

VMWARE, INC.
Form 4
May 03, 2017

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Carli Maurizio

(Last) (First) (Middle)
3401 HILLVIEW AVENUE
(Street)

PALO ALTO, CA 94304

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
VMWARE, INC. [VMW]

3. Date of Earliest Transaction
(Month/Day/Year)
05/01/2017

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
EVP Worldwide Sales & Services

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Price		
Class A Common Stock	05/01/2017		F	7,349 (1)	\$ 94.58	97,946	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Year Ended December 31			
	2009	2010	2011	US\$ (Note 2)
	NT\$	NT\$	NT\$	
Cash paid for acquisition of property, plant and equipment				
Acquisition of property, plant and equipment	\$ 12,631,932	\$ 34,761,050	\$ 31,032,002	\$ 1,025,173
Increase in payable	(1,186,311)	(651,937)	(1,614,096)	(53,323)
	\$ 11,445,621	\$ 34,109,113	\$ 29,417,906	\$ 971,850
Cash received from disposal of property, plant and equipment				
Proceeds from disposal of property, plant and equipment	\$ 115,263	\$ 290,165	\$ 1,283,436	\$ 42,400
Decrease (increase) in other receivables	(22,147)	(29,155)	8,576	283
	\$ 93,116	\$ 261,010	\$ 1,292,012	\$ 42,683
FINANCING ACTIVITIES NOT AFFECTING CASH FLOWS				
Current portion of long-term bank loans	\$ 923,284	\$ 2,990,176	\$ 3,418,799	\$ 112,943
Current portion of capital lease obligations	12,055	28,838	42,161	1,393
Payable to minority interest	-	718,023	-	-

(Continued)

In addition to the disclosures in Note 2 to the consolidated financial statements, the supplemental information regarding the acquisitions of newly consolidated subsidiaries is shown as follows:

- a. Advanced Semiconductor Engineering, Inc. (“ASE Inc.” or including its subsidiaries, collectively the “Company”), and its subsidiaries acquired shareholdings of Universal Scientific Industrial Co., Ltd. (“USI”) in February 2010 and the net cash receipts and fair values of acquired assets and liabilities of USI at acquisition date were shown as follows:

	NT\$
Current assets	\$ 29,599,348
Long-term investments	497,508
Property, plant and equipment, net	6,866,077
Other assets	4,743,627
Current liabilities	(19,490,014)
Long-term bank loans (including current portion)	(100,000)
Other liabilities	(365,877)
	21,750,669
Percentage of acquired shareholdings	60.07 %
	13,065,626
Goodwill	409,430
Total consideration	13,475,056

Explanation of Responses:

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Less: Acquired through delivery of treasury stock	(5,246,916)
	8,228,140
Less: Cash received of acquired company at acquisition date	(8,842,323)
Net cash inflow from the acquisition	\$(614,183)

- 42 -

ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

b. The Company acquired 100% shareholdings of EEMS Test Singapore Pte. Ltd. from its parent company, EEMS Asia Pte. Ltd. in August 2010. The net cash payments and fair values of acquired assets and liabilities of EEMS Test Singapore Pte. Ltd. at the acquisition date were shown as follows:

	NT\$
Current assets	\$659,669
Property, plant and equipment, net	1,472,944
Other assets	145,694
Current liabilities	(102,192)
Long-term bank loans (including current portion)	(108,077)
	2,068,038
Goodwill	236,287
Total consideration	2,304,325
Less: Cash received of acquired company at acquisition date	(175,676)
Net cash outflow from the acquisition	\$2,128,649

c. Power ASE Technology Inc. ("PowerASE") acquired 84.25% shareholdings of Lu - Chu Development Corporation ("Luchu") from Powerchip Technology Corporation ("PSC") and its affiliates in October and November 2011. The net cash payments and fair values of acquired assets and liabilities of Luchu at the acquisition date were shown as follows:

	NT\$	US\$ (Note 2)
Current assets	\$1,636,455	\$54,062
Other assets	4	-
Current liabilities	(981)	(32)
Long-term bank loans	(60,000)	(1,982)
	1,575,478	52,048
Percentage of acquired shareholdings	84.25 %	84.25 %
	1,327,339	43,850
Goodwill	38,899	1,285
Total consideration	1,366,238	45,135
Less : Cash received of acquired company at acquisition date	(13,709)	(453)
Credit by accounts receivable	(1,000,000)	(33,036)
Other payables under "other liabilities – other"	(200,000)	(6,607)
Net cash outflow from the acquisition	\$152,529	\$5,039

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche audit report dated April 11,
2012)

(Concluded)

- 43 -

Advanced Semiconductor Engineering, Inc.
Issuance and conversion policies for privately placed overseas unsecured convertible bonds (Tentative)

1. Total amount on offer

The maximum amount of corporate bonds issued by the Company is US\$. Each security has a face value of US\$ and is issued at its full value.

2. Issuance duration

years.

3. Coupon rate

Annual percentage rate is 0% to 5%.

4. Date and manner of principal repayment

Exception for cases where the bondholders exercise the rights to convert or sell back the bonds, or the Company repurchases and cancels the bonds, the Company shall make repayments to each bondholder at maturity the amount equal to the face value of the bonds plus the interest accrued as compensation in one lump sum cash payment.

5. Manner of issuance

The current private placement of overseas convertible bonds will be issued outside the Republic of China, and will be subject to the laws and regulations of the offshore placement country and handled based on common practices in international markets.

