

China Steel Corporation
Annual General Meeting
June 15, 2012

Proposals and Discussion

- (1) Adoption of the 2011 Business Report and Financial Statements.
- (2) Adoption of the Proposal for Distribution of 2011 Profits.
- (3) Proposal for a new share issue through capitalization of earnings of 2011.
- (4) Amendments to Articles of Incorporation.
- (5) Amendments to Rules Governing Procedures for Shareholders' Meeting.
- (6) Amendments to Procedures for Acquisition or Disposal of Assets
- (7) Amendments to Regulations Governing the Election of Directors and Supervisors.
- (8) Proposal of releasing the prohibition on Director, Mr. Jyh-Yuh, Sung from holding the same position of Chung-Hung Steel Corporation.
- (9) Proposal of releasing the prohibition on Director, Mr. Kin-Tsau, Lee from holding the positions of Chairman of China Ecotek Corporation and Director of Formosa Ha Tinh Steel Corporation.
- (10) Proposal of releasing the prohibition on Director, Mr. Jih-Gang, Liu from holding the same positions of Chung-Hung Steel Corporation, CSC Steel Holdings Bhd., CSC Steel Sdn. Bhd., and East Asia United Steel Corporation.

Agenda 1-proposed by the board of directors

Subject:

Adoption of the 2011 Business Report and Financial Statements.

Please refer to Attachment 1 for the financial statements for the year ended December 31st, 2011.

Resolution:

Agenda 2-proposed by the board of directors

Subject:

Adoption of the Proposal for Distribution of 2011 Profits

Explanatory notes:

1. The Company’s earnings distribution, as shown below, is proposed in accordance with the provisions in Article 6 of the Company’s Articles of Incorporation:

Undistributed earnings from previous years	NT\$ 113,292,408
Add: After-tax earnings of 2011 (A)	19,493,679,008
Deduct: Legal reserve = (A) *10%	(1,949,367,901)
Subtotal of distributable earnings	17,657,603,515
Distribution Items:	
Dividends for preferred shares and common shares	(17,507,178,048)
Undistributed earnings	NT\$ 150,425,467
Compensation for the Board of Directors and Supervisors	NT\$ 26,236,104
Employee Bonus	1,399,258,872

2. For year 2011, Compensation for the Board of Directors and Supervisors totaled NT\$26,236,104, and Employee Bonus totaled NT\$1,399,258,872, to be distributed entirely in cash.
3. The proposed dividend appropriation for preferred shares totaled NT\$1.40 per share, consisting of cash dividend of NT\$ 1.25 and stock dividend of NT\$0.15 per share. The proposed dividend appropriation for common shares totaled NT\$1.16 per share, consisting of cash dividend of NT\$1.01 and stock dividend of NT\$0.15 per share.
4. Upon approval of this earnings appropriation plan by resolution of the meeting of shareholders, Chairman of the Board will be authorized to set the record date for cash dividend distribution. When distributing cash dividends, the total amount paid to each shareholder shall be in whole NT dollars and any fractional amount less than an NT dollar shall be rounded to the next NT dollar. The resulting difference shall be recognized as a Company expense.
5. To accommodate the implementation of the combined tax rate, when calculating shareholder tax deductible amounts in accordance with Article 66-6 of the Income Tax Law, priority shall be given to distribution of earnings attributable to the years 1998 and thereafter; when calculating the additional levy of 10% profitable enterprise income tax on undistributed earnings in accordance with Article 66-9 of the Income Tax Law, priority shall be given to distribution of earnings from the most recent years.

Resolution:

Agenda 3-proposed by the board of directors

Subject:

To approve a new share issue through capitalization of NT\$ 2,262,671,600 (issue of 226,267,160 common shares) from earnings available for distribution in 2011.

