-current	2, 4(4)	2,545,354	5,588,972	Income tax payable	2, 4(23)	681,003	1,068,950
Held-to-maturity financial assets-current	2, 4(5)	48,126	-	Accrued expenses	2, 4(19)	15,714,455	15,668,939
Bond portfolios with no active market-current	2, 4(9)	1,000,000	-	Other payables		151,121	16,488
Accounts receivable, net	2, 4(6)	7,360,317	7,164,346	Current portion of long-term payables	4(14)	18,081	-
Receivables from related parties, net	5	23,567	-	Other current liabilities		752,407	612,875
Other receivables	4(7)	3,027,004	1,174,831	Total current liabilities		30,428,120	25,786,256
Inventories, net	2, 4(8)	9,392,282	9,387,649				
Prepayments		689,987	2,169,960	Long-term liabilities			
Other current assets		282,585	493,288	Long-term payables	4(14)	147,662	-
Deferred income tax assets-current	2, 4(23)	220,940	119,215				
Restricted assets-current	6	13,112	13,043				
Total current assets		112,042,128	112,595,354	Other liabilities			
Funds and investments	2, 4(9)			Accrued pension liabilities	2, 4(12)	190,538	107,227
Financial assets designated as at fair value through profit or loss-noncurrent		1,739,337	2,233,070	Deposits received		6,176	973
Available-for-sale financial assets-noncurrent		2,810,668	1,720,495	Deferred income tax liabilities-noncurrent	2, 4(23)	590,934	426,901
Held-to-maturity financial assets-noncurrent		828,422	-	Other liabilities-others		49,351	-
Financial assets carried at cost-noncurrent		2,203,872	1,083,608	Total other liabilities		836,999	535,101
Bond portfolios with no active market-noncurrent		-	1,000,000	Total liabilities		31,412,781	26,321,357
Investments accounted for using the equity method		1,834,664	1,658,511				
Prepayments for long-term investments		-	38,773	Shareholders' equity			
Total funds and investments		9,416,963	7,734,457	Equity attributable to shareholders of the parent			
Property, plant and equipment	2, 4(10)			Capital			
Land		1,055,184	888,722	Common stock	4(15)	11,475,108	10,999,317
Buildings and facilities		6,135,210	5,738,474	Capital collected in advance		83	365
Machinery and equipment		159,305	204,516	Capital reserve			
Computer and telecommunication equipment		1,952,134	1,436,518	Additional paid-in capital in excess of par	4(17)	23,161,573	11,051,733
Testing equipment		2,817,023	2,439,991	Treasury stock transaction	4(17)	941,301	785,420
Miscellaneous equipment		1,126,343	689,195	Donated assets	4(17)	1,260	1,260
Total cost		13,245,199	11,397,416	Long-term investment transaction	4(17)	225,366	207,315
Less : Accumulated depreciation		(4,963,794)	(3,833,975)	Employee stock option	4(17), 4(18)	276,382	213,676
Add : Construction in progress		1,452,404	125,951	Total capital reserve		24,605,882	12,259,404
Prepayments for equipment		76,242	118,425				
Property, plant and equipment, net		9,810,051	7,807,817	Retained earnings			
Intangible assets	2, 4(11)			Legal reserve	4(16)	21,710,122	18,613,978
Trademarks		27,448	-	Special reserve	4(19)	4,198,121	355,131
Patents		256,844	267,490	Undistributed earnings	4(19)	56,554,982	73,739,007
Software		279,424	333,053	Other adjustments			
Goodwill		13,428,387	6,863,129	Cumulative translation adjustments	2	(2,253,504)	(4,380,730)
IPs and others		2,158,556	2,108,663	Unrealized gain(loss) on financial instruments	2	43,192	182,608
Total intangible assets		16,150,659	9,572,335	Treasury stock	4(20)	(55,970)	(55,970)
Other assets				Total shareholders' equity attributable to parent company		116,278,016	111,713,110
Refundable deposits		265,431	261,488	Minority interests		50,311	225
Deferred charges	2	51,379	45,897	Total shareholders' equity		116,328,327	111,713,335
Restricted assets-noncurrent	6	671	17,344				
Other assets	2, 4(12)	3,826	-	Total liabilities and shareholders' equity		\$ 147,741,108	\$ 138,034,692
Total other assets		321,307	324,729				
Total assets		\$ 147,741,108	\$ 138,034,692				

The accompanying notes are an integral part of these financial statements.

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the years ended December 31, 2011 and 2010

(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Notes	2011	2010
Gross sales		\$ 91,480,134	\$ 122,374,147
Less : Sales returns		(44,450)	(45,445)
Sales discounts		(4,578,190)	(8,806,744)
Net sales	2, 4(21), 5	86,857,494	113,521,958
Cost of goods sold	4(22), 5	(47,513,337)	(52,613,892)
Gross profits		39,344,157	60,908,066
Operating expenses	4(22), 5		
Selling expenses		(2,860,530)	(3,160,968)
General and administrative expenses		(2,954,996)	(3,357,947)
Research and development expenses		(21,183,903)	(23,310,531)
Total operating expenses		(26,999,429)	(29,829,446)
Operating income		12,344,728	31,078,620
Non-operating income and gains			
Interest income		1,016,367	586,492
Gain on equity investments, net	2, 4(9)	124,047	180,041
Gain on disposal of investments	2, 4(9)	66,760	7,917
Foreign exchange gain, net	2	332,656	28,366
Reversal of bad debts		62,871	-
Valuation gain on financial assets	2, 4(2)	-	35,667
Others		367,824	414,927
Total non-operating income and gains		1,970,525	1,253,410
Non-operating expenses and losses			
Interest expenses		(9,378)	-
Loss on disposal of property, plant and equipment	2	(15,409)	(44,113)
Valuation loss on financial assets	2, 4(2)	(87,215)	-
Total non-operating expenses and losses		(112,002)	(44,113)
Income from continuing operations before income tax		14,203,251	32,287,917
Income tax expense		(587,448)	(1,351,314)
Consolidated net income		<u>\$ 13,615,803</u>	<u>\$ 30,936,603</u>
Income Attributable to :			
Shareholders of the parent		\$ 13,623,070	\$ 30,961,437
Minority interests		(7,267)	(24,834)
Consolidated net income		<u>\$ 13,615,803</u>	<u>\$ 30,936,603</u>
Basic Earnings Per Share (in New Taiwan Dollars)	2, 4(24)	<u>Before tax</u> <u>After tax</u>	<u>Before tax</u> <u>After tax</u>
Consolidated net income		\$ 12.87 \$ 12.34	\$ 29.66 \$ 28.42
Net loss attributable to minority interests		0.01 0.01	0.02 0.02
Net income attributable to the parent		<u>\$ 12.88</u> <u>\$ 12.35</u>	<u>\$ 29.68</u> <u>\$ 28.44</u>
Diluted Earnings Per Share (in New Taiwan Dollars)	2, 4(24)	<u>Before tax</u> <u>After tax</u>	<u>Before tax</u> <u>After tax</u>
Consolidated net income		\$ 12.73 \$ 12.20	\$ 29.10 \$ 27.88
Net loss attributable to minority interests		0.01 0.01	0.02 0.02
Net income attributable to the parent		<u>\$ 12.74</u> <u>\$ 12.21</u>	<u>\$ 29.12</u> <u>\$ 27.90</u>

The accompanying notes are an integral part of these financial statements.