6. Conversion price and conversion policy

The conversion price shall be no less than the closing price of the Company's common stocks prevailing in the Taiwan Stock Exchange (TSE) on the pricing date, or the simple arithmetic mean of stock prices within one business day, three business days or five business days prior to the pricing date, upon ex-right (or ex-right upon capital reduction) and ex-dividend of the gratis dividend allocation, or 80% of the simple arithmetic mean of stock prices over the period of thirty business days prior to the pricing date, upon ex-right (or ex-right upon capital reduction) and ex-dividend of the gratis dividend allocation. The shareholders' meeting is asked to authorize the Board of Directors to proceed at its discretion in determining the actual price. Following the issuance of these bonds, in the event that the Company's common shares issued (or privately placed) have increased in quantity (including but not limited to issuance via public offer or private placement for

capital increase, capital increase by earnings recapitalization, capital increase by capital reserve, capital increase by employee dividend, merger or consolidation of companies or transfer of shares to other companies for new share issuance, stock splits and cash capital increase for Global Depositary Receipt purposes), distribution of cash or stock dividend, various securities with the conversion rights of common stocks or subscription rights convertible at a price lower than the current price or reissue at the subscription (or private placement), or the reduction of the number of the Company's common shares due to reason other than capital reduction via the cancellation of treasury shares, the conversion prices shall be adjusted accordingly.

After the bonds have been issue for full months and before the maturity date, the bondholders may exercise their rights to convert the bonds to common shares at any time, except during the period specified by law to suspend ownership transfer.

7. The Company's repurchase right with respect to these bonds

The Company may opt not to include repurchase right, or it may repurchase these bonds outstanding in cash at face value or with interest compensation in the following circumstances.

1. Where the outstanding balance of the bonds reaches 10% of the total issued amount during the period from the day following the first anniversary of the bonds' issuance to 40 days prior to the maturity date of the bonds.
2. Where the closing prices of the Company's common shares on the centralized exchange exceed the conversion price of the bond at the time by 30% or more for 30 consecutive business days during the period from the day following the first anniversary of the bonds' issuance to 40 days prior to the maturity date of the bonds.

8. Bondholders' reverse repurchase right:

The Company may opt not to include reverse repurchase right or the right for the bondholder to demand that the Company redeem these bonds at the price calculated at the yield of % per annum in whole or in part after the bonds have been issued for full months.

9. Supplemental public issuance of shares following the conversion of these corporate bonds

The shares converted from these bonds three full years after they have been delivered may be filed with the FSC for public issuance. They may also be listed on the TSE after the application to the Taiwan Stock Exchange Corporation for listing has been approved.

10. Applicable laws

The issuance, management and disposal of these corporate bonds are subject to the laws of the State of New York. However, the approval of the issuance of these corporate bonds and the exercise of conversion rights shall be carried out in accordance with the laws of the Republic of China and are governed by the laws of the Republic of China.

11. Restrictions on sale

These corporate bonds may not be offered, sold or delivered within the territory of the Republic of China. These corporate bonds shall be offered in accordance with the laws and regulations of the country located outside of the territory of the Republic of China.

12. Taxes

1. Withholding tax rate: According to existing tax laws, for a profit-seeking enterprise without a fixed place of business within the territory of the Republic of China, or an individual not residing in the territory of the Republic of China, the interest and premium income received from holding these corporate bonds shall be subject to a 15% withholding tax treatment.

2. Securities transaction tax: Investors shall be responsible for paying tax equal to 0.3% of the total sale price at the time of the shares' sale.

The above withholding tax rate and securities transaction tax are current requirements; the latest applicable tax rates shall apply if changes to the taxation laws of the Republic of China are made.

Advanced Semiconductor Engineering, Inc.

Issuance and conversion policies for privately placed overseas subordinated convertible perpetuities (Tentative)

1. Total amount on offer

The maximum amount of corporate bonds issued by the Company is US\$. Each security has a face value of US\$ and is issued at its full value.

2. Coupon rate

The annual percentage rate of the coupon is %. This annual percentage may, subject to the agreement, be raised after the bond(s) have been issued for a specified period of time; payment of the interest may also be deferred.

3. Issuance duration

There is no maturity date.

4. Order of claims

Except under specific circumstances, these bonds are subordinate to the Company's general creditors but superior to the residual claims on asset distribution by the Company's shareholders.

5. Conversion price and conversion policy

The conversion price shall be no less than the closing price of the Company's common stocks prevailing in the Taiwan Stock Exchange (TSE) on the pricing date, or the simple arithmetic mean of stock prices within one business day, three business days or five business days prior to the pricing date, upon ex-right (or ex-right upon capital reduction) and ex-dividend of the gratis dividend allocation, or 80% of the simple arithmetic mean of stock prices over the period of thirty business days prior to the pricing date, upon ex-right (or ex-right upon capital reduction) and ex-dividend of the gratis dividend allocation. The shareholders' meeting is asked to authorize the Board of Directors to proceed at its discretion in determining the actual price.

