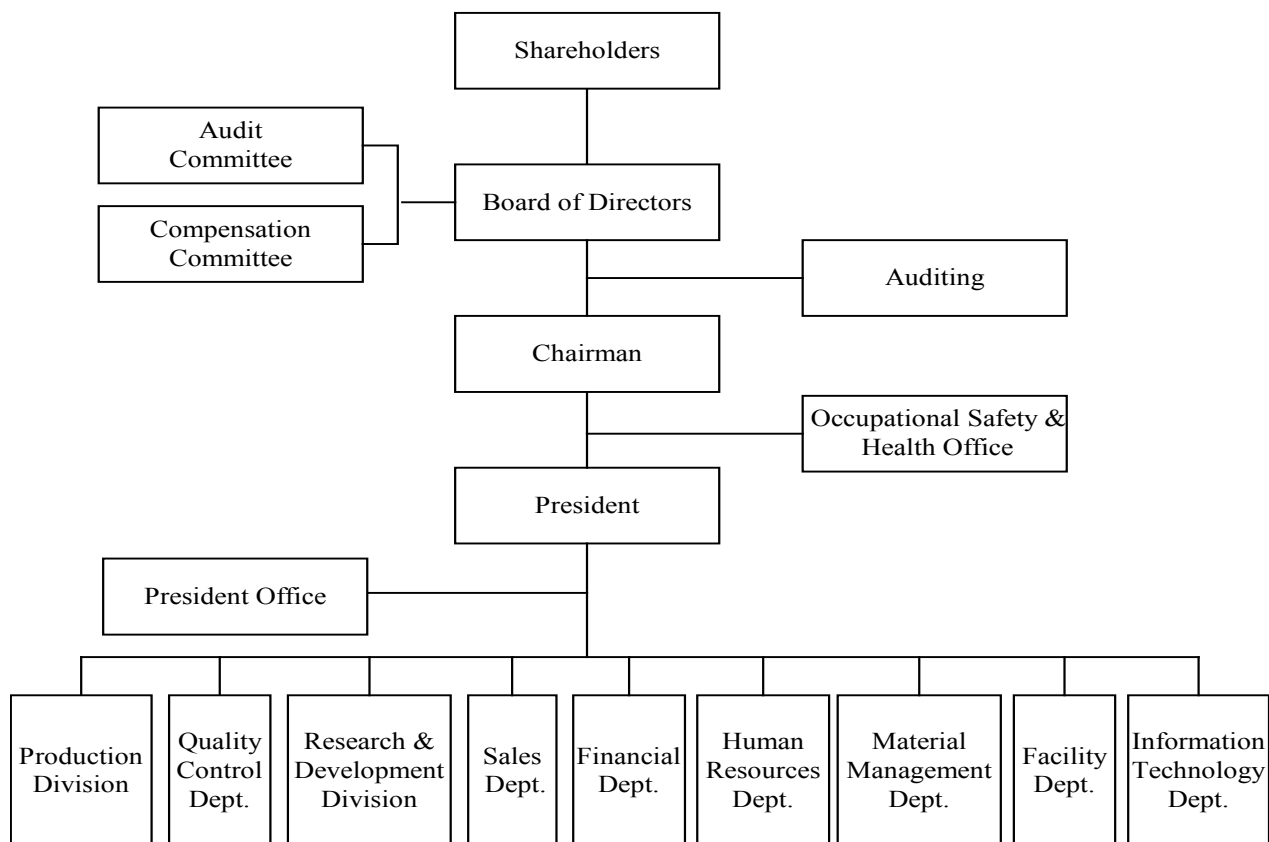


III. Corporate Governance Report

3.1 Organization

3.1.1 Organizational Chart



3.1.2 Functions of Departments

Department	Functions
President Office	Responsible for the planning and implementing of Company structure, managing the implementing of special projects and assisting the President with internal manage and external issues.
Auditing	Reviews and assesses the internal control system and provides analysis and evaluations.
Occupational Safety & Health Office	Responsible for the planning, managing and operating of labor safety and health of the company.
Production Division	Responsible for production capacity allocation, product manufacturing and equipment repair.
Quality Control Dept.	Inspects and accepts raw materials and products and performs quality controls.
Research & Development Division	Responsible for technology development and design for products, materials analysis and process improvement.
Sales Dept.	Responsible for analyzing industry data, corporate marketing activities and after sales service.
Financial Dept.	Responsible for the planning, implementing and control of treasury, accounting, tax and shareholder affairs.
Human Resources Dept.	Responsible for the planning and execution of human resources, employee training, general affairs and asset management.
Material Management Dept.	Responsible for the raw materials, machinery and equipment procurement; import, export and storage management.
Facility Dept.	Responsible for the planning, set-up and maintenance of facilities.
Information Technology Dept.	Responsible for the planning and management of the Company information systems, software and network.

3.2 Directors, Supervisors and Management Team

3.2.1 Directors and Supervisors

A. Directors

As of 04/20/2019

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	R.O.C	Shuang De Investment Corp.	-	06/29/2016	3	06/25/2013	17,000	0.02%	31,000	0.04%	0	0%	0	0%	-	-	-	-	-
		Rep.: Chien-Wen Kuo	Male				1,709,481	2.48%	1,709,481	2.48%	365,017	0.53%	0	0%	•Bachelor Degree in Department of Civil Engineering, Chung Yuan Christian University •Chairman of Ting Fu Investment Corp.	Note 1	Director Director Director	Yung-Fu Kuo Chih-Chun Kuo Te-Ti Han	Father and Son Brother Spouse
Director	R.O.C	Kuo Chia Fu Investment Corp.	-	06/29/2016	3	06/28/2001	5,436,189	7.88%	5,485,189	7.95%	0	0%	0	0%	-	-	-	-	-
		Rep.: Yung-Fu Kuo	Male				0	0%	0	0%	0	0%	0	0%	•Taipei High School •Director of Kuo Chia Fu Investment Corp.	Director of Kuo Chia Fu Investment Corp.	Chairman Director Director	Chien-Wen Kuo Chih-Chun Kuo Te-Ti Han	Father and Son Brother Daughter-in-law
Director	R.O.C	Hsin Chang Construction Corp.	-	06/29/2016	3	06/17/2010	1,551,344	2.25%	1,551,344	2.25%	0	0%	0	0%	-	-	-	-	-
		Rep.: Chih-Chun Kuo	Male				1,709,481	2.48%	1,709,481	2.48%	365,017	0.53%	0	0%	•Master Degree in EMBA, National Taiwan University •Chairman of Kuo Chia Fu Investment Corp.	Note 2	Chairman Director Director	Chien-Wen Kuo Yung-Fu Kuo Te-Ti Han	Father and Son Brother Sister-in-law
Director	R.O.C	Lin Li Construction Corp.	-	06/29/2016	3	06/17/2010	1,808,271	2.62%	1,808,271	2.62%	0	0%	0	0%	-	-	-	-	-
		Rep.: Te-Ti Han	Female				365,017	0.53%	365,017	0.53%	1,709,481	2.48%	0	0%	•Bachelor Degree in Spanish Language and Culture, Fu Jen Catholic University •Director of Lin Li Construction Corp.	Note 3	Chairman Director Director	Chien-Wen Kuo Yung-Fu Kuo Chih-Chun Kuo	Spouse Father -in-law Sister-in-law
Director	US	Johanson Technology Inc.	-	06/29/2016	3	06/28/2001	2,881,810	4.18%	2,881,810	4.18%	0	0%	0	0%	-	-	-	-	-
		Rep.: Petrinc John Darko	Male				156,200	0.23%	156,200	0.23%	0	0%	0	0%	•Bachelor Degree in Ceramic engineering, Alfred University •President of Johanson Technology Inc.	President of Johanson Technology Inc.	-	-	-

Note 1: Chairman of Ting Fu Investment Corp., Chairman of Lin Li Construction Corp., Chairman of Universal Asia Technology Company, Chairman of Chun Chien International Co., Ltd, Director of Hsin Chang Construction Corp., Director of Lien Fu Investment Corp., Director of Mei Erh Ku Construction Corp., Director of Kuo Chia Fu Investment Corp., President of Advanced Ceramic X Corporation

Note 2: Chairman of Kuo Chia Fu Investment Corp., Chairman of Lien Fu Investment Corp., Chairman of Hsin Chang Construction Corp., Chairman of Chien Fu Investment Co., Ltd, Chairman of Mei Erh Ku Construction Corp., Director of Lin Li Construction Corp., Director of Ting Fu Investment Corp., Chairman of Universal Asia Technology Company, Director of Formosan Union Chemical Corp., Director of Fortune General Merchandise Corp.