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended December 31, 2011 and 2010
(Amounts in thousands of New Taiwan Dollars)

Description	Common stock		Capital reserve	Retained Earnings			Cumulative translation adjustments	Unrealized gain (loss) on financial instruments	Treasury stock	Total shareholders' equity attributable to parent company	Minority interests	Total shareholders' equity
	Common stock	Capital collected in advance		Legal reserve	Special	Undistributed earnings						
Balance as of January 1, 2010	\$ 10,901,189	\$ -	\$ 8,267,826	\$ 14,943,414	\$ 273,489	\$ 74,894,668	\$ (527,304)	\$ 172,173	\$ (55,970)	\$ 108,869,485	\$ 21,118	\$ 108,890,603
Appropriation and distribution of 2009 earnings (Note 1):												
Legal reserve	-	-	-	3,670,564	-	(3,670,564)	-	-	-	-	-	-
Special reserve	-	-	-	-	81,642	(81,642)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(28,343,090)	-	-	-	(28,343,090)	-	(28,343,090)
Stock dividends	21,802	-	-	-	-	(21,802)	-	-	-	-	-	-
Bonus to employees - in stock	74,855	-	3,593,106	-	-	-	-	-	-	3,667,961	-	3,667,961
Net income attributable to parent company for the year ended December 31, 2010	-	-	-	-	-	30,961,437	-	-	-	30,961,437	-	30,961,437
Unrealized gain (loss) on financial instruments	-	-	-	-	-	-	-	10,435	-	10,435	-	10,435
Employee stock option distributed to subsidiaries' employees	-	-	91,476	-	-	-	-	-	-	91,476	-	91,476
Issuance of stock from exercising employee stock options	1,471	365	66,877	-	-	-	-	-	-	68,713	-	68,713
The effects of subsidiaries' shareholding of the Company's stock recorded as treasury stock	-	-	202,226	-	-	-	-	-	-	202,226	-	202,226
Adjustment arising from changes in the percentage of ownership in investees	-	-	37,893	-	-	-	-	-	-	37,893	-	37,893
Cumulative translation adjustments	-	-	-	-	-	-	(3,853,426)	-	-	(3,853,426)	-	(3,853,426)
Decrease in minority interests	-	-	-	-	-	-	-	-	-	-	(20,893)	(20,893)
Balance as of December 31, 2010	10,999,317	365	12,259,404	18,613,978	355,131	73,739,007	(4,380,730)	182,608	(55,970)	111,713,110	225	111,713,335
Appropriation and distribution of 2010 earnings (Note 2):												
Legal reserve	-	-	-	3,096,144	-	(3,096,144)	-	-	-	-	-	-
Special reserve	-	-	-	-	3,842,990	(3,842,990)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(21,999,457)	-	-	-	(21,999,457)	-	(21,999,457)
Net income attributable to parent company for the year ended December 31, 2011	-	-	-	-	-	13,623,070	-	-	-	13,623,070	-	13,623,070
Unrealized gain (loss) on financial instruments	-	-	-	-	-	-	-	(139,416)	-	(139,416)	-	(139,416)
Issuance of new shares due to combination	555,336	-	12,259,039	-	-	-	-	-	-	12,814,375	-	12,814,375
Treasury stock acquired	-	-	-	-	-	-	-	-	(2,109,914)	(2,109,914)	-	(2,109,914)
Treasury stock retired	(80,000)	-	(161,410)	-	-	(1,868,504)	-	-	2,109,914	-	-	-
Employee stock option distributed to subsidiaries' employees	-	-	88,803	-	-	-	-	-	-	88,803	-	88,803
Issuance of stock from exercising employee stock options	455	(282)	3,321	-	-	-	-	-	-	3,494	-	3,494
The effects of subsidiaries' shareholding of the Company's stock recorded as treasury stock	-	-	155,881	-	-	-	-	-	-	155,881	-	155,881
Adjustment arising from changes in the percentage of ownership in investees	-	-	844	-	-	-	-	-	-	844	-	844
Cumulative translation adjustments	-	-	-	-	-	-	2,127,226	-	-	2,127,226	-	2,127,226
Increase in minority interests	-	-	-	-	-	-	-	-	-	-	50,086	50,086
Balance as of December 31, 2011	\$ 11,475,108	\$ 83	\$ 24,605,882	\$ 21,710,122	\$ 4,198,121	\$ 56,554,982	\$ (2,253,504)	\$ 43,192	\$ (55,970)	\$ 116,278,016	\$ 50,311	\$ 116,328,327

Note 1: Directors' and supervisors' remuneration of NTS\$65,907 thousand and employees' bonuses of NTS\$12,226,536 thousand had been charged against earnings of 2009.

Note 2: Directors' and supervisors' remuneration of NTS\$48,045 thousand and employees' bonuses of NTS\$3,863,296 thousand had been charged against earnings of 2010.

The accompanying notes are an integral part of these financial statements.

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2011 and 2010
(Amounts in thousands of New Taiwan Dollars)

Description	2011	2010
Cash flows from operating activities :		
Consolidated net income	\$ 13,615,803	\$ 30,936,603
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,179,541	1,107,081
Amortization	1,549,783	1,870,604
Bad debt provision	(62,871)	46,388
Reversal for sales returns and discounts	(152,716)	-
Employee stock option distributed	88,803	91,476
Amortization of financial assets discount or premium	2,524	296
(Gain) loss on (recovery) decline in market value and obsolescence of inventories	(1,202,475)	2,113,727
Net gain on equity investments	(124,047)	(180,041)
Net loss on disposal of property, plant and equipment	15,409	44,113
Net loss on disposal of intangible assets (included in other losses)	74	-
Gain on disposal of investment	(66,760)	(7,917)
Adjustment of valuation on financial assets and liabilities	95,474	(106,455)
Cash dividends from equity investees	166,506	123,713
Deferred income tax	186,387	409,696
Employees' bonuses	1,714,243	3,863,296
Changes in operating assets and liabilities:		
Financial assets designated as at fair value through profit or loss	(577,460)	(1,683,443)
Accounts receivable	(50,626)	(181,042)
Receivables from related parties	(23,567)	-
Other receivables	(292,975)	406,563
Inventories	2,587,862	(3,536,726)
Prepayments	1,479,973	(1,896,674)
Other current assets	258,227	(202,897)
Accounts payable	175,012	(2,620,019)
Payables to related parties	(70,224)	(756,334)
Income taxes payable	(408,335)	83,751
Accrued expenses	(3,675,369)	(807,962)
Other payables	48,656	-
Current portion of long-term payables	2,953	-
Other current liabilities	119,852	270,071
Long-term payables	(5,126)	-
Accrued pension liabilities	83,490	19,812
Other liabilities-others	49,351	-
Net cash provided by operating activities	<u>16,707,372</u>	<u>29,407,680</u>
Cash flows from investing activities :		
Decrease in restricted assets	16,604	2,868
Increase in available-for-sale financial assets	(4,546,205)	(3,697,357)
Proceeds from disposal of available-for-sale financial assets	6,432,441	649,486
Increase in held-to-maturity financial assets	(876,548)	-
Increase in financial assets carried at cost	(1,058,547)	(221,354)
Proceeds from disposal of financial assets carried at cost	5,735	3,325
Proceeds from disposal of investments accounted for using the equity method	-	13,081
Increase in investments accounted for using the equity method	(201,769)	-
Net cash outflow from acquisition of subsidiaries	-	(114,214)
Increase in prepayment for long-term investments	(15,145)	(38,773)
Purchase of property, plant and equipment	(2,584,699)	(2,122,234)
Proceeds from disposal of property, plant and equipment	2,198	9,661
Decrease in refundable deposits	10,248	67,101
Increase in intangible assets and deferred assets	(209,200)	(825,939)
Net cash provided by business combination	4,040,514	-
Net cash provided by (used in) investing activities	<u>1,015,627</u>	<u>(6,274,349)</u>
Cash flows from financing activities :		
Increase in short-term loans	3,975,608	-
Increase (decrease) in deposits received	5,176	(10)
Proceeds from exercise of employee stock options	3,494	68,713
Cash dividends	(21,999,457)	(28,343,090)
Cash dividends distributed to subsidiaries holding the Company's stock	155,881	202,226
Treasury stock acquired	(2,109,914)	-
Change in minority interests	52,343	(815)
Net cash used in financing activities	<u>(19,916,869)</u>	<u>(28,072,976)</u>
Effect of exchange rate	2,087,951	(3,780,890)
Net decrease in cash and cash equivalents	(105,919)	(8,720,535)
Cash and cash equivalents at the beginning of the year	85,927,357	94,647,892
Cash and cash equivalents at the end of the year	<u>\$ 85,821,438</u>	<u>\$ 85,927,357</u>
Supplemental disclosures of cash flow information :		
Interest paid during the year	\$ 4,811	\$ -
Income tax paid during the year	\$ 939,988	\$ 688,054
Activities partially affected cash flows :		
Purchase of property, plant and equipment	\$ 2,577,504	\$ 2,129,074
Add: decrease (increase) in payables to contractors and equipment suppliers	7,195	(6,840)
Cash paid for the purchase of property, plant and equipment	<u>\$ 2,584,699</u>	<u>\$ 2,122,234</u>
Non-cash activities :		
Stock dividends and employees' bonuses capitalized (including additional paid-in capital)	\$ -	\$ 3,689,763
Shares issued to acquire a subsidiary	\$ 12,814,375	\$ -
Change in unrealized (loss) gain on financial instruments	\$ (139,416)	\$ 10,435