Following the issuance of these bonds, in the event that the Company's common shares issued (or privately placed) have increased in quantity (including but not limited to issuance via public offer or private placement for capital increase, capital increase by earnings recapitalization, capital increase by capital reserve, capital increase by employee dividend, merger or consolidation of companies or transfer of shares to other companies for new share issuance, stock splits and cash capital increase for Global Depository Receipt purposes), distribution of cash or stock dividend, various securities

with the conversion rights of common stocks or subscription rights convertible at a price lower than the current price or reissue at the subscription (or private placement), or the reduction of the number of the Company's common shares due to reason other than capital reduction via the cancellation of treasury shares, the conversion prices shall be adjusted accordingly.

After the bonds have been issue for full months and before the maturity date, the bondholders may exercise their rights to convert the bonds to the issuing company's common shares at any time or to participate in the issuance of Global Depository Receipt, except during the period specified by law to suspend ownership transfer.

6. The Company's repurchase right with respect to these bonds

The Company may opt to repurchase these bonds in cash at face value or with interest compensation after the bonds have been issued for five full years or seven full years.

7. Supplemental public issuance of shares following the conversion of these corporate bonds

The shares converted from these bonds three full years after they have been delivered may be filed with the FSC for public issuance. They may also be listed on the TSE after the application to the Taiwan Stock Exchange Corporation for listing has been approved.

8. Taxes

1. Withholding tax rate: According to existing tax laws, for a profit-seeking enterprise without a fixed place of business within the territory of the Republic of China, or an individual not residing in the territory of the Republic of China, the interest and premium income received from holding these corporate bonds shall be subject to a 15% withholding tax treatment.

2. Securities transaction tax: Investors shall be responsible for paying tax equal to 0.3% of the total sale price at the time of the shares' sale.

The above withholding tax rate and securities transaction tax are current requirements; the latest applicable tax rates shall apply if changes to the taxation laws of the Republic of China have been made.

Attachment VI

Advanced Semiconductor Engineering, Inc.

Table of Comparison of the Revised Procedure for the Acquisition or Disposal of Assets

Original Provisions	Provisions after Revision
<p>Article 1: Purpose and Legal Basis</p> <p>For the purposes of protecting assets and ensuring proper disclosure of information, we have established the Procedure based on relevant provisions of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies promulgated by the Financial Supervisory Commission (hereinafter referred to as "FSC"), Executive Yuan. Any matters not covered herein shall be handled in accordance with relevant laws and regulations.</p>	<p>Article 1: Purpose and Legal Basis</p> <p>For the purposes of protecting assets and ensuring proper disclosure of information, we have established the Procedure based on relevant provisions of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies promulgated by the Financial Supervisory Commission (hereinafter referred to as "FSC"), Executive Yuan, and the requirements contained herein shall be complied with. Any matters not covered by the Procedure shall be handled in accordance with relevant laws and regulations.</p>
<p>Article 7: Procedure for the Acquisition or Disposal of Securities</p>	<p>Article 7: Procedure for the Acquisition or Disposal of Securities</p>
<p>A. Operating Procedures</p>	<p>A. Operating Procedures</p>
<p>1. The acquisition or disposal of short-and long-term securities by the Company shall be carried out in accordance with the investment cycle operation of the Company's internal control system.</p>	<p>1. The acquisition or disposal of short-and long-term securities by the Company shall be carried out in accordance with the investment cycle operation of the Company's internal control system.</p>
<p>2. Authorized amount and level of approval</p>	<p>2. Authorized amount and level of approval</p>
<p>I. Apart from the acquisition or disposal of short-term securities and matters associated with financial deployment (e.g., bonds with repurchase agreements and bond funds), where the responsible department shall carry out in accordance with the internally approved authorization, if the amount of the acquisition or disposal of short- and long-term securities is NT\$300 million or less, the President is authorized to approve the transaction, which should be submitted to the Board of Directors subsequently for ratification; and if the amount of the acquisition or disposal of short- and long-term securities exceeds NT\$300 million, the transaction may only be carried out after it has been submitted to and approved by the Board of Directors.</p>	<p>I. Apart from the acquisition or disposal of short-term securities and matters associated with financial deployment (e.g., bonds with repurchase agreements and bond funds), where the responsible department shall carry out in accordance with the internally approved authorization, if the amount of the acquisition or disposal of short- and long-term securities is NT\$300 million or less, the President is authorized to approve the transaction, which should be submitted to the Board of Directors subsequently for ratification; and if the amount of the acquisition or disposal of short- and long-term securities exceeds NT\$300 million, the transaction may only be carried out after it has been submitted to and approved by the Board of Directors.</p>
<p>II. An investment in mainland China must first be approved by the shareholders' meeting or implemented by the Board of Directors upon authorization by the shareholders' meeting, and an application must be</p>	<p>II. An investment in mainland China must first be approved by the shareholders' meeting or implemented by the Board of Directors upon authorization by the shareholders' meeting, and an application must be</p>

submitted to the Investment Commission, MOEA for approval before being carried out.

III. If the acquisition or disposal of assets calls for the passing of a resolution or ratification by the shareholders' meeting, as required by the provisions of the Company Act or other applicable laws, proceed in accordance with the regulatory requirements.

3. Responsible department

The acquisition or disposal of short- and long-term securities by the Company shall be carried out by the Finance Department.

B. Evaluation procedure

1. When acquiring or disposing of securities, the Company shall first obtain the target entity's latest financial statements or other relevant information that has been certified or reviewed by a certified public accountant; the responsible department shall then carry out relevant benefit analysis and evaluate the potential investment risks.

2. Determination of prices and basis of reference:

I. The prices of securities acquired or disposed of in a centralized securities exchange market or an over-the-counter market shall be determined by their prices at the time of transactions.