Note 3: Director of Lin Li Construction Corp., Chairman of Universal Asia Technology Company, Director of Ting Fu Investment Corp., Director of Lien Fu Investment Corp.

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director	US	Scientific Components Corp.	-	06/29/2016	3	04/19/2006	3,068,477	4.45%	3,068,477	4.45%	0	0%	0	0%	-	-	-	-	-
		Rep.: Kelvin Kiew	Male				0	0%	0	0%	0	0%	0	0%	•Master Degree in Engineering, University of California •Vice President of Scientific Components Corp.	•President of Scientific Components Corp •Chairman of Mini-Circuits Taiwan Ltd.	-	-	-
Director	R.O.C	Ming-Huang LI	Male	06/29/2016	3	02/21/2000	346,450	0.50%	346,450	0.50%	151,480	0.22%	0	0%	•Yanping High School •Chairman of Chun Jing Petroleum Corp.	Chairman of Fortune General Merchandise Corp.	-	-	-
Director	R.O.C	Chiu-Feng Lien	Male	06/29/2016	3	06/25/2013	20,000	0.03%	20,000	0.03%	0	0%	0	0%	•Master Degree in Electronics Engineering, National Chiao Tung University •Director of Explore Semiconductor Inc.	•Director of Explore Semiconductor Inc. •Supervisor of Explore Microelectronics Inc.	-	-	-
Independent Director	R.O.C	Shiuh-Kao Chiang	Male	06/29/2016	3	05/09/2007	0	0%	0	0%	0	0%	0	0%	•Ph. D. in Ceramic Engineering, Ohio State University •EMBA in Cleveland State University •Director of Gould Electronics	Managing partner of Prismark Partners LLC	-	-	-
Independent Director	R.O.C	Ta-Wen Sun	Male	06/29/2016	3	05/09/2007	0	0%	0	0%	0	0%	0	0%	•Bachelor Degree in Business Administration, Fu Jen Catholic University •Chairman of Taiflex Scientific Co., Ltd.	Note 4	-	-	-
Independent Director	R.O.C	Shang-Ming Chin	Male	06/29/2016	3	06/25/2013	0	0%	0	0%	0	0%	0	0%	•Master Degree in International Management, American Graduate School •Vice President of IBM	-	-	-	-

Note 4: Chairman of Taiflex Scientific Co., Ltd., Chairman of Qiao Mei Development Corporation, Chairman of Innatech Co., Ltd., Chairman of Yu Pen Investment Corp., Supervisor of BIONET Corp., Director of Enli Technology Co., Ltd, Director of SciVision Biotech Inc.

B. Major shareholders of the institutional shareholders

As of 12/31/2018

Name of Institutional Shareholders	Major Shareholders
Shuang De Investment Corp.	Fang-Ling Kuo (50%), Hsiu-Chen Kuo (50%)
Kuo Chia Fu Investment Corp.	Chih-Chun Kuo (8.87%), Chien-Wen Kuo (8.80%), Lin Li Construction Corp. (8.12%), Te-Ti Han (6.91%), Hui-Chu Tsai (6.13%), Lien Fu Investment Corp. (5.28%), Hsin Chang Construction Corp. (5.17%), Ting Fu Investment Corp. (4.69%), Hsiu-Chen Kuo (1.40%), Yu-Hsiung Hsieh (1.35%)
Johanson Technology Inc.	Eric Johanson (100%)
Scientific Components Corp.	Harvey Kaylie (100%)
Hsin Chang Construction Corp.	Ting Fu Investment Corp. (19.48%), Cheng-Hsin Kuo (12.65%), Cheng-Lin Kuo (12.65%), Chun Kuo (12.65%), Li Kuo (12.65%), Chih-Chun Kuo (9.45%), Chien-Wen Kuo (9.20%), Te-Ti Han (5.76%), Hui-Chu Tsai (5.51%)
Lin Li Construction Corp.	Lien Fu Investment Corp. (14.95%), Cheng-Hsin Kuo (14.12%), Cheng-Lin Kuo (14.12%), Chun Kuo (14.12%), Li Kuo (14.12%), Chih-Chun Kuo (7.90%), Chien-Wen Kuo (7.90%), Te-Ti Han (6.39%), Hui-Chu Tsai (6.38%)

C. Major shareholders of the Company's major institutional shareholders

As of 12/31/2018

Name of Institutional Shareholders	Major Shareholders
Ting Fu Investment Corp.	Lin Li Construction Corp. (30.80%), Chih-Chun Kuo (14.25%), Chien-Wen Kuo (14.20%), Te-Ti Han (11.22%), Hui-Chu Tsai (11.17%), Cheng-Hsin Kuo (4.59%), Cheng-Lin Kuo (4.59%), Chun Kuo (4.59%), Li Kuo (4.59%)
Lien Fu Investment Corp.	Hsin Chang Construction Corp. (33.58%), Chien-Wen Kuo (16.46%), Chih-Chun Kuo (16.33%), Te-Ti Han (15.98%), Hui-Chu Tsai (15.33%), Cheng-Hsin Kuo (0.77%), Cheng-Lin Kuo (0.77%), Chun Kuo (0.39%), Li Kuo (0.39%)

D. Professional qualifications and independence analysis of directors and supervisors

Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria(Note)										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	Criteria	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	
Shuang De Investment Corp. Rep.:Chien-Wen Kuo	—	—	✓	—	✓	—	—	—	✓	✓	—	✓	—	0
Kuo Chia Fu Investment Corp. Rep.:Yung-Fu Kuo	—	—	✓	✓	✓	—	—	—	✓	✓	—	✓	—	0
Hsin Chang Construction Corp. Rep.:Chih-Chun Kuo	—	—	✓	✓	✓	—	—	—	✓	✓	—	✓	—	0
Lin Li Construction Corp. Rep.:Te-Ti Han	—	—	✓	✓	✓	—	—	—	✓	✓	—	✓	—	0
Johanson Technology Inc. Rep.:Petrinec John Darko	—	—	✓	✓	✓	—	✓	—	✓	✓	✓	✓	—	0
Scientific Components Corp. Rep.:Kelvin Kiew	—	—	✓	✓	✓	—	✓	—	✓	✓	✓	✓	—	0
Ming-Huang LI	—	—	✓	✓	✓	—	✓	✓	✓	✓	✓	✓	✓	0
Chiu-Feng Lien	—	—	✓	✓	✓	—	✓	✓	✓	✓	✓	✓	✓	0
Shiuh-Kao Chiang	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Ta-Wen Sun	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Shang-Ming Chin	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0

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

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of the Company or any of its affiliates. Not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.
5. Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company or who holds shares ranking in the top five holdings.
6. Not a director, supervisor, officer, or shareholder holding 5% or more of the shares, of a specified company or institution which has a financial or business relationship with the Company.
7. Not a professional individual who is an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof. These restrictions do not apply to any member of the remuneration committee who exercises powers pursuant to Article 7 of the "Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Companies whose Stock is Listed on the TWSE or Traded on the TPEX".
8. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
9. Not been a person of any conditions defined in Article 30 of the Company Act.
10. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

3.2.2 Management Team

As of 04/20/2019

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
President	R.O.C	Chien-Wen Kuo	Male	12/13/2013	1,709,481	2.48%	365,017	0.53%	0	0%	<ul style="list-style-type: none"> •Bachelor Degree in Department of Civil Engineering, Chung Yuan Christian University •Chairman of Ting Fu Investment Corp. 	Note 1	None	None	None
Vice President	R.O.C	Chia-Jui Chang (Note 2)	Female	07/01/1998	9,900	0.01%	1,000	0%	0	0%	<ul style="list-style-type: none"> •Ph. D. in Materials Science and Engineering, National Tsing Hua University 	None	None	None	None
Vice President	R.O.C	Chih-Wen Shen	Male	10/23/2013	0	0%	0	0%	0	0%	<ul style="list-style-type: none"> •Ph. D. in Electrical Communication Engineering, National Chiao Tung University •Vice President of Scientific Technics Co., Ltd. 	None	None	None	None
Director	R.O.C	Cheng-Chi Lin	Female	08/01/1998	16,596	0.02%	0	0%	0	0%	<ul style="list-style-type: none"> •Master Degree in Applied Chemistry, National Chiao Tung University •Material Research Fellow of Industrial Technology Research Institute 	None	None	None	None
Director	R.O.C	Yu-Hui Ning (Note 2)	Female	08/16/2006	0	0%	0	0%	0	0%	<ul style="list-style-type: none"> •Master Degree in Accounting, University of California •Director of Advantech Semiconductor Inc. 	None	None	None	None
Director	R.O.C	Chun-Hung Liu	Male	08/03/2010	7,500	0.01%	300	0%	0	0%	<ul style="list-style-type: none"> •Master Degree in Materials Science and Engineering, National Tsing Hua University 	None	None	None	None
Director	R.O.C	Wei-Neng Wang (Note 3)	Male	08/07/2018	1,000	0%	0	0%	0	0%	<ul style="list-style-type: none"> •Master Degree in Accounting, National Taipei University •Financial Director of AUO Crystal Corp. 	None	None	None	None

Note 1: Chairman of Ting Fu Investment Corp., Chairman of Lin Li Construction Corp., Chairman of Universal Asia Technology Company, Director of Hsin Chang Construction Corp., Director of Lien Fu Investment Corp., Director of Mei Erh Ku Construction Corp., Director of Kuo Chia Fu Investment Corp.