Explanatory notes:

1. For the Company's long term development and to meet its demand for capital , it is proposed that NT\$ 2,262,671,600 be appropriated from earnings available for distribution in 2011 toward an increase in equity capital by issuing 226,267,160 common shares, with a par value of 10 per share, in a single stock offering. The rights and obligations of the new common shares are the same as existing common shares.
2. Of this equity capital increase from earnings available for distribution, stock dividend is appropriated free-of-charge to shareholders in our Shareholder Register on the dividend record date in accordance with their respective shareholding percentages. The distribution shall be 15 shares for every 1,000 shares of both preferred stock and common stock. Fractional shares may be combined into one whole share by the shareholders; otherwise, pro rata cash payments shall be made for fractional shares not combined into one whole share based on its par value. Residual amounts less than one NT dollar shall be rounded to the next dollar and the difference shall be recognized as a Company expense. Chairman of the Board is authorized to determine the disposal of cumulative fractional shares.

Resolution:

Agenda 4 -proposed by the board of directors

Subject:

Amendment to the Company's Articles of Incorporation.

Explanatory note:

A comparison Table of drafted clause and the amended clause is attached.

Attachment 2

Comparison Table of Drafted Amendments to Articles of Incorporation of China Steel Corporation

Revised clause	Clause in force	Explanation
<p>Article 6</p> <p>In case of any earnings earned in any given fiscal year being reported from the Company’s final annual accounting, after taxes, losses and legal reserves have been paid, made up and set aside respectively, a preferred share dividend shall be distributed at 14% of the par value. Of the remainder, 0.15% shall be set aside as remuneration for Directors and Supervisors, 8% as bonuses for employees, and 14%of the par value as bonuses for common shares; in case that the account still remains any distributable earnings, additional bonuses shall be distributed according to the percentage of shares held by each shareholder of preferred and common shares. When necessary, however, upon a resolution by a shareholders’ meeting, after distribution of dividends for preferred shares, consideration may first be given to setting aside special reserved earnings surplus or retained earnings. In case of no earnings in a given year or in the event that the earnings are insufficient to cover the distribution of dividends for preferred shares, the aforementioned dividends for preferred shares which shall be distributable on a preferred basis but are outstanding shall accrue and shall be made up</p>	<p>Article 6</p> <p>In case of any earnings earned in any given fiscal year being reported from the Company’s final annual accounting, after taxes, losses and legal reserves have been paid, made up and set aside respectively, a preferred share dividend shall be distributed at 14% of the par value. Of the remainder, 0.15% shall be set aside as remuneration for Directors and Supervisors, 8% as bonuses for employees, and 14%of the par value as bonuses for common shares; in case that the account still remains any distributable earnings, additional bonuses shall be distributed according to the percentage of shares held by each shareholder of preferred and common shares. When necessary, however, upon a resolution by a shareholders’ meeting, after distribution of dividends for preferred shares, consideration may first be given to setting aside special reserved earnings surplus or retained earnings. In case of no earnings in a given year or in the event that the earnings are insufficient to cover the distribution of dividends for preferred shares, the aforementioned dividends for preferred shares which shall be distributable on a preferred basis but are outstanding shall accrue and shall be made up</p>	<ol style="list-style-type: none"> 1. No amendment for Paragraph 1,2,3,4, and 6. 2. The text “through the surplus earnings or proceeds from issuance of new shares.” in Paragraph 5 is removed to avoid restriction on sources of fund.