The accompanying notes are an integral part of these financial statements.

Chairman : Ming-Kai Tsai

President : Ching-Jiang Hsieh

Chief Financial Officer : David Ku

Attachment 5

Comparison of the Original Text and the Amended Text in “Articles of Incorporation”

	Original Text	Amended Text	Amendment Remarks
Section 2, Article 5	The total capital stock of the Company shall be in the amount of <u>12 billion</u> New Taiwan Dollars, divided into <u>1.2 billion</u> shares at NT\$10 par value for each share, and may be paid-up in installments. The Company may issue stock options from time to time in accordance with the resolutions of the Board of Directors. Two hundred million New Taiwan Dollars of the total capital stock shall be divided into 20 million shares at NT\$10 par value for each share. A total of 20 million shares of the above total capital stock should be reserved for issuing stock options.	The total capital stock of the Company shall be in the amount of <u>20 billion</u> New Taiwan Dollars, divided into <u>2 billion</u> shares at NT\$10 par value each share, and may be paid-up in installments. The Company may issue stock options from time to time in accordance with the resolutions of the Board of Directors. Two hundred million New Taiwan Dollars of the total capital stock shall be divided into 20 million shares at NT\$10 par value for each share. A total of 20 million shares of the above total capital stock should be reserved for issuing stock options.	Change of the Company's capital stock
Section 3, Article 13-1	The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the Chairman of the meeting. Shareholders shall be notified of the minutes within 20 days after the meeting. <u>The Company may make a public announcement to notify shareholders who hold less than one thousand shares.</u>	The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the Chairman of the meeting. Shareholders shall be notified of the minutes within 20 days after the meeting. <u>The minutes specified above shall be distributed in accordance with the provisions of the Company Act.</u>	Amendment introduced to comply with regulations.
Section 4, Article 14	The Company shall have five to nine Directors, with the actual number to be determined by the Board. There shall be at least two Independent Directors in the Board. <u>The election of the Independent Directors shall be conducted in accordance with Article 192-1 of the Company Act, where the system of nomination of candidates shall be adopted. The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to Independent Directors shall be governed by the relevant provisions of the Company Act and Securities and Exchange Act. The independent and non-independent directors shall be elected at the same time, and the number of elected directors shall be calculated separately. The Company shall have three Supervisors. However, if the Company establishes an Audit Committee in accordance with the law (i.e. formation of an Audit Committee comprising at least three independent directors, with at least one possessing a professional accounting or finance background), then there shall be no need to elect Supervisors. Once the Audit Committee is formed, the Supervisors shall be dismissed immediately; all provisions that apply to the Supervisors in the Articles of Incorporation shall at that time become void. The number of members in the Audit Committee, tenure terms, authorities, rules of procedure and other matters shall be governed by the Guidelines for the Exercise of Authority by Audit Committee of Public Companies and determined separately according to the Audit Committee's organization guidelines. The term of Directors and Supervisors is three years, and shall be elected in the shareholders' meetings. Their term of office shall be three years, and shall be eligible for re-election.</u> After the company went public, the total number of shares that all Directors and Supervisors shall hold should be in accordance with the requirements of the competent authorities. The Board of Directors is authorized to determine the compensation for the Directors and Supervisors, taking into account the standards of the industry. The Company may, in accordance with Corporate Governance Regulations for TSE/GTSM Listed Companies, purchase Directors and Officers Liability Insurance for its Directors and Supervisors. The Board of Directors is authorized to decide on the	The Company shall have five to nine Directors, with the actual number to be determined by the Board. There shall be at least two Independent Directors in the Board. <u>The election of Directors and Supervisors shall be conducted in accordance with Article 192-1 of the Company Act, where the system of nomination of candidates shall be adopted. The relevant professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to Independent Directors shall be governed by the relevant provisions of the Company Act and Securities and Exchange Act. The independent and non-Independent Directors shall be elected at the same time, and the number of elected directors shall be calculated separately. The Company shall have three Supervisors. However, if the Company establishes an Audit Committee in accordance with the law (i.e. formation of an Audit Committee comprising at least three Independent Directors, with at least one possessing a professional accounting or finance background), then there shall be no need to elect Supervisors. Once the Audit Committee is formed, the Supervisors shall be dismissed immediately; all provisions that apply to the Supervisors in the Articles of Incorporation shall at that time become void. The number of members in the Audit Committee, tenure terms, authorities, rules of procedure and other matters shall be governed by the Guidelines for the Exercise of Authority by Audit Committee of Public Companies and determined separately according to the Audit Committee's organization guidelines. The term of Directors and Supervisors is three years, and shall be elected in the shareholders' meetings. Their term of office shall be three years, and shall be eligible for re-election.</u> After the company went public, the total number of shares that all Directors and Supervisors shall hold should be in accordance with the requirements of the competent authorities. The Board of Directors is authorized to determine the compensation for the Directors and Supervisors, taking into account the standards of the industry. The Company may, in accordance with Corporate Governance Regulations for TSE/GTSM Listed Companies, purchase Directors and Officers Liability Insurance for its Directors and Supervisors. The Board of Directors is authorized to decide on the insurance coverage.	Amended in compliance with the new candidate nomination system for directors and supervisors.