Note 2: Vice President, Chia-Jui Chang, officially withdrew from her position on June 28, 2018, and Assistant Vice President, Yu-Hui Ning, officially withdrew from her position on August 7, 2018.

Note 3: Mr. Wei-Neng Wang was appointed as Financial Director on August 7, 2018.

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

A. Remuneration of Directors

As of 12/31/2018; Unit: NT\$ thousands; Shares in thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees						Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary		
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The company	Companies in the Financial Reports	The company	Companies in the Financial Reports	The company	Companies in the Financial Reports	The company	Companies in the Financial Reports	The company	Companies in the Financial Reports	The company	Companies in the Financial Reports	The company	Companies in the Financial Reports	Cash	Stock	Cash	Stock		The company	Companies in the Financial Reports
Chairman	Shuang De Investment Corp.																					
Director	Kuo Chia Fu Investment Corp.																					
Director	Hsin Chang Construction Corp.																					
Director	Lin Li Construction Corp.																					
Director	Johanson Technology Inc.																					
Director	Scientific Components Corp																					
Director	Ming-Huang LI	0	0	0	0	15,168	15,168	240	240	2.03%	2.03%	0	0	0	0	0	0	0	0	2.03%	2.03%	None
Director	Chiu-Feng Lien																					
Independent Director	Shiuh-Kao Chiang																					
Independent Director	Ta-Wen Sun																					
Independent Director	Shang-Ming Chin																					

Note 1: The employees' compensation and Directors' compensation for year 2018 were NT\$50,560 thousand and NT\$15,168 thousand, respectively, which were passed by the Board of Directors' meeting on Feb. 26, 2019.

Note 2: The net income for year 2018 was NT\$757,739 thousand.

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the Financial Reports	The company	Companies in the Financial Reports
Under NT\$ 2,000,000	Shuang De Investment Corp., Kuo Chia Fu Investment Corp., Hsin Chang Construction Corp., Lin Li Construction Corp. Johanson Technology Inc., Scientific Components Corp., Ming-Huang LI, Chiu-Feng Lien, Shiuh-Kao Chiang, Ta-Wen Sun, Shang-Ming Chin	Shuang De Investment Corp., Kuo Chia Fu Investment Corp., Hsin Chang Construction Corp., Lin Li Construction Corp. Johanson Technology Inc., Scientific Components Corp., Ming-Huang LI, Chiu-Feng Lien, Shiuh-Kao Chiang, Ta-Wen Sun, Shang-Ming Chin	Shuang De Investment Corp., Kuo Chia Fu Investment Corp., Hsin Chang Construction Corp., Lin Li Construction Corp. Johanson Technology Inc., Scientific Components Corp., Ming-Huang LI, Chiu-Feng Lien, Shiuh-Kao Chiang, Ta-Wen Sun, Shang-Ming Chin	Shuang De Investment Corp., Kuo Chia Fu Investment Corp., Hsin Chang Construction Corp., Lin Li Construction Corp. Johanson Technology Inc., Scientific Components Corp., Ming-Huang LI, Chiu-Feng Lien, Shiuh-Kao Chiang, Ta-Wen Sun, Shang-Ming Chin
NT\$2,000,001 ~ NT\$5,000,000				
NT\$5,000,001 ~ NT\$10,000,000				
NT\$10,000,001 ~ NT\$15,000,000				
NT\$15,000,001 ~ NT\$30,000,000				
NT\$30,000,001 ~ NT\$50,000,000				
NT\$50,000,001 ~ NT\$100,000,000				
Over NT\$100,000,000				
Total	11	11	11	11

B. Compensation of Supervisors: N/A

C. Compensation Paid to President and Vice Presidents

As of 12/31/2018; Unit: NT\$ thousands; Shares in thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D) Note 1				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company's Subsidiary
		The company	Companies in the Financial Reports	The company	Companies in the Financial Reports	The company	Companies in the Financial Reports	The company		Companies in the Financial Reports		The company	Companies in the Financial Reports	
								Cash	Stock	Cash	Stock			
President	Chien-Wen Kuo	3,004	3,004	182	182	2,124	2,124	4,590	0	4,590	0	1.31%	1.31%	None
Vice President	Chia-Jui Chang (Note 3)													
Vice President	Chih-Wen Shen													

Note 1: The employees' compensation for year 2018 was NT\$50,560 thousand which was passed by the Board of Directors' meeting on Feb. 26, 2019. Employee Compensation percentage used last year is adopted.

Note 2: The net income for year 2018 was NT\$757,739 thousand.

Note 3: Vice President, Chia-Jui Chang, officially withdrew from her position on June 28, 2018.

Range of Compensation	Name of President and Vice Presidents	
	The company	Companies in the Financial Reports
Under NT\$ 2,000,000	Chien-Wen Kuo, Chia-Jui Chang	Chien-Wen Kuo, Chia-Jui Chang
NT\$2,000,001 ~ NT\$5,000,000		
NT\$5,000,001 ~ NT\$10,000,000	Chih-Wen Shen	Chih-Wen Shen
NT\$10,000,001 ~ NT\$15,000,000		
NT\$15,000,001 ~ NT\$30,000,000		
NT\$30,000,001 ~ NT\$50,000,000		
NT\$50,000,001 ~ NT\$100,000,000		
Over NT\$100,000,000		
Total	3	3

D. Employee Compensation Paid to Management Team

As of 12/31/2018; Unit: NT\$ thousands

Title	Name	Employee Compensation - in Stock (Fair Market Value)	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)	
Executive Officers	President	0	6,163	6,163	0.81%	
	Vice President					Chia-Jui Chang (Note3)
	Vice President					Chih-Wen Shen
	Directors					Cheng-Chi Lin
	Directors					Yu-Hui Ning (Note 3)
	Directors					Chun-Hung Liu
	Directors					Wei-Neng Wang (Note 4)

Note 1: The employees' compensation for year 2018 was NT\$50,560 thousand which was passed by the Board of Directors' meeting on Feb. 26, 2019. Employee Compensation percentage used last year has been adopted.

Note 2: The net income for year 2018 was NT\$757,739 thousand.

Note 3: Vice President, Chia-Jui Chang, officially withdrew from her position on June 28, 2018, and Assistant Vice President, Yu-Hui Ning, officially withdrew from her position on August 7, 2018.

Note 4: Mr. Wei-Neng Wang was appointed as Finance Director on August 7, 2018.

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

Items \ Year	2017		2018	
	The company	Companies in the Financial Reports	The company	Companies in the Financial Reports
Directors	1.97%	1.97%	2.03%	2.03%
Supervisors	N/A	N/A	N/A	N/A
President and Vice Presidents	2.35%	2.35%	1.31%	1.31%
Total	4.32%	4.32%	3.34%	3.34%

Remuneration for directors is made according to the Company's Articles of Incorporation. According to the Article, if there is any net profit after closing of a fiscal year, no more than 1.5% of the same shall be allocated as directors' compensation. The rationale of directors' remuneration policy takes into account the Procedures for Board Performance Evaluation, overall business performance of the Company, operation requirement and development of the industry in the future, individual director contribution to the Company's operations and remuneration standard of the industry. The reasonable directors' compensation is proposed by the Compensation Committee and approved by the Board of Directors. Compensation to president and vice president is according to the Company's employer salary and performance assessment rules. The compensation is measured based on the employee's personal achievements, contribution made to the business operation, and remuneration standard of the industry. Thus, we do not expect any significant risk of uncertainty arising from the compensation policy in the future.