<p>firstly when there are earnings in any subsequent year.</p> <p>The Company's business life cycle is in the stage of steady growth. Pursuant to the distribution of the dividends and shareholders' bonuses provided in the preceding paragraph, cash distributed shall be no less than 75% and shares distributed no more than 25%.</p> <p>The priority and proportions for distributing the remaining company properties for preferred shares shall be the same as those for common shares.</p> <p>Shareholders of preferred shares shall have no right to vote for members of the Boards of Directors and Supervisors, and their other rights and obligations shall be the same as those of shareholders of common shares.</p> <p>Preferred shares issued by the Company may be <u>redeemable</u>.</p> <p>Shareholders of preferred shares may request a conversion of preferred shares into common shares.</p>	<p>firstly when there are earnings in any subsequent year.</p> <p>The Company's business life cycle is in the stage of steady growth. Pursuant to the distribution of the dividends and shareholders' bonuses provided in the preceding paragraph, cash distributed shall be no less than 75% and shares distributed no more than 25%.</p> <p>The priority and proportions for distributing the remaining company properties for preferred shares shall be the same as those for common shares.</p> <p>Shareholders of preferred shares shall have no right to vote for members of the Boards of Directors and Supervisors, and their other rights and obligations shall be the same as those of shareholders of common shares.</p> <p>Preferred shares issued by the Company may be redeemed <u>through the surplus earnings or proceeds from issuance of new shares</u>.</p> <p>Shareholders of preferred shares may request a conversion of preferred shares into common shares.</p>	
<p>Article 18</p> <p>Each shareholder of the Company shall have one vote per share, unless otherwise the vote is subject to restrictions or the voting</p>	<p>Article 18</p> <p>Each shareholder of the Company shall have one vote per share, unless otherwise the vote is subject to restrictions or the voting</p>	<p>Addition of other governing laws where the vote is subject to restrictions or the</p>

<p>power does not exist pursuant to item 3 of Article 157, Paragraph 2 of Article 179 of the Company Law <u>and any other related laws and regulations.</u></p>	<p>power does not exist pursuant to item 3 of Article 157 and Paragraph 2 of Article 179 of the Company Law.</p>	<p>voting power does not exist.</p>
<p>Article 19 In case a shareholder is unable to attend the shareholders' meeting, he may delegate an agent to attend and to exercise all rights at the meeting for him by submitting a letter of proxy <u>singed or sealed by the shareholder himself.</u> An agent needs not to be a shareholder of the Company.</p>	<p>Article 19 In case a shareholder is unable to attend the shareholders' meeting, he may delegate an agent to attend and to exercise all rights at the meeting for him by submitting a letter of proxy <u>bearing his registered seal.</u> An agent needs not to be a shareholder of the Company.</p>	<p>Text revised in accordance with the content in Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.</p>
<p>Article 25. Except for the first meeting of a newly elected Board of Directors, which shall be convened by the Director who has won votes representing the largest number of the voting power at a shareholders' meeting, meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors. Meetings of the Board of Directors shall be convened once every quarter. <u>However, the frequency of convening the meetings may increase when necessary.</u> <u>When convening a Board meeting, members of the Board of Directors and Supervisors shall be notified of the date, location, agenda of the meeting and sufficient meeting materials seven days</u></p>	<p>Article 25. Except for the first meeting of a newly elected Board of Directors, which shall be convened by the Director who has won votes representing the largest number of the voting power at a shareholders' meeting, meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors. Meetings of the Board of Directors shall be convened once every quarter, <u>and members of the Board of Directors and Supervisors shall be notified in writing of the date, location, agenda of the meeting and sufficient meeting materials seven days in advance; however, in the event of an emergency, such a meeting may be convened and notified at any time in writing or by any other</u></p>	<ol style="list-style-type: none"> 1. No amendment for Paragraph 1. 2. Paragraph 2 is re-paragraphed into Paragraph 2 and 3 to include the regulation on convening additional meetings of Board of Directors. 3. Addition of Paragraph 4 to include the Board meeting notice by way of electronic transmission. 4. Paragraph 3 in force is revised and renumbered as Paragraph 5.