	Original Text	Amended Text	Amendment Remarks
	insurance coverage.		
Section 4, Article 14-1	If the Director(s) also serves other position(s) in the Company, <u>the shareholders' meeting authorizes the General Manager to resolve the compensation for these duties, in accordance with the Company's Internal Management Regulations.</u>	If the Director(s) also serve(s) other position(s) in the Company, <u>his/her compensation for such duties shall be set forth by the competent authority in charge of securities.</u>	Amendment introduced to comply with regulations following the establishment of the Company's Remuneration Committee.
Section 6, Article 24	<p>When allocating the net profits for each fiscal year, the following order shall be followed:</p> <ol style="list-style-type: none"> 1. Reserve for tax payments. 2. Offset losses in previous years, if any. 3. Legal reserve, which is 10% of leftover profits. 4. Allocation or reverse of special reserves as required by law or government authorities. 5. Remuneration to Directors and Supervisors, at a maximum of 0.5% of remaining net profits after deducting item (1) to (4) stated in Article 24. The Remuneration to Directors and Supervisors shall be paid in cash. 6. The remaining net profits, after considering retained earnings from previous years and amounts set aside for distribution in future years, shall be allocated as employees' profit sharing and shareholders' dividend. The guideline for employee profit sharing is, the amount of employee profit sharing shall not be lower than 1% of the sum of employee profit sharing and shareholder dividends. Employee profit sharing may be paid in cash or in stock to qualified employees of the company and its affiliate companies. Employee's profit sharing when it is allocated in the form of stock, the Board of Directors shall be authorized to set criteria for qualified employees. <p>Since the Company is in an industry in a growth phase, the dividend policy shall take into consideration factors such as the Company's current and future investment environment, needs for capital, domestic and overseas competition, capital budgeting plans, etc., to come out with a proposal that strike a balance among shareholders' benefits and the Company's long-term financial plans. Each year the Board of Directors shall prepare a profit distribution proposal and report it at the shareholders' meeting. After considering financial, business and operational factors, the Company may distribute the whole of distributable profits for the year; dividends to shareholders may be distributed in cash or in stock, and the cash dividends shall not be lower than 10% of total dividends to shareholders.</p>	<p>When allocating the net profits for each fiscal year, the following order shall be followed:</p> <ol style="list-style-type: none"> 1. Reserve for tax payments. 2. Offset losses in previous years, if any. 3. Legal reserve, which is 10% of leftover profits. <u>However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds the Company's total capital stock.</u> 4. Allocation or reverse of special reserves as required by law or government authorities. 5. Remuneration to Directors and Supervisors, at a maximum of 0.5% of remaining net profits after deducting item (1) to (4) stated in Article 24. The Remuneration to Directors and Supervisors shall be paid in cash. 6. The remaining net profits, after considering retained earnings from previous years and amounts set aside for distribution in future years, shall be allocated as employees' profit sharing and shareholders' dividend. The guideline for employee profit sharing is, the amount of employee profit sharing shall not be lower than 1% of the sum of employee profit sharing and shareholder dividends. Employee profit sharing may be paid in cash or in stock to qualified employees of the company and its affiliate companies. Employee's profit sharing when it is allocated in the form of stock, the Board of Directors shall be authorized to set criteria for qualified employees. <p>Since the Company is in an industry in a growth phase, the dividend policy shall take into consideration factors such as the Company's current and future investment environment, needs for capital, domestic and overseas competition, capital budgeting plans, etc., to come out with a proposal that strikes a balance among shareholders' benefits and the Company's long-term financial plans. Each year the Board of Directors shall prepare a profit distribution proposal and report it at the shareholders' meeting. After considering financial, business and operational factors, the Company may distribute the whole of distributable profits for the year; dividends to shareholders may be distributed in cash or in stock, and the cash dividends shall not be lower than 10% of total dividends to shareholders.</p>	Amendment introduced to comply with regulations.
Section 7, Article 27	These Articles of Incorporation were resolved on May 21, 1997. The first amendment was made on September 1, 1997, the second amendment on July 3, 1998, the third amendment on June 21, 1999, the fourth amendment on June 9, 2000, the fifth amendment on September 28, 2000, the sixth amendment on June 8, 2001, the seventh amendment on June 3, 2002, the eighth amendment on May 16, 2003, the ninth amendment on June 9, 2004, the tenth amendment on June 13, 2005, the eleventh amendment on June 21, 2006, the twelfth amendment on June 11, 2007, the thirteenth amendment on June 15, 2010, and the fourteenth amendment on June 15, 2011.	These Articles of Incorporation were resolved on May 21, 1997. The first amendment was made on September 1, 1997, the second amendment on July 3, 1998, the third amendment on June 21, 1999, the fourth amendment on June 9, 2000, the fifth amendment on September 28, 2000, the sixth amendment on June 8, 2001, the seventh amendment on June 3, 2002, the eighth amendment on May 16, 2003, the ninth amendment on June 9, 2004, the tenth amendment on June 13, 2005, the eleventh amendment on June 21, 2006, the twelfth amendment on June 11, 2007, the thirteenth amendment on June 15, 2010, <u>and the fifteenth amendment on June 13, 2012.</u>	Amendment date added.

Attachment 6

Comparison of the Original Text and the Amended Text in “Rules for Election of Directors and Supervisors”

	Original Text	Amended Text	Amendment Remarks
Article 3	The election of the Company's <u>Independent Directors</u> shall be conducted in accordance with Article 192-1 of the Company Act, under the system of nomination of candidates.	The election of the Company's <u>Directors and Supervisors</u> shall be conducted in accordance with Article 192-1 of the Company Act, under the system of nomination of candidates.	Amended in compliance with the new candidate nomination system for directors and supervisors.

Attachment 7

Comparison of the Original Text and the Amended Text in “Procedures Governing the Acquisition or Disposition of Assets”

	Original Text		Amended Text	Amendment Remarks
Article I	These Procedures are duly enacted in accordance with 1. MOF File No. 0910006105, dated 10 December 2002, Securities and Futures Commission, Ministry of Finance, 2. FSC File No. 0960001463, dated 19 January 2007, Financial Supervisory Committee, Executive Yuan.	Article I	These Procedures are duly enacted in accordance with 1. MOF File No. 0910006105, dated 10 December 2002, Securities and Futures Commission, Ministry of Finance, 2. FSC File No. 0960001463, dated 19 January 2007, Financial Supervisory Committee, Executive Yuan, and 3. FSC File No. 1010004588, dated February 13, 2012.	Modified to comply with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies,” amended on February 13, 2012.
Article III: Appraisal procedures: II. Grounds for reference of pricing: (I). Long- and short-term securities	Other than in the following circumstances, the Company shall, where acquiring or disposing securities, first obtain the most recent financial statement, audited and attested by a CPA, of the underlying company for reference in appraising the transaction price. For the transaction amount reached 20% of the paid-in capital or NT\$300 million or more, the Company shall engage a CPA to render an opinion on the reasonableness of the transaction price.	Article III: Appraisal procedures: II. Grounds for reference of pricing: (I). Long- and short-term securities	Other than in the following circumstances, the Company shall, <u>prior to the day of occurrence of the fact</u> , where acquiring or disposing securities, first obtain the most recent financial statement, audited and attested by a CPA, of the underlying company for reference in appraising the transaction price. For the transaction amount reached 20% of the paid-in capital or NT\$300 million or more, the Company shall, <u>prior to the day of occurrence of the fact</u> , engage a CPA to render an opinion on the reasonableness of the transaction price. <u>If the use of expert reports is required, the CPA shall proceed in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF Taiwan).</u>	Modified to comply with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies,” amended on February 13, 2012.
Article III: Appraisal procedures: II. Grounds for reference of pricing:(II). Real estate or fixed assets of other attributes	Where the Company acquires or disposes real estate or other fixed assets, except for the cases of transaction with the government, consigned construction on the own land, consigned construction on leased land or acquisition or disposal of machinery & equipment used on business operation, the Company shall retain an independent professional appraisal firm to appraise and issue an appraisal report and shall further live up to the following requirements if the trading value is up to 20% of the Company's paid-in capital or NT\$300 million. (I)~(III) Omitted. (IV)Where the values as indicated in the appraisal reports issued by the independent professional appraisal firms show any of the following situations, the Company shall turn to the auditing CPA to manage the case in accordance with Auditing Rule Gazette 20 promulgated by the Accounting Research & Development Foundation and to present concrete opinions on the cause of the difference and the appropriateness of the trading price: 1.The appraisal result shows a spread exceeding 20% of the trading amount. 2.Where the trading spread exceeds 10% of the trading amount as indicated in the appraisal reports of two or more independent professional appraisal firms. (V) <u>Where the appraisal has been conducted before execution of the contract, the appraisal report shall be issued on a date</u> not more than three months prior to the execution of the contract. In the event that such real estate covered in the case is in the official land price promulgated by the government in the same period and the time gap does not exceed six months, the appraisal report may be employed provided that the appraising firm shall issue an opinion report. The term “professional appraisal firms” as set forth herein denotes a firm where its appraisers are empowered to appraise real estate, other fixed assets according to law and other laws concerned.	Article III: Appraisal procedures: II. Grounds for reference of pricing:(II). Real estate or fixed assets of other attributes	Where the Company acquires or disposes real estate or other fixed assets, except for the cases of transaction with the government, consigned construction on the own land, consigned construction on leased land or acquisition or disposal of machinery & equipment used on business operation, the Company shall, <u>prior to the day of occurrence of the fact</u> , retain an independent professional appraisal firm to appraise and issue an appraisal report and shall further live up to the following requirements if the trading value is up to 20% of the Company's paid-in capital or NT\$300 million. 1.~3. Omitted. 4. Where the values as indicated in the appraisal reports issued by the independent professional appraisal firms show any of the following situations, <u>with the exception where all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount</u> , the Company shall turn to the auditing CPA to manage the case in accordance with Auditing Rule Gazette 20 promulgated by the Accounting Research & Development Foundation and to present concrete opinions on the cause of the difference and the appropriateness of the trading price: (1).The appraisal result shows a spread exceeding 20% of the trading amount. (2).Where the trading spread exceeds 10% of the trading amount as indicated in the appraisal reports of two or more independent professional appraisal firms. 5. <u>The date the professional appraisal report is issued and the execution of the contract shall be on a date</u> not more than three months prior to the execution of the contract. In the event that such real estate covered in the case is in the official land price promulgated by the government in the same period and the time gap does not exceed six months, the appraisal report may be employed provided that the appraising firm shall issue an opinion report. 6. <u>The term “professional appraisal firms” as set forth in these Procedures</u> denotes a firm where its appraisers are empowered to appraise real estate, other fixed assets according to law and other laws concerned.	Modified to comply with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies,” amended on February 13, 2012.
Article III:	Membership or intangible assets: Where the values of membership or intangible assets acquired or disposed	Article III:	Membership or intangible assets: Where the values of membership or intangible assets acquired or disposed	Modified to comply with “Regulations Governing