3.3 Implementation of Corporate Governance

3.3.1 Board of Directors

A total of 4 (A) meetings of Board of Directors were held in 2018. Director attendance was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B/A 】	Remarks
Chairman	Shuang De Investment Corp. Rep.:Chien-Wen Kuo	4	0	100	
Director	Kuo Chia Fu Investment Corp. Rep.:Yung-Fu Kuo	1	0	25	
Director	Hsin Chang Construction Corp. Rep.:Chih-Chun Kuo	4	0	100	
Director	Lin Li Construction Corp. Rep.:Te-Ti Han	4	0	100	
Director	Johanson Technology Inc. Rep.:Petreec John Darko	3	0	75	
Director	Scientific Components Corp. Rep.:Kelvin Kiew	2	0	50	
Director	Ming-Huang LI	4	0	100	
Director	Chiu-Feng Lien	4	0	100	
Independent director	Shiuh-Kao Chiang	4	0	100	
Independent director	Ta-Wen Sun	4	0	100	
Independent director	Shang-Ming Chin	3	1	75	

Other mentionable items:

1. If any of the following circumstances occur,, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

(1) Matters referred to in Article 14-3 of the Securities and Exchange Act.

Board of Directors Meeting Date	Resolutions	Independent director' opinions and the company's response
02/26/2018 The 8th meeting of the 7th session	<ul style="list-style-type: none"> · Evaluation of independence and qualification of the CPA to be engaged by the Company. · Approval of the 2017 statement of the internal control system. · Approval of the business report and financial statements for the year of 2017. · Amendment to the Company's "Articles of Incorporation", "Rules and Procedures of Board of Directors Meetings", "Rules for Election of Directors", "Audit Committee Charter" and "Rules Governing the Scope of Powers of Independent Directors". 	No independent director had a dissenting opinion or qualified opinion to the proposal and all attending directors agree to pass the proposal.
08/07/2018 The 10th meeting of the 7th session	<ul style="list-style-type: none"> · Appointment of financial and accounting officer. 	
11/06/2018 The 11th meeting of the 7th session	<ul style="list-style-type: none"> · Amendment to the Company's "Finance cycle-Procedures for Shareholder Services" 	

(2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the Board of Directors: None.

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

3. Measures taken to strengthen the functionality of the board: The Board of Directors has established an Audit Committee and a Remuneration Committee to assist the board in carrying out its various duties.

(1) Since 2011, the Company has established the Compensation Committee to review and form corporate policy, structure and payment terms applicable to compensation of directors and managers, as well as rewards and incentive programs of managers of the Company.

(2) After the election held in the AGM on June 25, 2013, three Independent Directors has organized the Audit Committee to supervise the following matters: (a) fair presentation of the financial reports of the Company, (b) the hiring (and dismissal) and independence of certificated public accountants of the Company, (c) the effective implementation of the internal control system of the Company, (d) compliance with relevant laws and regulations by the Company, and (e) Control of the existing or potential risks of the Company.

(3) The Board had approved "Ethical Corporate Management Best Practice Principles", "Codes of Ethical Conduct", "Corporate Governance Practice Principles" and "Corporate Social Responsibility Practice Principles" in order to strengthen the functionality of the Board and enhance information transparency.

(4) The Company had drawn up the "Rules and Procedure of the Board of Directors Meetings" in accordance with "Regulations Governing Procedure for Board of Directors Meetings of Public Companies". Directors' attendance of the Board meetings is available at the Market Observation Post System (MOPS) website and major resolutions from the Board meetings are disclosed on the Company's official website.

(5) The Company has established its Procedures Governing the Performance Evaluation of Board of Directors, setting forth performance objectives to improve the operation efficiency of the Board of Director.

(6) The Board of Directors continue to enhance corporate governance and corporate social responsibility, and the company was garnered the top 5% listed companies in Corporate Governance Assessment on Taipei Exchange.

3.3.2 Audit Committee

A. The Company's Audit Committee was established on June 25, 2013.

B. The Audit Committee assists the Board in fulfilling its oversight of the finance reporting and internal control system of the Company. The responsibilities of the Audit Committee are as follows:

1. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
4. A matter bearing on the personal interest of a director.
5. A material asset or derivatives transaction.
6. A material monetary loan, endorsement, or provision of guarantee.
7. The offering, issuance, or private placement of any equity-type securities.
8. The hiring or dismissal of an attesting CPA, or the compensation given thereto.
9. The appointment or discharge of a financial, accounting, or internal auditing officer.
10. Annual and semi-annual financial reports.
11. Any other material matter so required by the company or the Competent Authority.

C. A total of 4 (A) meetings of the Audit Committee meetings were held in 2018.

Independent director attendance was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B/A 】	Remarks
Independent director	Shiuh-Kao Chiang	4	0	100	
Independent director	Ta-Wen Sun	4	0	100	
Independent director	Shang-Ming Chin	3	1	75	

Other mentionable items:

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

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

Audit Committee Meeting Date	Resolutions	Items prescribed by Article 14-5 of the Securities and Exchange Act	Resolutions of the Audit Committee and the Company's Response
02/26/2018 The 7th meeting of the 2nd session	<ul style="list-style-type: none"> • Reviewed the 2017 fourth quarter internal auditor report. • Evaluation of independence and qualification of the CPA to be engaged by the Company. • Approval of the 2017 statement of the internal control system. • Approval of the business report and financial statements for the year of 2017. • Recommendation of the distribution of earnings for the year of 2018. • Approval of the budget plan of the Company for the year of 2018. • Amendment to the Company's "Articles of Incorporation", "Rules and Procedures of Board of Directors Meetings", "Rules for Election of Directors", "Audit Committee Charter" and "Rules Governing the Scope of Powers of Independent Directors". 	<p>V</p> <p>V</p> <p>V</p> <p>V</p>	No Audit Committee member had any dissenting opinion or qualified opinion to the proposal and all attending members agree to pass the proposal.

Audit Committee Meeting Date	Resolutions	Items prescribed by Article 14-5 of the Securities and Exchange Act	Resolutions of the Audit Committee and the Company's Response
05/08/2018 The 8th meeting of the 2nd session	<ul style="list-style-type: none"> Reviewed the 2018 first quarter internal auditor report. Report of the financial statement for the first quarter of 2018. 		No Audit Committee member had any dissenting opinion or qualified opinion to the proposal and all attending members agree to pass the proposal.
08/07/2018 The 9th meeting of the 2nd session	<ul style="list-style-type: none"> Reviewed the 2018 second quarter internal auditor report. Report of the financial statement for the second quarter of 2018. Appointment of financial and accounting officer. 	V V	
11/06/2018 The 10th meeting of the 2nd session	<ul style="list-style-type: none"> Reviewed the 2018 third quarter internal auditor report. Report of the financial statement for the third quarter of 2018. Approval of auditing plan for 2019. Amendment to the Company's "Finance cycle-Procedures for Shareholder Services". 	V	

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

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

3. Communications between the independent directors, the internal auditors and independent auditors (e.g. the material items, methods and results of audits of corporate finance or operations, etc.)

(1) Communications between the independent directors and the internal auditors:

Date	Communication	Independent Directors' Opinion
02/26/2018 Audit Committee	<ul style="list-style-type: none"> Reviewed the 2017 fourth quarter internal auditor report. Approved of the effective implementation of the internal control system. 	None
05/08/2018 Audit Committee	<ul style="list-style-type: none"> Reviewed the 2018 first quarter internal auditor report. 	None
08/07/2018 Audit Committee	<ul style="list-style-type: none"> Reviewed the 2018 second quarter internal auditor report. 	None
11/06/2018 Audit Committee	<ul style="list-style-type: none"> Reviewed the 2018 third quarter internal auditor report. Approving audit plan for 2019. 	None

The internal auditor communicates with independent directors through monthly audit report, reporting audit execution status in Audit Committee meeting at least one time each quarter, and report to independent directors any time when there are special circumstances. The communications between the independent directors and the internal auditors work well.

(2) Communications between the independent directors and the independent auditors:

Date	Communications between the independent directors and the independent auditors	Independent Directors' Opinion
02/26/2018 Audit Committee	<ul style="list-style-type: none"> Reviewed auditing scope, the independent auditors' responsibility and independence, major accounting estimates and audit result for 2017. Review regulatory developments. 	None

The independent auditors communicated with Audit Committee, including results of the audited or reviewed quarterly financial report, the significant audit findings, the determination that key audit matters should be communicated in the auditors' report, impact on the Company of regulatory changes. The independent auditors report to independent directors from time to time when there are special circumstances. The communications between the independent directors and the independent auditors work well.