<p><u>in advance. In the event of an emergency, such a meeting may be convened at any time.</u></p> <p><u>The notice set forth in the preceding paragraph may be effected by means of writing or electronic transmission. In the event of an emergency, such a meeting may be notified by any other appropriate means.</u></p> <p>Any member of the Board of Directors and Supervisors may declare a waiver of the notice in the preceding <u>2 paragraphs</u> in writing prior or subsequent to a meeting.</p>	<p><u>appropriate means.</u></p> <p>Any member of the Board of Directors and Supervisors may declare a waiver of the notice in the preceding <u>paragraph</u> in writing prior or subsequent to a meeting.</p>	
<p>Article 30-1</p> <p>The Company shall have three to five Supervisors. <u>A candidate nomination system is adopted by the Company, and Supervisors shall be elected from a list of candidate by shareholders.</u></p> <p>The provisions of Paragraph 2 of Article 22 shall apply mutatis mutandis to the election of Supervisors.</p>	<p>Article 30-1</p> <p>The Company shall have three to five Supervisors, <u>who shall be elected by the shareholders' meeting from the competent persons.</u></p> <p>The provisions of Paragraph 2 of Article 22 shall apply mutatis mutandis to the election of Supervisors.</p>	<ol style="list-style-type: none"> 1. A candidate nomination system is adopted by the Company for the election of Supervisors. 2. No amendment for Paragraph 2.
<p>Article 32-1.</p> <p>The traveling allowance of Directors and Supervisors, the remuneration of Independent Directors and the salary of Chairman of Board are discussed and approved by the Board of the Directors referring to the standard payments of related crafts and listing companies.</p>	<p>Article 32-1.</p> <p>The traveling allowance of Directors and Supervisors, the remuneration of Independent Directors and the salary of Chairman of Board are discussed and approved by the Board of the Directors referring to the standard payments of related crafts and listing companies. Other</p>	<ol style="list-style-type: none"> 1. No amendment for Paragraph 1. 2. Addition of Paragraph 2 to include severance and/or retirement

<p>Other payments shall also be given to Chairman of Board pursuant to related by-laws in respect of employee's compensation.</p> <p><u>The retirement provisions referred to in the "Labor Standards Act" shall apply mutatis mutandis to Chairman of the Board in calculating the severance or retirement payment, and are not restricted by age, or tenure of the Chairman himself.</u></p>	<p>payments shall also be given to Chairman of Board pursuant to related by-laws in respect of employee's compensation.</p>	<p>payments for the Chairman.</p>
<p>Article 42.</p> <p>This Articles of Incorporation are agreed and signed on Nov. 2, 1971, firstly amended on Dec. 28, 1973, secondly amended on Jun. 25, 1974, thirdly amended on Oct. 5, 1974, fourthly amended on Jun. 28, 1975, fifthly amended on Jun. 6, 1976, sixthly amended on Jun. 25, 1977, seventhly amended on Oct. 14, 1978, eighthly amended on Oct. 20, 1977, ninthly amended on Sep. 20, 1980, tenthly amended on Sep. 26, 1981, eleventh amended on Nov. 20, 1982, twelfth amended on Sep. 22, 1984, thirteenth amended on Feb. 16, 1985, fourteenth amended on Nov. 23, 1985, fifteenth amended on Dec. 20, 1986, sixteenth amended on Sep. 17, 1988, eighteenth amended on Sep. 27, 1990, nineteenth amended on Sep. 26, 1991, twentieth amended on Sep. 25, 1992, twenty-firstly amended on Sep. 24, 1993, twenty-secondly amended on Sep. 22, 1994,</p>	<p>Article 42.</p> <p>This Articles of Incorporation are agreed and signed on Nov. 2, 1971, firstly amended on Dec. 28, 1973, secondly amended on Jun. 25, 1974, thirdly amended on Oct. 5, 1974, fourthly amended on Jun. 28, 1975, fifthly amended on Jun. 6, 1976, sixthly amended on Jun. 25, 1977, seventhly amended on Oct. 14, 1978, eighthly amended on Oct. 20, 1977, ninthly amended on Sep. 20, 1980, tenthly amended on Sep. 26, 1981, eleventh amended on Nov. 20, 1982, twelfth amended on Sep. 22, 1984, thirteenth amended on Feb. 16, 1985, fourteenth amended on Nov. 23, 1985, fifteenth amended on Dec. 20, 1986, sixteenth amended on Sep. 17, 1988, eighteenth amended on Sep. 27, 1990, nineteenth amended on Sep. 26, 1991, twentieth amended on Sep. 25, 1992, twenty-firstly amended on Sep. 24, 1993, twenty-secondly amended on Sep. 22, 1994,</p>	<p>To revise the date of amendment and cardinal number.</p>