II. When acquiring or disposing of securities via methods other than a centralized securities exchange market or an over-the-counter market, it is necessary to take into consideration the net worth per share, profitability, future development potential, market interest rates, bond coupon rate and the credit ratings of the debtors, and price negotiations shall be based on the latest available traded prices.

C. If the transaction amount associated with the acquisition or disposal of securities by the Company exceeds 20% of the Company's total paid-in capital or NT\$300 million, a certified public accountant should be consulted for his or her opinion with regard to the reasonableness of the transaction price. However, the above need not apply where there is an active market for the securities and public price quotations are available, or otherwise specified by the FSC.

submitted to the Investment Commission, MOEA for approval before being carried out.

III. If the acquisition or disposal of assets calls for the passing of a resolution or ratification by the shareholders' meeting, as required by the provisions of the Company Act or other applicable laws, proceed in accordance with the regulatory requirements.

3. Responsible department

The acquisition or disposal of short- and long-term securities by the Company shall be carried out by the Finance Department.

B. Evaluation procedure

1. When acquiring or disposing of securities, the Company shall, prior to the day of occurrence of such action, first obtain the target entity's latest financial statements or other relevant information that has been certified or reviewed by a CPA; the responsible department shall then carry out relevant benefit analysis and evaluate the potential investment risks.

2. Determination of prices and basis of reference:

I. The prices of securities acquired or disposed of in a centralized securities exchange market or an over-the-counter market shall be determined by their prices at the time of transactions.

II. When acquiring or disposing of securities via methods other than a centralized securities exchange market or an over-the-counter market, it is necessary to take into consideration the net worth per share, profitability, future development potential, market interest rates, bond coupon rate and the credit ratings of the debtors, and price negotiations shall be based on the latest available traded prices.

C. If the transaction amount associated with the acquisition or disposal of securities by the Company exceeds 20% of the Company's total paid-in capital or NT\$300 million, a certified public accountant should be consulted for his or her opinion with regard to the reasonableness of the transaction price prior to the day of occurrence of the transaction. If it is necessary for the accountant to utilize the report of an expert, provisions of the Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation

(ARDF) shall be followed. However, the above need not apply where there is an active market for the securities and public price quotations are available, or otherwise specified by the FSC.

- 49 -

Article 8: Procedure for the Acquisition or Disposal of Real Estate Properties or Other Fixed Assets

A Operating Procedures

1. The acquisition or disposal of real estate properties or other fixed assets by the Company shall be carried out in accordance with the fixed assets cycle operation of the Company's internal control system.

2. Authorized amount and level of approval

I. The acquisition or disposal of real estate properties or other fixed assets by the Company shall be carried out in accordance with all internally approved levels of authorization and submitted to each level for approval.

II. If it is necessary to conclude the business rapidly under time constraints in order to accommodate business requirements when entering into a transaction agreement with a counterparty, where the amount does not exceed 1% of the Company's latest financial statement's net income, approval may first be secured from the President to complete the agreement, which shall then be submitted to the next board meeting for ratification.

III. If the acquisition or disposal of assets calls for the passing of a resolution or ratification by the shareholders' meeting, as required by the provisions of the Company Act or other applicable laws, proceed in accordance with the regulatory requirements.

3. Responsible department

The acquisition or disposal of real estate properties and other fixed assets by the Company shall be carried out by the requesting department and other departments with corresponding responsibilities.

B Evaluation procedure:

1. When acquiring or disposing real estate properties and other fixed assets of the Company, the responsible department shall first prepare a capital expenditure proposal containing a feasibility assessment based on the purpose of the acquisition or disposal of the assets, expected benefits and other information.

Article 8: Procedure for the Acquisition or Disposal of Real Estate Properties or Other Fixed Assets

A Operating Procedures

1. The acquisition or disposal of real estate properties or other fixed assets by the Company shall be carried out in accordance with the fixed assets cycle operation of the Company's internal control system.

2. Authorized amount and level of approval

I. The acquisition or disposal of real estate properties or other fixed assets by the Company shall be carried out in accordance with all internally approved levels of authorization and submitted to each level for approval.

II. If it is necessary to conclude the business rapidly under time constraints in order to accommodate business requirements, where the above is submitted to the Board of Directors for approval in accordance with the internally approved authorization and does not exceed 1% of the Company's latest financial statement's net income, approval may first be secured from the President to complete the agreement, which shall then be submitted to the next board meeting for ratification.

III. If the acquisition or disposal of assets calls for the passing of a resolution or ratification by the shareholders' meeting, as required by the provisions of the Company Act or other applicable laws, proceed in accordance with the regulatory requirements.

3. Responsible department

The acquisition or disposal of real estate properties and other fixed assets by the Company shall be carried out by the requesting department and other departments with corresponding responsibilities.

B Evaluation procedure:

1. When acquiring or disposing real estate properties and other fixed assets of the Company, the responsible department shall first prepare a capital expenditure proposal containing a feasibility assessment based on the

2. Determination of prices and basis of reference

I. When acquiring or disposing a real estate property, factors such as its published present value, appraised value and actual transaction prices of other properties in its vicinity shall be taken into consideration in the negotiation of transaction terms and price.

II. The acquisition or disposal of other fixed assets shall be carried out via price inquiry, restricted tendering or single tendering, or via open tender.