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

Evaluation Item	Implementation Status		Reason for Non-implementation	
	Yes	No		Abstract Illustration
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has established the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”. and approved of Board of Directors on 08/19/2009. The information has been disclosed on the MOPS website and Company’s website.	None
2. Shareholding structure & shareholders’ rights				None
(1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		The Company established internal procedures and assigned designated departments to handle shareholder suggestions, doubts, disputes and litigations.	
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		The Company tracks the shareholdings of directors, officers and shareholders’ holding more than 10% of the Company’s outstanding shares.	
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		The Company has established internal control system and Procedures to Supervision and Management of Subsidiaries to establish and execute the risk management and firewall system within its conglomerate structure.	
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		The Company established “Codes of Ethical Conduct”, “Employees for Code of Ethical Conduct” and “Standards of Behavior Regarding Insider Trading”, strictly prohibiting staffs and managers from insider trading with material nonpublic information. Violators are subject to punishment, investigation, and legal liability. The Company carries out regular training and propaganda of ethical for its directors and employee every year. For new employees, training on personnel rules, management systems, business ethics, prevention of insider trading, and all other CSR-related subjects are carried out on their first day of work. The Company's implementations of prevention of insider trading in 2018 1. New employees who are required to sign the “Code of Ethic Commitment” on their first day of work. 2. Participants of prevention of insider trading training total 98 personnel. 3. The Company has not any matters about discipline of insider trading conduct in 2018.	
3. Composition and Responsibilities of the Board of Directors				None
(1) Does the Board develop and implement a diversified policy for the composition of its members?	✓		Members of the Board are diversified, with different nationalities, genders, skills and professional backgrounds, to form a well-balanced structure. The diversity of composition of the Board of Directors, please refer to page 21-22 of this annual report.	

Evaluation Item	Implementation Status		Reason for Non-implementation
	Yes	No	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		In addition to the existing Compensation Committee and Audit Committee, the Company plans to establish other functional committees to assist the Board in managing the Company.
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?	✓		<p>The company has established "Procedures Governing the Performance Evaluation of Board of Directors" on 08/11/2015 and conducts it annually.</p> <p>The evaluation scope shall cover the Board of Directors and individual members of the Board; corporate governance officer is the unit to conduct the evaluation. Methods of evaluations include the internal evaluation of the Board of Director and self-evaluation by members of the Board.</p> <p>1. The Board's performance evaluation by self-assessment covers the following five major areas:</p> <ol style="list-style-type: none"> (1) Participation in the operation of the company. (2) Improvement of the quality of the Board of Directors' decision making. (3) Composition and structure of the Board of Directors. (4) Election and continuing education of the directors. (5) Internal controls. <p>2. Self-assessment of Board members covers the following six major areas:</p> <ol style="list-style-type: none"> (1) Their grasp of the Company's goals and missions. (2) Their recognition of director's duties. (3) Their degree of participation in the Company's operations. (4) Their management of internal relationships and communications. (5) Their professionalism and continuing professional education. (6). Internal controls. <p>3. The functional committee's (Audit Committee and Compensation Committee) performance evaluation by self-assessment covers the following five major areas:</p> <ol style="list-style-type: none"> (1) Participation in the operation of the company. (2) Awareness of the duties of the functional committee. (3) Improvement of quality of decisions made by the functional committee. (4) Makeup of the functional committee and election of its members. (5) Internal controls. <p>According to the most recent (2018) Board performance evaluation, the Board's performance was graded as excellent.</p> <p>Detailed information regarding the above evaluation was reported to the Board at the Board Meeting of February 26, 2019.</p>
(4) Does the company regularly evaluate the independence of CPAs?	✓		<p>The Company's Audit Committee regularly evaluates the independence of CPAs every year, and submits the evaluation results to the Board of Directors.</p> <p>Standards for CPA Independence:</p> <ol style="list-style-type: none"> 1. Whether the CPA has a direct or materially indirect financial interest in the Company. 2. Whether the CPA or the audit team members serve as a director, manager or in a position of the Company that could significantly influence the audit work either currently or in the past two years. 3. Whether the CPA acts as a defender of the Company or

Evaluation Item	Implementation Status		Reason for Non-implementation	
	Yes	No		Abstract Illustration
			<p>resolves conflicts with a third party on behalf of the Company.</p> <p>4. Whether the CPA has close relationship with the Company's directors, managers or persons in a position that could significantly influence the audit work.</p> <p>5. Whether the CPA has created intimidation threats with actual or perceived pressures of the Company.</p> <p>6. Whether the CPA Independence is influenced of result from the non-assurance services.</p>	
4. Does the company set up a corporate governance unit or appoint personnel responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, handling work related to meetings of the Board of Directors and the shareholders' meetings, filing company registration and changes to company registration, and producing minutes of board meetings and shareholders' meetings)?	✓		<p>The Chairman appointed Financial director as Company Secretary, the corporate governance team under the president office as the department responsible for corporate governance and business integrity, to safeguard shareholder rights and strengthen the Board's functioning. Primary duties are to provide the Board directors with information needed for executing their roles, conducting and producing meeting minutes Board Meetings, Audit Committee Meetings, and Shareholder Meetings, assisting in on boarding and continuous development of directors and to assist the Board Directors with legal compliance. The Company Secretary is an officer of the Company and a qualified accountant.</p> <p>The Company's implementations of corporate governance in 2018:</p> <ol style="list-style-type: none"> 1. Conducted matters relating to Board Meetings and Shareholder Meeting. 2. Recorded minutes of Board Meetings and Shareholder Meeting. 3. Regularly conduct performance evaluation pursuant to the rules for "Board of Directors Self-Assessment of Performance". 4. Assisting continuous development of directors. 	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		<p>The Company set up telephone numbers and email addresses in the "Stakeholder Area" of the corporate website for communication with stakeholders. Designated personnel and contact information are available to handle all enquiries and respond to any key issues raised by stakeholders. Please refer to the Company's CSR report and corporate website for Issues of Concern and Communication Channel of stakeholders.</p>	None
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		<p>The Company has appointed the professional agency "Transfer Agency Department, Taishin International Bank" to deal with shareholder affairs.</p>	None
7. Information Disclosure				None
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		<p>The Company has set up website (www.acxc.com.tw) to disclose information regarding the Company's financial standings, business, corporate governance and corporate social responsibility status.</p>	
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		<p>The Company has set up its website, and has assigned an appropriate person to handle information collection and disclosure. The Company has designated the spokesperson and deputy spokesperson in charge of making external statements. Investor conference information is disclosed on the corporate website.</p>	

Evaluation Item	Implementation Status			Reason for Non-implementation						
	Yes	No	Abstract Illustration							
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		<p>Employee rights and employee wellness: Please refer to the "5.5 Labor Relations" section on pages 50-52 of this annual report.</p> <p>Investor relations: To achieve openness and information transparency, the Company has delegated specific personnel to announce information including finance and business, on the MOPS website and corporate website on a timely basis in compliance with the related regulations.</p> <p>Supplier relations and rights of stakeholders: The company has maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the company, respect and safeguard their legal rights and interests, and designate a stakeholders area on its website. When any of a stakeholder's legal rights or interests is harmed, the company has handled the matter in a proper manner and in good faith.</p> <p>Directors' training records: Please refer to the "3.3.15 Continuing education of Directors in 2018" section on page 32 of this annual report.</p> <p>The implementation of risk management policies and risk evaluation measures: Please refer to the "VII. Review of Financial Conditions, Financial Performance, and Risk Management" on pages 38-62 of this annual report.</p> <p>The implementation of customer relations policies: The Company normally maintains close contact with its customers, and ensures products can achieve the expected reliability and quality. Moreover, the Company also actively participates in the customers' CSR and Ethical policies.</p> <p>Purchasing insurance for directors: To reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director, the Company purchaser liability insurance for Directors each year.</p>	None						
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures: None.										
10. The diversity of composition of the Board of Directors										
(1) The company's diversity policy of the Board of Directors: The Board of Directors shall have least three independent directors, least one director from another country, and least one female director. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties.										
(2) State of implementation:										
Diversity item	Independence	Nationality	Gender	Business Judgment	Business Management	Leadership and Decision-making	Industry Knowledge	Crisis Management	International Outlook	Accounting and Financial
Name										
Chien-Wen Kuo	Non-independent	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓
Yung-Fu Kuo	Non-independent	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓
Chih-Chun Kuo	Non-independent	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓
Te-Ti Han	Non-independent	R.O.C.	Female	✓	✓	✓	✓	✓	✓	✓

Petrinec John Darko	Non-independent	US	Male	✓	✓	✓	✓	✓	✓	✓
Kelvin Kiew	Non-independent	US	Male	✓	✓	✓	✓	✓	✓	✓
Ming-Huang Li	Non-independent	R.O.C.	Male	✓	✓	✓	✓	✓		✓
Chiu-Feng Lien	Non-independent	R.O.C.	Male	✓	✓	✓	✓	✓	✓	
Shiuh-Kao Chiang	Independent	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓
Ta-Wen Sun	Independent	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓
Shang-Ming Chin	Independent	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓

3.3.4 Composition, Responsibilities and Operations of the Remuneration Committee

A. Duties of the Compensation Committee

- a. The Company's Compensation Committee was established on November 15, 2011.
- b. The members of the Compensation Committee are appointed by the Board of Directors and the Compensation Committee shall consist of three members. The responsibilities of committee are as follows:
 1. The performance evaluation of directors and executives, and the revenue of the remuneration policy, system, standards, and structure for directors and executives.
 2. Periodically evaluate the remuneration of directors and executives.