	Original Text		Amended Text	Amendment Remarks
Appraisal procedures: II. Grounds for reference of pricing:(III) Membership or intangible assets	by the Company are up to 20% of the Company's paid-in capital or NT\$300 million, the Company shall turn to the auditing CPA to present opinions on the rationality and to manage the case in accordance with Auditing Rule Gazette 20 promulgated by the Accounting Research & Development Foundation.	Appraisal procedures: II. Grounds for reference of pricing:(III) Membership or intangible assets	by the Company are up to 20% of the Company's paid-in capital or NT\$300 million, the Company shall, <u>prior to the day of occurrence of the fact</u> , turn to the auditing CPA to present opinions on the rationality and to manage the case in accordance with Auditing Rule Gazette 20 promulgated by the Accounting Research & Development Foundation.	the Acquisition and Disposal of Assets by Public Companies," amended on February 13, 2012.
NA	<u>New addition.</u>	Article III: Appraisal procedures: II. Grounds for reference of pricing:(IV)	<u>The calculation of the transaction amounts referred to in the preceding three Subparagraphs shall be done in accordance with Subparagraph 5, Paragraph 1, Article 5 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</u>	Modified to comply with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," amended on February 13, 2012.
NA	<u>New addition.</u>	Article IV: Operating procedures: III.	<u>When a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board of Directors pursuant to the preceding Paragraph, the Board of Directors shall take into full consideration each Independent Director's opinions.</u>	Amended to reflect the creation of independent director positions.
Article V: Procedures of public announcement and declaration: I.	Procedures of public announcement and declaration: Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report in accordance with relevant regulations in the appropriate format as prescribed by the regulations within two days from the day of occurrence of the fact. I. Acquisition of real property from a related party. II. <u>Investment in the mainland area.</u> III. Merger or consolidation, split, acquisition, or assignment of shares. IV. Losses from derivative trading reaching the limits on aggregate losses or losses on individual contracts set out in the Procedures. V. <u>Where asset transactions other than those referred to in the preceding four Subparagraphs, or disposition of receivables by a financial institution, the amount of any individual transaction, the cumulative transaction amount of acquisitions and dispositions of the same type of asset with the same trading partner within one year, the cumulative transaction amount of acquisitions and dispositions (cumulative acquisitions and dispositions, respectively) of the same real estate development project within one year, or the cumulative transaction amount of acquisitions and dispositions (cumulative acquisitions and dispositions, respectively) of the same securities within one year, reach 20% of the paid-in capital or NT\$300 million or more; provided, this shall not apply to the following circumstances:</u> (I)~(IV) Omitted. (V)Where land is acquired under an arrangement for commissioned construction on self-owned land, <u>joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale,</u> and the amount the company expects to invest in the transaction is less than NT\$500 million.	Article V: Procedures of public announcement and declaration: I.	Procedures of public announcement and declaration: Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report in accordance with relevant regulations in the appropriate format as prescribed by the regulations within two days from the day of occurrence of the fact. (I). <u>Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements.</u> (II). Merger or consolidation, split, acquisition, or assignment of shares. (III). Losses from derivative trading reaching the limits on aggregate losses or losses on individual contracts set out in the Procedures. (IV). Where asset transactions other than those referred to in the preceding three Subparagraphs or investment in the mainland area reach 20% of the paid-in capital or NT\$300 million or more; provided, this shall not apply to the following circumstances: 1.~4. Omitted. 5. Where land is acquired under an arrangement for commissioned construction on self-owned land, <u>engaging others to build on rented land,</u> and the amount the company expects to invest in the transaction is less than NT\$500 million. (V) <u>The amount of transactions in the above Subparagraph shall be calculated as follows:</u> 1. <u>The amount of any individual transaction.</u> 2. <u>The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</u> 3. <u>The cumulative transaction amount of real estate property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</u> 4. <u>The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</u>	Modified to comply with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," amended on February 13, 2012.
Article V: Procedures of public announcement and declaration: II.	The term "day of occurrence of the fact" as set forth in <u>this article</u> denotes in principle the date on which the contract for the transaction is executed, the payment is made, the commissioned deal is concluded, the ownership is transferred, the decision is resolved by the Board of Directors or a date on which the trading counterpart and amount of transaction may be ascertained. In the event that the investment is conducted after being approved by the competent authorities, the aforementioned date or	Article V: Procedures of public announcement and declaration: II.	The term "day of occurrence of the fact" as set forth in <u>these Procedures</u> denotes in principle the date on which the contract for the transaction is executed, the payment is made, the commissioned deal is concluded, the ownership is transferred, the decision is resolved by the Board of Directors or a date on which the trading counterpart and amount of transaction may be ascertained. In the event that the investment is conducted after being approved by the competent authorities, the aforementioned date or	Revised for clarification purposes.