C Where the acquisition or disposal of real estate properties or other fixed assets is compliant with specific requirements, an appraisal report from a professional appraiser must be obtained.

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

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.

2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.

3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

purpose of the acquisition or disposal of the assets, expected benefits and other information.

2. Determination of prices and basis of reference

I. When acquiring or disposing a real estate property, factors such as its published present value, appraised value and actual transaction prices of other properties in its vicinity shall be taken into consideration in the negotiation of transaction terms and price.

II. The acquisition or disposal of other fixed assets shall be carried out via price inquiry, restricted tendering or single tendering, or via open tender.

C Where the acquisition or disposal of real estate properties or other fixed assets is compliant with specific requirements, an appraisal report from a professional appraiser must be obtained prior to the day of occurrence of such an event.

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

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.

2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.

3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a

- I. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.
- II. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
4. Where the appraisal is conducted prior to the contract execution date, no more than three months may elapse between the date of the appraisal report and the contract execution date. However, where the publicly announced present value for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.
- certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
- I. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.
- II. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
4. No more than three months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. However, where the publicly announced present value for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.

Article 9: Procedure for the Acquisition or Disposal of Memberships or Intangible Assets

A Evaluation and operating procedures

1. The acquisition or disposal of memberships or intangible assets by the Company shall be carried out in accordance with the investment cycle operation of the Company's internal control system.

2. Transaction terms, transaction price, authorized amount and level of approval

I. When acquiring or disposing of memberships, their fair market values should be taken into consideration in the negotiation of transaction terms and prices, from which an analysis report shall be prepared and submitted in accordance with all internally approved levels of authorization and submitted to each level for approval.

II. When acquiring or disposing of memberships, their fair market values or evaluation reports from experts should be taken into consideration in the negotiation of transaction terms and prices, from which an analysis report shall be prepared and submitted to each level for approval in accordance with the Company's "Internal Authorization Level Table."

3. Responsible department

The acquisition or disposal of memberships or intangible assets by the Company shall be carried out by the requesting department and Finance Department in accordance with the internally approved authorization in the preceding paragraph.

B If the transaction amount reaches a certain specified level in the acquisition or disposal of memberships or intangible assets, a certified public accountant should be consulted for his or her opinion.

Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or more, the Company shall engage a certified public accountant to render an opinion on the reasonableness of the transaction price; the certified

Article 9: Procedure for the Acquisition or Disposal of Memberships or Intangible Assets

A Evaluation and operating procedures

1. The acquisition or disposal of memberships or intangible assets by the Company shall be carried out in accordance with the investment cycle operation of the Company's internal control system.

2. Transaction terms, transaction price, authorized amount and level of approval

I. When acquiring or disposing of memberships, their fair market values should be taken into consideration in the negotiation of transaction terms and prices, from which an analysis report shall be prepared and submitted in accordance with all internally approved levels of authorization and submitted to each level for approval.

II. When acquiring or disposing of memberships, their fair market values or evaluation reports from experts should be taken into consideration in the negotiation of transaction terms and prices, from which an analysis report shall be prepared and submitted to each level for approval in accordance with the Company's "Internal Authorization Level Table."

3. Responsible department

The acquisition or disposal of memberships or intangible assets by the Company shall be carried out by the requesting department and Finance Department in accordance with the internally approved authorization in the preceding paragraph.

B If the transaction amount reaches a certain specified level in the acquisition or disposal of memberships or intangible assets, a certified public accountant should be consulted for his or her opinion.

Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or more, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the certified public accountant shall

public accountant shall comply with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF).

comply with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF).

Article 9-1: The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Paragraph 2, Article 31 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 certified public accountant's opinion has been obtained need not be counted toward the transaction amount.

Chapter 3. Acquiring Real Estate Properties from Related Parties Chapter 3 Related Party Transactions

Article 12: When the Company acquires a real estate property from a related party via purchase or trade, it is necessary to comply with the provisions of Article 8, Article 10 and this Chapter to ensure that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised.

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

Article 13: Procedure for Acquiring Real Estate Properties from a Related Party

If the Company intends to acquire real estate properties from a related party, the responsible department may only do so after having submitted the following information to the Board of Directors for approval and received recognition from the supervisors:

A The purpose, necessity and anticipated benefit of the acquisition of said real estate properties.

B The reason for choosing the related party as a trading counterparty.

C Information regarding the appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 14 or Article 15.

D The date and price at which the related party originally acquired the real estate property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.

E Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund's utilization.

Article 12: When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10% or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a certified public accountant's opinion in compliance with the provisions of the preceding Chapter and this Chapter. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 9-1 herein.

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

Article 13: Procedure for Related Party Transactions

When the Company intends to acquire or dispose of real estate properties 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 responsible department may not proceed to enter into a transaction contract or make a payment until the following matters have been submitted to and approved by the Board of Directors and recognized by the supervisors:

A The purpose, necessity and anticipated benefit of the acquisition or disposal of said real estate properties.

B The reason for choosing the related party as a trading counterparty.

C With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 14 and Article 15.

D The date and price at which the related party originally acquired the real estate property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.

F Restrictive conditions and other important stipulations associated with the transaction.

E Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund's utilization.

F An appraisal report from a professional appraiser or a certified public accountant's opinion obtained in compliance with the preceding article.

G Restrictive conditions and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Paragraph 2, Article 31 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and recognized by the supervisors need not be counted towards the transaction amount.