B. Professional Qualifications and Independence Analysis of Compensation Committee Members

Title	Criteria	Meets One of the Following Professional Qualification Requirements, Together with at Least Five Years' Work Experience			Independence Criteria (Note)								Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remarks	
		An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university	A judge, public prosecutor, attorney, Certified Public Accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8			
Independent Director	Shiuh-Kao Chiang	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	
Independent Director	Ta-Wen Sun	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	
Independent Director	Shang-Ming Chin	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	

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

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of affiliated companies. Not applicable in cases where the person is an independent director of the parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company, or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three sub-paragraphs.
5. Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company, or who holds shares ranking in the top five holdings.
6. Not a director, supervisor, officer, or shareholder holding 5% or more of the shares of a specified company or institution which has a financial or business relationship with the Company.
7. Not a professional individual, who is an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof.
8. Not a person of any conditions defined in Article 30 of the Company Act.

C. Attendance of Members at Compensation Committee Meetings

a. The Compensation Committee has 3 members.

b. The tenure of the 2nd session is from June 29, 2016 to June 28, 2019. A total of 2 (A) meetings of the Compensation Committee were held in 2018. Member attendance was as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【 B/A 】	Remarks
Chairman	Shiuh-Kao Chiang	2	0	100	
Committee Member	Ta-Wen Sun	2	0	100	
Committee Member	Shang-Ming Chin	1	1	50	

Other mentionable items:

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

c. Major resolutions of Compensation Committee are summarized as follows:

Compensation Committee Meeting Date	Resolutions	Resolutions of the Compensation Committee and the Company's Response
02/26/2018 The 4th meeting of the 3rd session	<ul style="list-style-type: none"> · Evaluation directors' compensations for the year of 2017. · Evaluation employees' compensations for the year of 2017. · Reviewing director's system and structure of the remuneration for the year of 2018. · Reviewing manager's system and structure of the remuneration for the year of 2018. · Approval of employees' and directors' compensations for the year of 2018. 	No Compensation Committee member had any dissenting opinion or qualified opinion to the proposal and all attending members agree to pass the proposal.
11/06/2018 The 5th meeting of the 3rd session	<ul style="list-style-type: none"> · Approval of directors' and employees' compensations for the year of 2018. 	

3.3.5 Corporate Social Responsibility

Evaluation Item	Implementation Status		Reason for Non-implementation
	Yes	No	
1. Corporate Governance Implementation			None
(1) Does the company declare its corporate social responsibility policy and examine the results of the implementation?	✓		The Company has established the Corporate Social Responsibility Best Practice Principles, to exercise corporate governance implementation, sustainable environment development, preserving public welfare and enhancing disclosure of CSR information. In addition, the Company set up internal performance targets and regularly reviews the implement results.
(2) Does the company provide educational training on corporate social responsibility on a regular basis?	✓		The Company carries out regular training and propaganda of corporate social responsibility for its directors and employee every year. For new employees, training on personnel rules, management systems, business ethics, and all other CSR-related subjects are carried out on their first day of work.
(3) Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	✓		The Corporate Social Responsibility group was established to develop and implement policies or practices pertaining to the implementation of corporate governance, a sustainable environment, and safeguarding public interest. The group chairperson is headed by the president and comprises the following promotion teams: Corporate Governance, Employee Development, Green Products, Service of Customer, Supplier Management, Environment Protection and Social Participation. They are responsible for formulating corporate social responsibility policies, and objectives and activities for implementing corporate social responsibility-related events. The leader of each promotion team is usually the head of division, and team's members are composed of relevant business departments. The Group performs its duties based on the P-D-C-A cycle. At the end of each year, the group is reviewed for its effectiveness and a written inspection report is compiled of the Board of Directors.
(4) Does the company declare a reasonable salary remuneration policy, and integrate the employee performance appraisal system with its corporate social responsibility policy, as well as establish an effective reward and disciplinary system?	✓		The Company reviews the remuneration standard in accordance to market rates to ensure a competitive level of remuneration. According to the Articles of Incorporation of the Company, if there is any profit for a specific fiscal year, the Company shall allocate no lower than 5% of profit of the current year is distributable as employees' compensation to integrate employees' compensation with its Company's operational performance and CSR. Also, by offering a platform of two-way communication though regular performance evaluations and future plan developments, we achieve individual and organization development by rewarding based on performance and encourage employees to grow with the Company.

Evaluation Item	Implementation Status		Reason for Non-implementation
	Yes	No	
<p>2. Sustainable Environment Development</p> <p>(1) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?</p> <p>(2) Does the company establish proper environmental management systems based on the characteristics of their industries?</p> <p>(3) Does the company monitor the impact of climate change on its operations and conduct greenhouse gas inspections, as well as establish company strategies for energy conservation and carbon reduction?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>None</p> <p>The Company continues utilizing all resources more efficiently such as utilize electricity, water and paper more efficiently, reducing packaging resources, water recycling, and waste management and recycling.</p> <p>The Company has acquired ISO-14001 and OHSAS18001 certifications and designated a person for system management as well as regular review every year.</p> <p>The Company implements the Greenhouse Gas Inventory, and strategies to reduce greenhouse gas were established based on the Company's emission level to diminish the negative impact on the environment.</p> <p>Climate change caused increase of extreme temperature and level. The company taken the following policies to energy conservation and carbon reduction:</p> <ol style="list-style-type: none"> 1. To devote to save water and energy and control pollution companywide and set reduction goals. 2. To take corresponding improvement action plans to the goals of water saving, energy saving and pollution control. 3. Review execution status and efficacy of action plans annual.
<p>3. Preserving Public Welfare</p> <p>(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p> <p>(2) Has the company set up an employee hotline or grievance mechanism to handle complaints with appropriate solutions?</p> <p>(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>None</p> <p>To protect the rights and interests of all workers, ACX strictly abides by the provisions of the Labor Standards Act and those of the requirements of international standards in all of our actions relevant to human rights. At the same time, we have consulted the code of conduct established by the Responsible Business Alliance (RBA), as the basis for our management policies into order to protect our employees.</p> <p>The Company encourages its employees to report to Company's Audit Committee, managerial officers, chief internal auditor, or email upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethics. The Company also sets forth communication channel and appeal system on the corporate website.</p> <p>The Company aims to offer a safe and healthy working environment and promote a health life. The Company also regularly holds safety and health training sessions to employees. The Company has acquired OHSAS18001 qualification and designated a person for system management as well as regular review every year.</p>

Evaluation Item	Implementation Status		Reason for Non-implementation
	Yes	No	
(4) Does the company setup a communication channel with employees on a regular basis, as well as reasonably inform employees of any significant changes in operations that may have an impact on them?	✓		To ensure labor harmony, promote labor cooperation and increase work efficiency, the company convened periodically Labor Management conferences. Employee suggestion mailbox was set up and dedicated personnel were assigned to solve employee issues. If significant impacts to operating activities are expected, it will be announced early to employees.
(5) Does the company provide its employees with career development and training sessions?	✓		The Company has established the Rules of employee training, to employees offers a comprehensive career development training program.
(6) Does the company establish any consumer protection mechanisms and appealing procedures regarding research development, purchasing, producing, operating and service?	✓		<p>The Company pays attention to customers' service satisfaction and its corporate image, brand value, and recognition for service quality. Therefore, the Company strives to provide comprehensive product total solutions. To achieve the most efficient services, designated departments will be in charge during each phase of the product, from product development, design, production, transportation, to maintenance.</p> <p>The Company regularly meets and communicates with customers. Customer satisfaction survey is also undertaken on an annual basis. If satisfaction data analysis shows that objective has not been met, the designated department will be responsible for carrying out improvement measures, and review will be undertaken by senior executives during management review meetings.</p> <p>The company has secured products liability insurance to ensure customers rights.</p>
(7) Does the company advertise and label its goods and services according to relevant regulations and international standards?	✓		The company ensures the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries. The company follows relevant laws, regulations and international guidelines when marketing or labeling their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.
(8) Does the company evaluate the records of suppliers' impact on the environment and society before taking on business partnerships?	✓		Before being qualified as a vendor of the Company, depending on the nature of material, a chemical operation review will be undertaken in accordance with the Company's New Material Verification Procedures to determine if the material supplier complies with EU directives of RoHS / REACH, Halogen free and conflict minerals. In addition, to enhance the Corporate Social Responsibility the company has established "RBA Code of Conduct" and disclosed the information includes labor, health and safety, environment, ethic and integrity on our website.