	Original Text		Amended Text	Amendment Remarks
	the date on which the competent authorities approval is received, whichever is earlier, shall govern.		the date on which the competent authorities approval is received, whichever is earlier, shall govern.	
Article V: Procedures of public announcement and declaration: III.	The term "Investment in the mainland area" as set forth in Paragraph 2 denotes the investment in Mainland China as accredited by the Investment Commission, Ministry of Economic Affairs in accordance with the Regulations Governing Permit of Investment or Technological Cooperation in Mainland China.	Article V: Procedures of public announcement and declaration: III.	The term "Investment in the mainland area" as set forth in <u>these Procedures</u> denotes the investment in Mainland China as accredited by the Investment Commission, Ministry of Economic Affairs in accordance with the Regulations Governing Permit of Investment or Technological Cooperation in Mainland China.	Revised for clarification purposes.
Article V: Procedures of public announcement and declaration: IV.	Within one year as used in paragraph 5 refers to the year preceding the base date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be entered. <u>The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the securities regulatory authority by the 10th day of each month.</u>	Article V: Procedures of public announcement and declaration: IV.	Within one year as used in Paragraph 1 of this Article refers to the year preceding the base date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be entered.	Moved the rules governing the announcement of derivatives to Paragraph 2, Article 19 of Section 3.
Article V: Procedures of public announcement and declaration: VII.	In the event that the public announcement made by the Company in accordance with Article V is found defective or erroneous which calls for correction, the Company shall conduct the entire public announcement and declaration afresh. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with Article V, a public report of relevant information shall be made on the information reporting website designated by the securities regulatory authority within two days from the day of occurrence of the fact. I. Change, termination, or rescission of a contract signed with regard to the original transaction. II. The merger or consolidation, split, acquisition, or assignment of shares is not completed by the scheduled date set forth in the contract.	Article V: Procedures of public announcement and declaration: VII.	In the event that the public announcement made by the Company in accordance with Article V is found defective or erroneous which calls for correction, the Company shall conduct the entire public announcement and declaration afresh. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with Article V, a public report of relevant information shall be made on the information reporting website designated by the securities regulatory authority within two days from the day of occurrence of the fact. (I). Change, termination, or rescission of a contract signed with regard to the original transaction. (II). The merger or consolidation, split, acquisition, or assignment of shares is not completed by the scheduled date set forth in the contract. <u>(III) Change to the originally publicly announced and reported information.</u>	Modified to comply with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," amended on February 13, 2012.
Article VI: Procedures to control over acquisition or disposal of assets by subsidiaries	The Company's subsidiaries shall duly enact "Procedures for Acquisition or Disposition of Assets" in accordance with "Regulations Governing the Acquisition or Disposition of Assets by Public Companies" which shall come into effect after being resolved by the Board of Directors. The Company's subsidiaries shall acquire and dispose of assets in accordance with their "Procedures for Acquisition or Disposition of Assets". In the event that a subsidiary of the Company is not a domestic public company and is required to make public announcement and declaration as required under Article V for the assets acquired or disposed, the Company shall conduct public announcement and declaration on its behalf. Where a subsidiary is subject to the requirements of 20% of the paid-in capital for public announcement and declaration as under Article V, that should refer to the Company's paid-in capital. The term "subsidiary" as set forth <u>herein</u> is defined in Statements of Financial Accounting Standards No. 5 and 7 published by the ROC Accounting Research and Development Foundation.	Article VI: Procedures to control over acquisition or disposal of assets by subsidiaries	I. The Company's subsidiaries shall duly enact "Procedures for Acquisition or Disposition of Assets" in accordance with "Regulations Governing the Acquisition or Disposition of Assets by Public Companies" which shall come into effect after being resolved by the Board of Directors. II. The Company's subsidiaries shall acquire and dispose of assets in accordance with their "Procedures for Acquisition or Disposition of Assets". III. In the event that a subsidiary of the Company is not a domestic public company and is required to make public announcement and declaration as required under Article V for the assets acquired or disposed, the Company shall conduct public announcement and declaration on its behalf. IV. Where a subsidiary is subject to the requirements of 20% of the paid-in capital <u>or 10% of overall assets</u> for public announcement and declaration as under Article V, that should refer to the Company's paid-in capital. <u>V. In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, for the calculation of transaction amounts of 20 percent of paid-in capital under Articles 3, 5, 6 and 9, 10 percent of shareholders' equity shall be substituted.</u> VI. The term "subsidiary" as set forth in <u>these Procedures</u> is defined in Statements of Financial Accounting Standards No. 5 and 7 published by the R.O.C. Accounting Research and Development Foundation.	Modified to comply with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," amended on February 13, 2012.
Article VIII: Scope	<u>The Company, while acquiring real estate through purchase from or swap with an associated party shall resolve decisions, follow the procedures and conduct assessment for the rationality and terms of transaction in accordance with this Section.</u> The term "associated parties, or related parties" as	Article VIII: Scope	<u>I. When engaging in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the</u>	Modified to comply with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," amended on February 13, 2012.

	Original Text		Amended Text	Amendment Remarks
	<p>set forth <u>above</u> is defined in Statements of Financial Accounting Standards No. 6 published by the ROC Accounting Research and Development Foundation. The capacity of an associated party shall be duly judged through both legal formality and substantial relationship.</p>		<p><u>company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section 1 and this Section.</u></p> <p><u>II. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with the provisions of Subparagraph 4, Paragraph 2 of Article 3.</u></p> <p>III. The term "associated parties, or related parties" as set forth in <u>these Procedures</u> is defined in Statements of Financial Accounting Standards No. 6 published by the R.O.C. Accounting Research and Development Foundation.</p> <p>IV. The capacity of an associated party shall be duly judged through both legal formality and substantial relationship.</p>	
<p>Article IX: Submit to Board of Directors</p>	<p>The Company, while acquiring real estate from an associated party, has the following documents duly resolved in the Board of Directors and acknowledged by the supervisors beforehand:</p> <p>I. The purpose, necessity and anticipated benefit of the real property acquisition.</p> <p>II. The reason for choosing the associated party as a trading partner.</p> <p>III. Information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the provisions of Article X and Article XI.</p> <p>IV. The date and price at which the associated party originally acquired the real property, the original trading counterpart, and that trading counterpart's relationship to the company and the Associated party.</p> <p>V. Monthly cash flow forecasts for the year commencing from the anticipated month of signing the contract, and evaluation of the necessity of the transaction, and reasonableness of the use of funds.</p> <p>VI. Restrictive covenants and other important stipulations associated with the transaction.</p>	<p>Article IX: Submit to Board of Directors</p>	<p><u>I. When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the supervisors:</u></p> <p>(I). The purpose, necessity and anticipated benefit of the real property acquisition <u>or disposal.</u></p> <p>(II). The reason for choosing the associated party as a trading partner.</p> <p>(III). <u>With respect to the acquisition of real property from a related party,</u> information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the provisions of Article X and Article XI.</p> <p>(IV). The date and price at which the associated party originally acquired the real property, the original trading counterpart, and that trading counterpart's relationship to the company and the Associated party.</p> <p>(V). Monthly cash flow forecasts for the year commencing from the anticipated month of signing the contract, and evaluation of the necessity of the transaction, and reasonableness of the use of funds.</p> <p><u>(VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</u></p> <p>(VII). Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>II. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Subparagraph 5, Paragraph 1, Article 5 herein, and "within the preceding year" as used herein refers to the year preceding the day of occurrence of the current transaction. Items that have been approved by the Board of Directors and recognized by the supervisors in accordance with these Procedures need not be counted toward the transaction amount.</u></p> <p><u>III. When submitting these Procedures to the Board of Directors for discussion in accordance with the requirements of Paragraph 1 of this Article, the Board of Directors shall take into full consideration each Independent Director's opinions. Any objection or reservation expressed by an Independent Director should be recorded in the minutes of the Board of Directors.</u></p> <p><u>IV. With respect to the acquisition or disposal of machinery and equipment intended for use in business operation and between the Company and its subsidiaries, the Board of Directors may, pursuant to Paragraph 1 of Article 4, delegate the responsibility of deciding such matters to the Chairman when the transaction is within a predetermined amount, and have the decisions subsequently submitted to and ratified in the next Board of Directors meeting.</u></p>	<p>Modified to comply with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," amended on February 13, 2012.</p>
<p>Article XIV: Trading</p>	<p>The term "derivatives" as set forth herein denotes transaction contracts the value of which derives from assets, interest rates, foreign exchange rates, indexes</p>	<p>Article XIV: Trading</p>	<p>The term "derivatives" as set forth herein denotes transaction contracts the value of which derives from assets, interest rates, foreign exchange rates, indexes</p>	<p>Revised for clarification purposes.</p>