If the Company has created the position of independent director pursuant to the provisions of the Securities and Exchange Act, and if a matter is submitted for discussion by the Board of Directors in accordance with the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

With respect to the acquisition or disposal of machinery and equipment for business use between the Company and its parent or subsidiaries, if the transaction amount does not exceed 1% of the Company's net worth as indicated in the latest financial statements, the Chairman of the Board shall be delegated the authority to decide such matters and the decisions shall be subsequently submitted to and ratified by the next Board of Directors meeting.

If the Company has established an audit committee pursuant to the provisions of the Securities and Exchange Act and a matter for which paragraph 1 requires recognition by the supervisors, then approval by more than one half of all audit committee members is required and the matter should then be submitted to the Board of Directors for a resolution.

If the Company has created the position of independent director pursuant to the provisions of the Securities and Exchange Act, and if a matter is submitted for discussion by the Board of Directors in accordance with the provisions of Paragraph 1 and Paragraph 3, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

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

If the Company has established an audit committee pursuant to the provisions of the Securities and Exchange Act and a matter for which paragraph 1 requires recognition by the supervisors, then approval by more than one half of all audit committee members is required and the matter should then be submitted to the Board of Directors for a resolution.

The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

If approval of more than half of all audit committee members as required in the preceding paragraph is not

obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting.

The terms "all audit committee members" in Paragraph 5 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 26: Evaluation and operating procedures

A When participating in a merger, demerger, acquisition or transfer of shares, it is advisable for the Company to engage an attorney, a certified public accountant and an underwriter to jointly develop an estimated schedule for the procedures prescribed by law, and a task force shall be organized to implement the actions in accordance with these procedures. Furthermore, prior to convening the Board of Directors meeting to resolve the matter, the Company shall engage a certified public accountant, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage.

B When participating in a merger, demerger, acquisition or transfer of shares, the Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger or acquisition prior to the shareholders' meeting and include it along with the aforementioned expert opinion when sending shareholders notification of the shareholders' meeting for reference in deciding whether to approve the merger, demerger or acquisition. However, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger or acquisition, this restriction shall not apply.

C Where the shareholders' meeting of any one of the companies participating in a merger, demerger or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders' meeting, the Company shall immediately explain publicly the reason, the follow-up measures and the preliminary date of the next shareholders' meeting.

D When participating in a merger, demerger or acquisition, the Company shall convene a Board of Directors meeting and shareholders' meeting with other participating companies on the day of the transaction to resolve matters relevant to the merger, demerger or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

Article 26: Evaluation and operating procedures

A When participating in a merger, demerger, acquisition or transfer of shares, it is advisable for the Company to engage an attorney, a certified public accountant and an underwriter to jointly develop an estimated schedule for the procedures prescribed by law, and a task force shall be organized to implement the actions in accordance with these procedures. Furthermore, prior to convening the Board of Directors meeting to resolve the matter, the Company shall engage a certified public accountant, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage.

B When participating in a merger, demerger, acquisition or transfer of shares, the Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger or acquisition prior to the shareholders' meeting and include it along with the aforementioned expert opinion when sending shareholders notification of the shareholders' meeting for reference in deciding whether to approve the merger, demerger or acquisition. However, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger or acquisition, this restriction shall not apply.

C Where the shareholders' meeting of any one of the companies participating in a merger, demerger or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders' meeting, the Company shall immediately explain publicly the reason, the follow-up measures and the preliminary date of the next shareholders' meeting.

D When participating in a merger, demerger or acquisition, the Company shall convene a Board of Directors meeting and shareholders' meeting with other participating companies on the day of the transaction to resolve matters relevant to the merger, demerger or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

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

F When participating in a merger, demerger, acquisition or transfer of shares, the Company shall prepare a full written record of the following information and retain it for five years for reference.

1. Basic identification data for personnel: Including the occupational titles, names and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition or transfer of another company's shares prior to disclosure of the information.

2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract and the convening of a Board of Directors meeting.

3. Important documents and minutes: Including merger, demerger, acquisition and share transfer plans, any letter of intent or memorandum of understanding, material contracts and minutes of Board of Directors meetings.

G When participating in a merger, demerger, acquisition or transfer of shares, the Company shall, within two days from the date of passage of a resolution by the Board of Directors, report the information set out in Subparagraphs 1 and 2 of the preceding paragraph in the prescribed format and via the Internet-based information system to the FSC for recordation.

H Where any of the companies participating in a merger, demerger, acquisition or transfer of shares is neither listed on an exchange nor has its shares traded on an over-the-counter market, the Company shall sign an agreement with the company (or companies) listed or traded and shall abide by the provisions of the preceding two paragraphs.

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

F When participating in a merger, demerger, acquisition or transfer of shares, the Company shall prepare a full written record of the following information and retain it for five years for reference.

1. Basic identification data for personnel: Including the occupational titles, names and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition or transfer of another company's shares prior to disclosure of the information.

2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract and the convening of a Board of Directors meeting.

3. Important documents and minutes: Including merger, demerger, acquisition and share transfer plans, any letter of intent or memorandum of understanding, material contracts and minutes of Board of Directors meetings.

G When participating in a merger, demerger, acquisition or transfer of shares, the Company shall, within two days commencing immediately from the date of passage of a resolution by the Board of Directors, report the information set out in Subparagraphs 1 and 2 of the preceding paragraph in the prescribed format and via the Internet-based information system to the FSC for recordation.