Evaluation Item	Implementation Status			Reason for Non-implementation
	Yes	No	Abstract Explanation	
(9) Do the contracts between the company and its major suppliers include termination clauses which come into force once the suppliers breach the corporate social responsibility policy and cause appreciable impact on the environment and society?	✓		When suppliers breach the corporate social responsibility policy and cause appreciable impact on the environment and society, the companies is entitled to termination of business contract.	
4. Enhancing Information Disclosure (1) Does the company disclose relevant and reliable information regarding its corporate social responsibility on its website and the Market Observation Post System (MOPS)?	✓		The Company adopts Global Reporting Initiative GRI standards producing CSR report and publishes on both the official website and MOPS. Stakeholders can download the report and understand the Company's efforts on concerned CSR topics.	None
5. If the Company has established the corporate social responsibility principles based on "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the Principles and their implementation: There have been no differences.				
6. Other important information to facilitate better understanding of the company's corporate social responsibility practices : The company policy, promotion plans and performance in implementation for corporate social responsibility, please refer CSR report.				
7. A clear statement shall be made below if the corporate social responsibility reports were verified by external certification institutions: None.				

3.3.6 Ethical Corporate Management

Evaluation Item	Implementation Status		Reason for Non-implementation
	Yes	No	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?</p> <p>(2) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies?</p> <p>(3) Does the company establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>None</p> <p>The Board of Directors approved Ethical Corporate Management Best-Practice Principles on March 10, 2015. Ethical Corporate Management Policy is clearly stated in the internal policy and external documents. The Board of Directors and management team are fully committed to implement such policies rigorously and thoroughly on internal management and external business dealings.</p> <p>The Company established “Ethical Corporate Management Best-Practice Principles”, “Codes of Ethical Conduct” and “Employees for Code of Ethical Conduct”, establish policies to prevent unethical conduct, integrity mailbox and hotline, punishment for violation and rules of appeal.</p> <p>The Company’s Ethical Corporate Management Best-Practice Principles have established preventive measures against the following:</p> <ol style="list-style-type: none"> 1. Offering and accepting bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or accepting unreasonable gifts or hospitality, or other inappropriate benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engaging in unfair competitive practices. 7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services. <p>The aforementioned related regulations were announced and disseminated to employees, managers and the Board of Directors.</p>
<p>2. Fulfill operations integrity policy</p> <p>(1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?</p> <p>(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity?</p>	<p>✓</p> <p>✓</p>		<p>None</p> <p>Prior any business engagement, the Company checks the counterparty’s legitimacy and record of unethical conduct. All suppliers and customer are required to sign “ethical clauses”, When breach the ethical rule the companies is entitled to termination of business contract.</p> <p>To strengthen ethical corporate management, the Company had its president office enact, supervise and implement the execution of Ethical Corporate Management Policy and prevention solutions. The president reports to the Board of Directors as least once a year.</p> <p>The Company's implementations of ethical corporate management in 2018</p> <ol style="list-style-type: none"> 1. New employees who are required to sign the “Code of Ethic Commitment” on their first day of work. 2. Participants of Code of Ethic training total 98 personnel. 3. The Company has not any matters about discipline of unethical conduct in 2018.

Evaluation Item	Implementation Status		Reason for Non-implementation
	Yes	No	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		Abstract Illustration The Company established “Ethical Corporate Management Best-Practice Principles”, “Codes of Ethical Conduct” and “Employees for Code of Ethical Conduct”, to policies to prevent conflicts of interest and provide appropriate communication channels, and implement it.
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?	✓		
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		
3. Operation of the integrity channel			None
(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		
(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	✓		
(3) Does the company provide proper whistleblower protection?	✓		<p>The Company's Ethical Corporate Management Best-Practice Principles have established whistle-blowing system the following:</p> <ol style="list-style-type: none"> 1. Either internally established and publicly announced independent mailbox and hotline, to allow company insiders and outsiders to submit reports. 2. Dedicated personnel appointed to handle whistle-blowing system and establish standard operating procedures. 3. Documentation of case acceptance, investigation processes, investigation results, and relevant documents. 4. Confidentiality of the identity of whistle-blowers and the content of reported cases. 5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing. 6. Whistle-blowing incentive measures. <p>The Company encourages its employees to report to a company Audit Committee, Independent directors and chief internal auditor, upon discovery of any activity in violation of a law or regulation. The Company provides protection to whistleblower and personnel involved in the investigation against any unfair treatment or retaliation.</p>
4. Strengthening information disclosure			None
(1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	✓		
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: There have been no differences.			
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies): None.			

3.3.7 Corporate Governance Guidelines and Regulations

The Company has disclosed its “Corporate Governance Best Practice Principles” and related regulations on its website (www.acxc.com.tw) and the MOPS (mops.twse.com.tw).

3.3.8 Other Important Information Regarding Corporate Governance:

Please refer to Company’s website.

3.3.9 Internal Control Systems

A. Statement of Internal Control: Please refer to page 64 of this annual report.

B. A CPA Has Been Hired to Carry Out a Special Audit of the Internal Control System, Furnish the CPA Audit Report: None.

3.3.10 For the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report, disclose any sanctions imposed in accordance with the law upon the company or its internal personnel, any sanctions imposed by the company upon its internal personnel for violations of internal control system provisions, principal deficiencies, and the state of any efforts to make improvements: None.

3.3.11 Major Resolutions of Shareholders Meeting and Board Meetings:

Please refer to page 65 of this annual report.

3.3.12 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None.

3.3.13 Resignation or Dismissal of the Company’s Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit and R&D

Title	Name	Date of Appointment	Date of Termination	Reasons for Resignation or Dismissal
Accounting & Finance officer	Yu-Hui Ning	08/16/2006	08/07/2018	Resignation

3.3.14 Certification obtained by the Company and its personnel related to financial information transparency from competent authorities:

As of 04/30/2019

Certification Name	Number of Employees	
	Financial Accounting	Audits
R.O.C. CPA	1	
Certified Internal Auditor (CIA)		1
Enterprise Internal Control Basic Ability Exam by the Securities and Futures Institute		1
Stock Affair Specialist Professional Competency Exam by the Securities and Futures Institute		1

3.3.15 Continuing education of Directors in 2018:

Title	Name	Date	Host	Class	Duration
Chairman	Shuang De Investment Corp. Rep.:Chien-Wen Kuo	2018.02.26	Taiwan Corporate Governance Association	US Tax economic reform and China's Belt and Road policy and the response of Taiwan enterprises	3
		2018.11.06	Taiwan Corporate Governance Association	Development trend and important norms of Anti-money laundering and countering the financing of terrorism	3
Director	Kuo Chia Fu Investment Corp. Rep.:Yung-Fu Kuo	2018.02.26	Taiwan Corporate Governance Association	US Tax economic reform and China's Belt and Road policy and the response of Taiwan enterprises	3
Director	Hsin Chang Construction Corp. Rep.:Chih-Chun Kuo	2018.02.26	Taiwan Corporate Governance Association	US Tax economic reform and China's Belt and Road policy and the response of Taiwan enterprises	3
		2018.11.06	Taiwan Corporate Governance Association	Development trend and important norms of Anti-money laundering and countering the financing of terrorism	3
Director	Lin Li Construction Corp. Rep.:Te-Ti Han	2018.02.26	Taiwan Corporate Governance Association	US Tax economic reform and China's Belt and Road policy and the Response of Taiwan enterprises	3
		2018.11.06	Taiwan Corporate Governance Association	Development trend and important norms of Anti-money laundering and countering the financing of terrorism	3
Director	Johanson Technology Inc. Rep.:Petrinec John Darko	2018.02.26	Taiwan Corporate Governance Association	US Tax economic reform and China's Belt and Road policy and the response of Taiwan enterprises	3
Director	Scientific Components Corp. Rep.:Kelvin Kiew	2018.11.06	Taiwan Corporate Governance Association	Development trend and important norms of Anti-money laundering and countering the financing of terrorism	3
Director	Ming-Huang Li	2018.02.26	Taiwan Corporate Governance Association	US Tax economic reform and China's Belt and Road policy and the response of Taiwan enterprises	3
		2018.11.06	Taiwan Corporate Governance Association	Development trend and important norms of Anti-money laundering and countering the financing of terrorism	3
Director	Chiu-Feng Lien	2018.02.26	Taiwan Corporate Governance Association	US Tax economic reform and China's Belt and Road policy and the response of Taiwan enterprises	3
		2018.11.06	Taiwan Corporate Governance Association	Development trend and important norms of Anti-money laundering and countering the financing of terrorism	3
Independent Director	Shiuh-Kao Chiang	2018.02.26	Taiwan Corporate Governance Association	US Tax economic reform and China's Belt and Road policy and the response of Taiwan enterprises	3
		2018.11.06	Taiwan Corporate Governance Association	Development trend and important norms of Anti-money laundering and countering the financing of terrorism	3
Independent Director	Ta-Wen Sun	2018.04.25	Taiwan Academy of Banking and Financ	The family business succession	3
		2018.04.27	Securities and Futures Institute	Insider trading prevention	3
Independent Director	Shang-Ming Chin	2018.02.26	Taiwan Corporate Governance Association	US Tax economic reform and China's Belt and Road policy and the response of Taiwan enterprises	3
		2018.11.06	Taiwan Corporate Governance Association	Development trend and important norms of Anti-money laundering and countering the financing of terrorism	3