<p>twenty-thirdly amended on May 26, 1995, twenty-fourthly amended on Oct. 20, 1995, twenty-fifthly amended on Nov. 6, 1996, twenty-sixthly amended on Dec. 30, 1997, twenty-seventhly amended on Apr. 30, 1999, twenty-eighthly amended on Jun. 8, 2000, twenty-ninthly amended on May 31, 2001, thirtieth amended on Jun. 20, 2002, thirty-firstly amended on Jun. 18, 2003, thirty-secondly amended on Jun. 17, 2004, thirty-thirdly amended on Jun. 14, 2005, thirty-fourthly amended on Jun. 15, 2006, thirty-fifthly amended on Jun. 21, 2007, thirty-sixthly amended on Jun. 19, 2008, thirty-seventhly amended on Jun. 19, 2009, thirty-eighthly amended on June 23, 2010, <u>thirty-ninthly amended on June 15, 2011, and fortieth amended on June 15, 2012.</u></p>	<p>twenty-thirdly amended on May 26, 1995, twenty-fourthly amended on Oct. 20, 1995, twenty-fifthly amended on Nov. 6, 1996, twenty-sixthly amended on Dec. 30, 1997, twenty-seventhly amended on Apr. 30, 1999, twenty-eighthly amended on Jun. 8, 2000, twenty-ninthly amended on May 31, 2001, thirtieth amended on Jun. 20, 2002, thirty-firstly amended on Jun. 18, 2003, thirty-secondly amended on Jun. 17, 2004, thirty-thirdly amended on Jun. 14, 2005, thirty-fourthly amended on Jun. 15, 2006, thirty-fifthly amended on Jun. 21, 2007, thirty-sixthly amended on Jun. 19, 2008, thirty-seventhly amended on Jun. 19, 2009, thirty-eighthly amended on June 23, 2010 <u>and thirty-ninthly amended on June 15, 2011.</u></p>	
---	---	--

Agenda 5 -proposed by the board of directors

Subject:

Amendment to Rules Governing Procedures for Shareholders' Meeting

Explanatory note:

The amendment to the Company's Rules Governing Procedures for Shareholders' Meeting is as attached:

Resolution:

Attachment 3

Comparison Table of Drafted Amendments to Rules Governing Procedures for Shareholders' Meeting of China Steel Corporation

Revised clause	Clause in force	Explanation
<p>Article 2</p> <p>Unless relevant laws and regulations provide otherwise, the Company's Shareholders' Meeting shall be convened by the Board of Directors.</p> <p>Reasons for convening the annual general meeting or extraordinary general meeting shall be specified in the notice and announcement given to the shareholders at least thirty days or fifteen days prior to the meeting day. The notice may be given by means of electronic communication if the Company obtains prior consent by the recipients. The announcement for shareholders who own less than 1,000 shares of nominal stocks may be made as referred to the next paragraph of this Article.</p> <p>Thirty days before the Company convenes a regular shareholders' meeting or fifteen days before a special shareholders' meeting, the Company shall prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors or supervisors, and other matters on the shareholders' meeting agenda, and upload them to the Market Observation Post System.</p>	<p>Article 2</p> <p>Unless relevant laws and regulations provide otherwise, the Company's Shareholders' Meeting shall be convened by the Board of Directors.</p> <p>Reasons for convening the annual general meeting or extraordinary general meeting shall be specified in the notice and announcement given to the shareholders at least thirty days or fifteen days prior to the meeting day. The notice may be given by means of electronic communication if the Company obtains prior consent by the recipients. The announcement for shareholders who own less than 1,000 shares of nominal stocks may be made as referred to the next paragraph of this Article.</p> <p>Thirty days before the Company convenes a regular shareholders' meeting or fifteen days before a special shareholders' meeting, the Company shall prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors or supervisors, and other matters on the shareholders' meeting agenda, and upload them to the Market Observation Post System.</p>	<p>Text in Paragraph 6 and 7 are revised in accordance with Article 172-1 of the Company Act, since shareholders may only propose a proposal for discussion at an annual general meeting.</p> <p>No amendment for other text.</p>

Where there are proposals relating to election or discharge of directors/supervisors, amendments to the Articles, dissolution, merger or spin-off of the Company, or relating to Paragraph 1, Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities Exchange Act, proposals for the meeting shall be enumerated and extraordinary motions for such proposals shall be prohibited.