H Where any of the companies participating in a merger, demerger, acquisition or transfer of shares is neither listed on an exchange nor has its shares traded on an over-the-counter market, the Company shall sign an agreement with the company (or companies) listed or traded and shall abide by the provisions of the preceding two paragraphs.

Article 31: Public Announcement and Regulatory Filing Procedures

A Under any of the following circumstances, when acquiring or disposing of assets, the Company shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within two days from the date of occurrence of the event:

1. Acquisition of real estate property from a related party.
2. Engaging in an investment in mainland China.
3. Engaging in a merger, demerger, acquisition or transfer of shares.
4. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in Paragraph 2, Article 18 herein.
5. Where an asset transaction other than any of those referred to in the preceding four subparagraphs reaches 20% or more of the Company's paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - I. Trading of government bonds.
 - II. Trading of bonds under repurchase and resale agreements.
 - III. Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.
 - IV. Where the subsidiary of the Company is a professional investment firm and is engaging in securities trading on foreign or domestic securities exchanges or over-the-counter markets.
 - V. Where land is acquired under an arrangement on engaging others to build on the company's own land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or

Article 31: Public Announcement and Regulatory Filing Procedures

A Under any of the following circumstances, when acquiring or disposing of assets, the Company shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within two days commencing immediately from the date of occurrence of the event:

1. Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements.
2. Engaging in a merger, demerger, acquisition or transfer of shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in Paragraph 2, Article 18 herein.
4. Where an asset transaction other than any of those referred to in the preceding three subparagraphs or an investment in mainland China reaches 20% or more of the Company's paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - I. Trading of government bonds.
 - II. Trading of bonds under repurchase and resale agreements.
 - III. Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.
 - IV. Where the subsidiary of the Company is a professional investment firm and is engaging in securities trading on foreign or domestic securities exchanges or over-the-counter markets.

joint construction and separate sale, and the amount the Company expects to invest in the transaction is less than NT\$500 million.

The transaction amounts above shall be calculated as follows:

- I. The amount of any individual transaction.
- II. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
- III. The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.
- IV. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

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

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

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

D At the time of public announcement, if the Company makes an error or omission in an item required by regulations to be publicly announced and is therefore required to correct it, all the items shall again be publicly announced and reported in their entirety.

V. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction is less than NT\$500 million.

B The amount of transactions specified in the preceding paragraph shall be calculated as follows:

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

C "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the provisions herein need not be counted toward the transaction amount.

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

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

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

E When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports and opinions of the certified public accountant, attorney and securities underwriter at the Company headquarters, where they shall be retained for five years, except where another act provides otherwise.

F If a subsidiary of the Company is not a domestic public company and the acquisition or disposal of the assets by the subsidiary meets the above public announcement and regulatory filing requirements, the Company shall conduct the public announcement and regulatory filing on its behalf. However, the "20% of paid-in capital" requirement that is applicable to the subsidiary's public announcement and regulatory filing refers to the Company's paid-in capital.

1. Change, termination or rescission of a contract signed in regard to the original transaction.

2. The merger, demerger, acquisition or transfer of shares is not completed by the scheduled date set forth in the contract.

3. Change to the originally publicly announced and reported information.

F. At the time of public announcement, if the Company makes an error or omission in an item required by regulations to be publicly announced and is therefore required to correct it, all the items shall again be publicly announced and reported in their entirety.

G. When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports and opinions of the certified public accountant, attorney and securities underwriter at the Company headquarters, where they shall be retained for five years, except where another act provides otherwise.

H. If a subsidiary of the Company is not a domestic public company and the acquisition or disposal of the assets by the subsidiary meets the above public announcement and regulatory filing requirements, the Company shall conduct the public announcement and regulatory filing on its behalf. However, the "20% of paid-in capital or 10% of total assets" requirement that is applicable to the subsidiary's public announcement and regulatory filing refers to the Company's paid-in capital or total assets.

Article 32: Control Procedures for the Acquisition and Disposal of Assets by Subsidiaries

A The Company shall see to it that its subsidiaries adopt the procedures for the acquisition or disposal of assets in compliance with the provisions of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.

B The acquisition and disposal of assets by the Company's subsidiaries shall be governed by their respective "internal control systems" and "procedures for the acquisition or disposal of assets." In addition, every month each subsidiary shall compile a written report on assets acquired or disposed of during the preceding month (up to the end of that month) and submit it the Company by the 10th day of the month.

C The Company's audit department shall include the asset acquisition and disposal operations of its subsidiaries as one of its annual audit plans, and the results of the audit shall then be included as an essential item in the audit report to the supervisors.

Article 32: Control Procedures for the Acquisition and Disposal of Assets by Subsidiaries

A The Company shall see to it that its subsidiaries adopt and implement the procedures for the acquisition or disposal of assets in compliance with the provisions of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.

B The acquisition and disposal of assets by the Company's subsidiaries shall be governed by their respective "internal control systems" and "procedures for the acquisition or disposal of assets." In addition, every month each subsidiary shall compile a written report on assets acquired or disposed of during the preceding month (up to the end of that month) and submit it the Company by the 10th day of the month.

C The Company's audit department shall include the asset acquisition and disposal operations of its subsidiaries as one of its annual audit plans, and the results of the audit shall then be included as an essential item in the audit report to the supervisors.