3.3.16 Continuing education of management team in 2018:

Title	Name	Date	Host	Class	Duration
President	Chien-Wen Kuo	2018.02.26	Taiwan Corporate Governance Association	US Tax economic reform and China's Belt and Road policy and the response of Taiwan enterprises	3
		2018.11.06	Taiwan Corporate Governance Association	Development trend and important norms of Anti-money laundering and countering the financing of terrorism	3
Financial & Accounting officer Company officer	Wei-Neng Wang	2018.09.07	Securities and Futures Institute	Discussion on the legal responsibility of accounting officer in financial report	3
		2018.10.24	Accounting Research and Development Foundation	Latest amendments to the Company Act	3
		2018.11.22	Accounting Research and Development Foundation	The annual professional development training for principal accounting officer	12
Auditor officer	Hsien-Liang Chou	2018.09.11	Accounting Research and Development Foundation	The legal responsibility of the internal auditor and whistleblower system introduction	6
		2018.09.17	Accounting Research and Development Foundation	Influence and response of Company Act amendment for internal control system	6

3.4 Audit Fees

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Remarks
KPMG	Wan-Yuan Yu, Chien-Hui Lu	2018	

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

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Audit Fee	Non-audit Fee					Period Covered by CPA's Audit	Remarks
			System of Design	Company Registration	Human Resource	Others	Subtotal		
KPMG	Wan-Yuan Yu	2,010	0	0	0	120	0	2018	Disbursement fee
	Chien-Hui Lu								

3.4.1 Non-audit fees paid to CPAs, CPA's accounting firms and their affiliates exceeding 25% of the audit fees: None.

3.4.2 Change of accounting firms with audit fee paid in the year of change being less than the previous year: None.

3.4.3 Over 15% decrease in audit fee on a year-to-year basis: None.

3.5 Replacement of CPA:

3.5.1 Regarding the former CPA

Replacement Date	February 21, 2017 and February 26, 2019		
Replacement reasons and explanations	Due to internal organizational changes in KPMG.		
Describe whether the Company terminated or the CPA did not accept the appointment	Status	Parties	The Company
	Termination of appointment	CPA	N/A
	No longer accepted (continued) appointment		
Other issues (except for unqualified issues) in the audit reports within the last two years	None		
Differences with the company	Yes	-	Accounting principles or practices
		-	Disclosure of Financial Statements
		-	Audit scope or steps
		-	Others
	None	✓	
Remarks: None			
Other Revealed Matters	None		

3.5.2 Regarding the successor CPA

Name of accounting firm	KPMG	KPMG
Name of CPA	Wan-Yuan Yu and Chien-Hui Lu	Mei-Yu Tseng and Wan-Yuan Yu
Date of appointment	February 21, 2017	February 26, 2019
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None	None

3.5.3 Response by mail from the former CPA regarding items in Article 10-6-1 and 10-6-2-3: None.

3.6 Any of the Company's Chairman, President, or Managers in Charge of Finance or Accounting Held a Position in the CPA's Firm or Its Affiliates in 2018: None.

3.7 Changes in Shareholding and Shares Pledged by Directors, Supervisors, Managers and Shareholders with 10% Shareholdings or More in 2018 and as of the Date of this Annual Report

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

Unit: Shares

Title	Name	2018		As of April 20, 2019	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Shuang De Investment Corp.	11,000	0	0	0
Representative	Chien-Wen Kuo	0	0	0	0
Director	Kuo Chia Fu Investment Corp.	49,000	0	0	0
Representative	Yung-Fu Kuo	0	0	0	0
Director	Hsin Chang Construction Corp.	0	0	0	0
Representative	Chih-Chun Kuo	0	0	0	0
Director	Lin Li Construction Corp.	0	0	0	0
Representative	Te-Ti Han	0	0	0	0
Director	Johanson Technology Inc.	0	0	0	0
Representative	Petrinec John Darko	0	0	0	0
Director	Scientific Components Corp.	0	0	0	0
Representative	Kelvin Kiew	0	0	0	0
Director	Ming-Huang LI	0	0	0	0
Director	Chiu-Feng Lien	0	0	0	0
Independent Director	Shiuh-Kao Chiang	0	0	0	0
Independent Director	Ta-Wen Sun	0	0	0	0
Independent Director	Shang-Ming Chin	0	0	0	0
President	Chien-Wen Kuo	0	0	0	0
Vice President	Chia-Jui Chang (Note 1)	(1,000)	0	N/A	N/A
Vice President	Chih-Wen Shen	0	0	0	0
Director	Cheng-Chi Lin	0	0	0	0
Director	Yu-Hui Ning	0	0	0	0
Director	Chun-Hung Liu	0	0	0	0
Financial & Accounting Officer	Yu-Hui Ning (Note 1)	0	0	N/A	N/A
Financial & Accounting Officer	Wei-Neng Wang (Note 2)	0	0	0	0

Note1: Vice President, Chia-Jui Chang, officially withdrew from her position on June 28, 2018, and Assistant Vice President, Yu-Hui Ning, officially withdrew from her position on August 7, 2018.

Note 2: Mr. Wei-Neng Wang was appointed as Financial Director on August 7, 2018.

3.7.2 Shares Trading with Related Parties: None.

3.7.3 Shares Pledge with Related Parties: None.

3.8 Relationship among the Top Ten Shareholders

As of 04/20/2019

Name	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Kuo Chia Fu Investment Corp. Rep.: Yung-Fu Kuo	5,485,189	7.95%	0	0%	0	0%	Te-Ti Han	Daughter-in-law	
JPMorgan Chase Bank, Taipei Branch in Custody for Nordea 1 Emerging Stars Equity Fund	4,213,000	6.10%	0	0%	0	0%	-	-	
Scientific Components Corp. Rep.:Kelvin Kiew	3,068,477	4.45%	0	0%	0	0%	-	-	
Johanson Technology Inc. Rep.:Petrinec John Darko	2,881,810	4.18%	0	0%	0	0%	-	-	
JPMorgan Chase Bank, Taipei Branch in Custody for Stichting Depositary APG Emerging Markets Equity Mutual Fund	2,353,000	3.41%	0	0%	0	0%	-	-	
Ting Fu Investment Corp.	2,186,017	3.17%	0	0%	0	0%	-	-	Note 1
Chin Te Hsing Yeh Limited	2,076,000	3.01%	0	0%	0	0%	-	-	Note 1
Kuang Tai Shih Yeh Corp.	2,000,000	2.90%	0	0%	0	0%	-	-	Note 1
Mei Erh Ku Construction Corp.	1,937,870	2.81%	0	0%	0	0%	-	-	Note 1
Lin Li Construction Corp. Rep.:Te-Ti Han	1,808,271	2.62%	0	0%	0	0%	Yung-Fu Kuo	Father-in-law	

Note1: Corporate shareholder has not appointed a representative.

3.9 Number of Shares Held and Shareholding Percentage of the Company, the Company's Directors, Supervisors, Managers and Directly or Indirectly Controlled Entities on the Same Investee: None.