Shareholders holding one percent or more of the total number of outstanding shares may propose in writing to the Company a proposal for discussion at an annual general meeting, provided only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. Proposals that are under the circumstances as specified in Paragraph 4, Article 172-1 of the Company Act shall not be included in the agenda in the board meetings.

Prior to the date on which share transfer registration is suspended before convening the shareholders' meeting, the Company shall give a public notice announcing the place and the period for shareholders to submit proposals to be discussed at the meeting. The period for accepting such proposals shall be no less than ten days.

The number of words of a proposal to be submitted by a

Where there are proposals relating to election or discharge of directors/supervisors, amendments to the Articles, dissolution, merger or spin-off of the Company, or relating to Paragraph 1, Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities Exchange Act, proposals for the meeting shall be enumerated and extraordinary motions for such proposals shall be prohibited.

Shareholders holding one percent or more of the total number of outstanding shares may propose in writing to the Company a proposal for discussion at an annual general meeting, provided only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. Proposals that are under the circumstances as specified in Paragraph 4, Article 172-1 of the Company Act shall not be included in the agenda in the board meetings.

Prior to the date on which share transfer registration is suspended before convening the shareholders' meeting, the Company shall give a public notice announcing the place and the period for shareholders to submit proposals to be discussed at the meeting. The period for accepting such proposals shall be no less than ten days.

The number of words of a proposal to be submitted by a

<p>shareholder shall be limited to no more than three hundred, and any proposal containing more than three hundred words shall not be included in the agenda of the <u>shareholders' meeting</u>. The shareholder who has submitted a proposal shall attend, in person or by proxy, the shareholders' meeting where his proposal is to be discussed and shall take part in the discussion of such proposal.</p> <p>The Company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.</p>	<p>shareholder shall be limited to no more than three hundred, and any proposal containing more than three hundred words shall not be included in the agenda of the <u>shareholders' meeting</u>. The shareholder who has submitted a proposal shall attend, in person or by proxy, the shareholders' meeting where his proposal is to be discussed and shall take part in the discussion of such proposal.</p> <p>The Company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.</p>	
<p>Article 3</p> <p>A shareholder may appoint a proxy to attend a shareholders' meeting in his behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy.</p> <p>A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the</p>	<p>Article 3</p> <p>A shareholder may appoint a proxy to attend a shareholders' meeting in his behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy.</p> <p>A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the</p>	<ol style="list-style-type: none"> 1. No amendment for paragraph 1 and 2. 2. Paragraph 3 is amended to include the text “to exercise shareholders' voting power by writing or by way of electronic transmission” and to revise the deadline of filing a proxy rescission notice in accordance with Paragraph 4, Article 177 of the Company Act.

<p>Company no later than five days prior to the meeting date of the shareholders' meeting. When two or more written proxies are received from one shareholder, the first one received by the Company shall prevail; unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.</p> <p>After the service of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person <u>or to exercise his/her/its voting power in writing or by way of electronic transmission</u>, a proxy rescission notice shall be filed with the Company <u>two days</u> prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.</p>	<p>Company no later than five days prior to the meeting date of the shareholders' meeting. When two or more written proxies are received from one shareholder, the first one received by the Company shall prevail; unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.</p> <p>After the service of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person, a proxy rescission notice shall be filed with the Company <u>one day</u> prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.</p>	
<p>Article 3-1</p> <p>The Company shall state in the shareholders' meeting notice that a shareholder who does not attend the shareholders' meeting nor authorize a proxy to attend the meeting may exercise his voting power in writing or by way of electronic transmission. A shareholder who exercises his voting power at a shareholders' meeting in writing or by way of</p>		<ol style="list-style-type: none"> 1. The following content in Article 15-1 in force is amended and renumbered as Article 3-1. 2. Paragraph 1 of Article 15-1 in force is amended as a compulsory rule. 3. Paragraph 2 and 3 are amended in accordance with Paragraph 1 and 2, Article 177-21 of the Company Act.

electronic transmission shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived his voting power in respect of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting.