Advanced Semiconductor Engineering, Inc.

Table of Comparison of the Company's revised Rules Governing the Election of Directors and Supervisors

Original Provisions	Provisions after Revision
<p>Article 2:</p> <p>During the process of electing the Company's directors and supervisors, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected. Ballots of a quantity equal to the number of directors and supervisors to be elected shall be prepared by the Board of Directors and distributed to all shareholders.</p> <p>In the election described in the preceding paragraph, the total number of votes per share may be consolidated for the election of one candidate or may be split for the election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect or a supervisor elect. Independent and non-independent directors shall be elected at the same time, but in separately calculated numbers. The name of a voter may be replaced by the attendance pass serial number printed on the ballot. The ballots shall be prepared and distributed by the Board of Directors, and the number of shares corresponding to each attendance pass serial number shall be printed on them.</p> <p>Article 3:</p> <p>In accordance with the provisions of the Company's Articles of Incorporation regarding the number of positions for directors and supervisors, candidates with the most number of votes shall be elected as independent directors, non-independent directors or supervisors. If two or more candidates receive the same number of votes and the total number of elected persons has exceeded the required number of positions, the matter shall be decided by a drawing of lots. For those who are not in attendance, the Chairman shall draw lots on their behalf. A natural person who has been elected as a director and a supervisor simultaneously shall decide on his or her own which one of these positions to assume. The same rule</p>	<p>Article 2:</p> <p>The election of the Company's directors and supervisors may be carried out by shareholders via electronic voting.</p> <p>When conducting the election of the Company's directors and supervisors, in addition to electronic voting, shareholders may also use the ballots prepared by the Board of Directors and printed with their attendance pass serial numbers and the number of votes represented.</p> <p>In the election described in the preceding paragraph, the name of a voter on the ballot may be replaced by the attendance pass serial number.</p> <p>During the process of electing the Company's directors and supervisors, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. Independent and non-independent directors shall be elected at the same time, but in separately calculated numbers.</p> <p>Article 3:</p> <p>In the election of the Company's directors and supervisors, based on the provisions of the Company's Articles of Incorporation regarding the number of positions for directors and supervisors to be elected, candidates with the most number of votes (including electronic votes) shall be elected as independent directors, non-independent directors or supervisors. If two or more candidates receive the same number of votes and the total number of elected persons has exceeded the number of positions to be elected, the matter shall be decided by a drawing of lots. For those who are not in attendance, the Chairman shall draw lots on their behalf. A natural person who has been elected as a director and a supervisor</p>

applies when a government or corporate shareholder, or its designated representative, is elected as a director and a supervisor simultaneously. If an elected director or supervisor is found to have provided erroneous personal information or if his or her election is determined to be invalid under applicable laws, the vacant position shall be filled by the next candidate with the highest number of votes in the same election, and subsequently announced at the same shareholders' meeting.

simultaneously shall decide on his or her own which one of these positions to assume. The same rule applies when a government or corporate shareholder, or its designated representative, is elected as a director and a supervisor simultaneously. If an elected director or supervisor is found to have provided erroneous personal information or if his or her election is determined to be invalid under applicable laws, the vacant position shall be filled by the next candidate with the highest number of votes in the same election, and subsequently announced at the same shareholders' meeting.

- 56 -

Advanced Semiconductor Engineering, Inc.

Table of Comparison of the Company's revised Rules of Procedure for the Shareholders' Meeting

Original Provisions

Provisions after Revision

Article 2:

Attending shareholders (or their proxies) shall wear attendance passes, and shall submit sign-in cards in lieu of signing in. The applicable weight of share ownership shall be determined by the indication on the sign-in card.

Article 2:

Shareholders attending the meeting in person (or their proxies) shall wear attendance badges and shall submit sign-in cards in lieu of signing in. The Company's weight of share ownership in attendance shall be based on the weight of share ownership described in the preceding, plus the weight of share ownership exercised via electronic voting.

Attachment IX

Advanced Semiconductor Engineering, Inc.

Table of Comparison of the Revised Articles of Incorporation

Original Provisions	Provisions after Revision
<p>Article 16-2: Independent directors shall be remunerated NT\$2 million per person per year. If an independent serves on the board for less than a year, s/he shall be paid part of that amount for the number of days served.</p>	<p>Article 16-2: Independent directors shall be remunerated with NT\$2 million per person per year. If an independent serves on the board for less than a year, s/he shall be paid part of that amount for the number of days served. An independent director of the Company, if also serving as a member of the Company's Remuneration Committee, shall receive compensation of NT\$360,000 per year. If the term of service is less than one year, the actual compensation received shall be calculated on a pro-rata basis on the actual days served.</p>
<p>Article 27: The articles of incorporation were passed at a founders' meeting held on March 11, 1984. The first amendment was made on May 3, 1984.</p>	<p>Article 27: The articles of incorporation were passed at a founders' meeting held on March 11, 1984. The first amendment was made on May 3, 1984.</p>
<p>The thirty-sixth amendment was made on June 25, 2009. The thirty-seventh amendment was made on June 14, 2010. The thirty-eighth amendment was made on June 28, 2011.</p>	<p>The thirty-sixth amendment was made on June 25, 2009. The thirty-seventh amendment was made on June 14, 2010. The thirty-eighth amendment was made on June 28, 2011. The thirty-ninth amendment was made on June 21, 2012.</p>