	Original Text		Amended Text	Amendment Remarks
principles and strategies: I. Categories of transaction	or other interests (e.g., forward contracts, options contracts, futures contracts, swap contracts, and compound contracts combining the above products), Derivatives are classified into financial operation and hedging purposes. The former refers to a transaction that is to set a new position of assets, liabilities or investment portfolio in the hope to gain profit from a market upturn in the future. The latter refers to a transaction intended to exempt or minimize risk in foreign exchange and interest rates without any purposes of making profit.	principles and strategies: I. Categories of transaction	or other interests (e.g., forward contracts, options contracts, futures contracts, swap contracts, and compound contracts combining the above products), Derivatives are classified into financial operation and hedging purposes. The former refers to a transaction <u>for establishing position comprising assets, liabilities or investment portfolio</u> in the hope to gain profit from a market upturn in the future. The latter refers to a transaction intended to exempt or minimize risk in foreign exchange and interest rates without any purposes of making profit.	
Article XIV: Trading principles and strategies: II. Managerial and hedging strategies	<u>The Company engages in hedging through a strategy to first offset the internal operation overall, and to take the net position as the grounds of operation. In derivatives oriented toward hedging, the Company chooses products to hedge its potential risks.</u>	Article XIV: Trading principles and strategies: II. Managerial and hedging strategies	<u>Hedging operation should be the primary objective when the Company engages in the trading of derivatives. A strategy with hedging operation as the primary purpose shall in principle be based on natural hedges, and the operation shall be based on receivables and payables denominated in foreign currencies with a net position where the amount and currency offset each other.</u>	Incorporation of the management guidelines for foreign exchange transactions into the Company's "Procedures Governing the Acquisition or Disposition of Assets"
Article XIV: Trading principles and strategies: III. Division of powers and responsibilities	(I). <u>Fund personnel</u> : Taking firm command of operation of derivatives of the entire Company as the core of derivative transaction. The position shall be forecast and yielded through collecting information provided by the Supply and Sales Departments. In collection of market update, judgment of trends and risks, familiarization with financial commodities, regulations and laws as well as operating skills, such personnel shall take firm command to support their own needs and provide reference to other departments concerned. For those personnel who operate derivatives, those who take charge of transactions, confirmation and settlement shall operate independently.	Article XIV: Trading principles and strategies: III. Division of powers and responsibilities	(I). <u>Financial personnel</u> : Taking firm command of operation of derivatives of the entire Company as the core of derivative transaction The position shall be forecast and yielded through collecting <u>relevant</u> information and by <u>contacting the Sales Department</u> . In collection of market updates, judgment of trends and risks, familiarization with financial commodities, regulations and laws as well as operating skills, such personnel shall take firm command to support their own needs and provide reference to other departments concerned. For those personnel who operate derivatives, those who take charge of transactions, confirmation and settlement shall operate independently. <u>The appointment and discharge of personnel in charge of trading and confirmation shall be communicated to the banks with which transactions are conducted in order to safeguard the Company's rights and interests.</u>	Incorporation of the management guidelines for foreign exchange transactions into the Company's "Procedures Governing the Acquisition or Disposition of Assets."
Article XIV: Trading principles and strategies: IV. Limits of trading amounts and stop and reverse (SAR)	In accordance with the Company's "Foreign Exchange Transaction Management Procedure."	Article XIV: Trading principles and strategies: IV. Limits of trading amounts and authorization	<u>An authorized trader may not conduct a transaction of an amount in excess of US\$10 million.</u>	Incorporation of the management guidelines for foreign exchange transactions into the Company's "Procedures Governing the Acquisition or Disposition of Assets."
NA	<u>New addition.</u>	Article XIV: Trading principles and strategies: V. The maximum loss limit allowable for engaged contracts	<u>V. The maximum loss limit allowable for engaged contracts: The total amount of the derivative contracts in which the Company may engage in 100% of the revenues for the most recent quarter. The maximum loss limit of an unsettled trading contract is 10% of the contract amount, which is applicable to individual contracts and all contracts. If the maximum limit is exceeded, the Chief Financial Officer must be notified to determine the measures for reducing loss.</u>	Incorporation of the management guidelines for foreign exchange transactions into the Company's "Procedures Governing the Acquisition or Disposition of Assets."
Article XIV: Trading principles and strategies: V. Performance rating	(I) <u>With hedging as the primary purpose: The Company shall, upon budgeting every year, set the operating target as the ground for performance rating. All traders shall do their utmost to accomplish such targets. The performance shall be rated at least twice a month. Traders shall provide position appraisal report of derivatives to high ranking executives as grounds for management.</u> (II) <u>With financial operations as the primary purpose: All positions shall be duly assessed for the profitability on a weekly basis and be submitted to the ranking executives for reference.</u>	Article XIV: Trading principles and strategies: VI. Performance rating	(I). <u>Position and profit and loss statement: Personnel in charge of trading shall assess the profit or loss with respect to the foreign currency position held and submit weekly evaluation to the Head of Finance Department.</u> (II). <u>General report: personnel in charge of trading shall analyze the position held and the profit or loss, produce monthly reports and submit them to the Chief Financial Officer.</u>	The rating of performance is no longer classified as financing operation and for hedging purposes.
Article XV: Operating	I. The authorized personnel shall place order with the bank within the scope of its authorized power and shall fill out application form	Article XV: Operating	<u>I. The Board of Directors authorizes the Chairman of the Board to enter into contracts for derivatives trading with financial institutions.</u>	Incorporation of the management guidelines for foreign exchange transactions

	Original Text		Amended Text	Amendment Remarks
procedures	<p>for trading, stating the title of trading, amount of bought/sold, duration, purposes, details of trading, expenses, trading counterparts, names of tellers, with remark of hedging or financial manipulation, and shall submit them to the <u>department head authorized by the Board of Directors for verification.</u></p> <p>II. Upon receipt of the trading vouchers from the bank, the personnel in charge of confirmation shall immediately check and confirm the contents with the trade counterpart by phone and shall immediately clarify any ambiguities.</p> <p>III.~IV. Omitted.</p>	procedures	<p>II. The authorized personnel shall place order with the bank within the scope of its authorized power and shall <u>submit the trading form</u>, stating the title of trading, amount of bought/sold, duration, purposes, details of trading, trading expenses, trading counterparts, names of tellers, with remark of hedging or financial manipulation, and shall submit them to the <u>Head of Finance Department.</u></p> <p>III. Upon receipt of the trading vouchers from the bank, the personnel in charge of confirmation shall immediately check and confirm the contents with the <u>personnel in charge of trading</u> by phone and shall immediately clarify any <u>ambiguities or errors.</u></p> <p>IV.~ V. Omitted.</p>	into the Company's "Procedures Governing the Acquisition or Disposition of Assets."
Article XVI: Measures of risk management	<p>I. The scope of risk management: shall include credit, market price, liquidity, cash flow, and operational and legal risk management: (I) Credit risk management: (Omitted) (II) Market risk management: (Omitted) (III) Liquidity risk management: (Omitted) (IV) Operational risk management: (Omitted) (V) Legal risk management: (Omitted)</p> <p>II.~III. Omitted.</p> <p>IV. All positions of derivative trading shall be duly assessed on a weekly basis as the minimum. <u>The hedging trade in line with business needs shall be assessed twice per month. The assessment reports shall be submitted to the ranking executive authorized by the Board of Directors.</u></p> <p>V. The confirming personnel shall have the trading vouchers or contracts registered and checked and verified with the correspondent banks on a periodic basis to make sure whether the total amount of trading has been <u>beyond the specified limit of position.</u></p>	Article XVI: Measures of risk management	<p>I. The scope of risk management: shall include credit, market price, liquidity, cash flow, and operational and legal risk management: (I). Credit risk management: (Omitted) (II) Market <u>price</u> risk management: (Omitted) (III) Liquidity risk management: (Omitted) <u>(IV) Cash flow risk: When carrying out a transaction, it is necessary to take into consideration the impact on the Company's cash flows.</u> (V) Operational risk management: (Omitted) (VI) Legal risk management: (Omitted)</p> <p>II.~III. Omitted.</p> <p>IV. All positions of derivative trading shall be duly assessed on a weekly basis as the minimum. <u>The assessment reports shall be submitted to the Head of the Finance Department.</u></p> <p>V. The confirming personnel shall have the trading vouchers or contracts registered and checked and verified with the correspondent banks on a periodic basis to make sure whether the amount of trading has been <u>compliant with the limit imposed on the transaction amount.</u></p>	Incorporation of the management guidelines for foreign exchange transactions into the Company's "Procedures Governing the Acquisition or Disposition of Assets."
Article XVIII: Method of periodical appraisal and settlement of abnormalities	<p>I. The Board of Directors shall appoint a high-ranking department head to closely and continuously supervise and monitor derivative trading risks and to assess on a periodic basis whether or not the performance of the derivative trading lives up to the target managerial strategy and whether or not the risk so shouldered is within the specified tolerance.</p> <p>II. The high-ranking department head appointed by the Board of Directors shall assess on a periodic basis whether or not the risk management measures currently at work are appropriate and whether or not they live up to the requirements under these Procedures.</p> <p>III. In case of abnormalities found in the supervision over the trading and profitability, the financial department head shall take countermeasures as appropriate and shall report to the Board of Directors.</p>	Article XVIII: Method of periodical appraisal and settlement of abnormalities	<p>I. The Board of Directors shall appoint a high-ranking department head to closely and continuously supervise and monitor derivative trading risks and to assess on a periodic basis whether or not the performance of the derivative trading lives up to the target managerial strategy and whether or not the risk so shouldered is within the specified tolerance.</p> <p>II. The high-ranking department head appointed by the Board of Directors shall assess on a periodic basis whether or not the risk management measures currently at work are appropriate and whether or not they live up to the requirements under these Procedures.</p> <p>III. In case of abnormalities found in the supervision over the trading and profitability, the financial department head shall take countermeasures as appropriate and shall report to the Board of Directors. <u>The Board of Directors shall be attended by Independent Directors who shall offer their opinions.</u></p> <p><u>IV. When authorizing relevant personnel for the trading of derivatives in accordance with these Procedures, the Company shall submit to the Board of Directors such appointments afterwards.</u></p>	Amended to reflect the election of Independent Directors.
Article XIX: Register book	For derivative trading undertaken by the Company, the register book shall be provided to enter details in the general ledgers, amounts of derivative trading, date on which the Board of Directors resolves and periodical assessment of the derivative trading ready for check.	Article XIX: Register book	<p>I. For derivative trading undertaken by the Company, the register book shall be provided to enter details <u>ready for inspection</u> in the general ledgers, amounts of derivative trading, date on which the Board of Directors resolves and <u>items that require careful assessment in accordance with Paragraph 4 of Article XVI and Paragraphs 1-2 of Article XVIII.</u></p> <p><u>II. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the competent authority in charge of securities by the 10th day of each month.</u></p>	Incorporation of the management guidelines for foreign exchange transactions into the Company's "Procedures Governing the Acquisition or Disposition of Assets."
Article XXIII: Board of Director	I.~II. Omitted. III. The Company participating in the merger, split, acquisition, or assignment of shares shall report the information from the preceding Subparagraph	Article XXIII: Board of Director	I.~II. Omitted. III. The Company participating in the merger, split, acquisition, or assignment of shares shall report the information from the preceding Subparagraph	Modified to comply with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies,"

	Original Text		Amended Text	Amendment Remarks
s Resoluti on	1 and Subparagraph 2 to the securities regulatory authority in the prescribed format two days after the Board's resolution. IV. The Company shall sign an agreement with the companies that it participates in with the merger, split, acquisition, or assignment of shares that are non-listed or with stocks for trading at securities brokers' business locations, and <u>proceed with relevant issues by the securities regulatory authority.</u>	s Resoluti on	1 (<u>basic personnel information</u>) and Subparagraph 2 (<u>dates of key events</u>) in the prescribed format to <u>the competent authority in charge of securities for future reference via an Internet-based information system two days after the Board has reached the resolution.</u> IV. The Company shall sign an agreement with the companies that it participates in with the merger, split, acquisition, or assignment of shares that are non-listed or with stocks for trading at securities brokers' business locations, and <u>proceed in accordance with the provisions of Paragraph 2 and Paragraph 3 of this Article.</u>	amended on February 13, 2012.
NA	<u>New addition.</u>	Article XXXI	<u>When submitting these Procedures to the Board of Directors for discussion in accordance with the requirements of the preceding Article, the Board of Directors shall take into full consideration each Independent Director's opinions. Any objection or reservation expressed by an Independent Director should be recorded in the minutes of the Board of Directors.</u>	Amended to reflect the election of Independent Directors.
Article XXXI	The Procedure was resolved in the 2003 Annual General Shareholders' Meeting (AGM). The first amendment was made in the 2006 AGM, second amendment in the 2007 AGM, and third amendment in 2009 AGM.	Article XXXII	The Procedure was resolved in the 2003 Annual General Shareholders' Meeting (AGM). The first amendment was made in the 2006 AGM, second amendment in the 2007 AGM, third amendment in 2009 AGM and <u>fourth amendment in 2012 AGM.</u>	Amendment date added.

Attachment 8

List of Independent Director Candidates

Name	Shareholdings	Education Recognitions	Major Previous Positions	Current Positions
Chung-Yu Wu	-	<ul style="list-style-type: none"> ● Ph. D., Electrical Engineering National Chiao Tung University(1980) ● Visiting Senior Researcher, EECS, University of California, Berkeley (2002) 	<ul style="list-style-type: none"> ● Dean, College of Electrical Engineering and Computer Science, National Chiao Tung University(2002~2006) ● Program Director, National Science and Technology Program for System-on-Chip (2007~2010) ● President , National Chiao Tung University (2007~2011) 	<ul style="list-style-type: none"> ● Chair Professor, National Chiao Tung University. ● Program Director, National Program on NanoTechnology (NPNT)
Peng-Heng Chang	-	<ul style="list-style-type: none"> ● Ph. D., Materials Engineering Purdue University, IN, USA (1981) 	<ul style="list-style-type: none"> ● Process Deputy Engineering Manager QRA Manager, Texas Instrument, Dallas, TX, USA (1996~1998) ● VP, Administration, Worldwide Semiconductor Manufacturing Co., Taiwan (1998~2000) ● VP, Material Management & Risk Management; VP, Human Resource , TSMC.,Taiwan(2000~2010) 	<ul style="list-style-type: none"> ● President & CEO, Motech Industries, Inc