A shareholder who elects to exercise his voting power in writing or by way of electronic transmission as in the preceding paragraph, his declaration of intention shall be served to the Company two days prior to the scheduled meeting date of the shareholders' meeting, whereas if two or more declarations of the same intention are served to the Company, the first declaration of such intention received shall prevail; unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.

In case a shareholder who has exercised his voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, he shall, two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his voting power, serve a separate declaration of intention to

<p>rescind hi previous declaration of intention made in exercising the voting power under the preceding paragraph. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail.</p> <p>In case a shareholder has exercised his voting power in writing or by way of electronic transmission, and has also authorized a proxy to attend the shareholders' meeting in his behalf, then the voting power exercised by the authorized proxy for the said shareholder shall prevail.</p>		
<p>Article 9</p> <p>The calculation basis for attendance at shareholders' meeting shall be shares. Numbers of shares in attendance shall be calculated based on the sign-in cards turned in. Should the voting power at the shareholders' meeting be exercised in writing or by way of electronic transmission as <u>in Paragraph 1, Article 3-1</u>, the number of voting shares thereof shall be included.</p> <p>During the course of meetings, the total number of voting rights for shares in attendance shall be continuously projected on a screen located on the Meeting</p>	<p>Article 9</p> <p>The calculation basis for attendance at shareholders' meeting shall be shares. Numbers of shares in attendance shall be calculated based on the sign-in cards turned in. Should the voting power at the shareholders' meeting be exercised in writing or by way of electronic transmission as <u>ruled by Paragraph 1, Article 15-1</u>, the number of voting shares thereof shall be included.</p> <p>During the course of meetings, the total number of voting rights for shares in attendance shall be continuously projected on a screen located on the Meeting</p>	<ol style="list-style-type: none"> 1. Text revised for Paragraph 1. 2. No amendment for Paragraph 2.

<p>Chairman's platform. If the total number increases, the number should be updated at the appropriate times.</p>	<p>Chairman's platform. If the total number increases, the number should be updated at the appropriate times.</p>	
<p>Article 15</p> <p>Each share in a shareholder's possession shall have one voting right, except for shares having restricted/no voting rights as regulated in Paragraph 3 of Article 157, <u>Paragraph 2 of Article 179, and other related laws and regulations.</u></p> <p>For the purposes of resolutions by the shareholders' meetings, the number of shares owned by shareholders bearing no voting rights shall be excluded from the calculation of the total number of shares outstanding.</p> <p>Except when exercising their right to elect directors and auditors, when shareholders have personal interests in meeting matters, such that there is concern that they may damage the Company's interest, they must not participate in voting, and must not exercise voting rights on behalf of other shareholders. Therefore, the number of such shares not permitted to exercise voting</p>	<p>Article 15</p> <p>Each share in a shareholder's possession shall have one voting right, except for shares having restricted/no voting rights as regulated in Paragraph 3 of Article 157 <u>and Paragraph 2 of Article 179.</u></p> <p>For the purposes of resolutions by the shareholders' meetings, the number of shares owned by shareholders bearing no voting rights shall be excluded from the calculation of the total number of shares outstanding.</p> <p>Except when exercising their right to elect directors and auditors, when shareholders have personal interests in meeting matters, such that there is concern that they may damage the Company's interest, they must not participate in voting, and must not exercise voting rights on behalf of other shareholders. Therefore, the number of such shares not permitted to exercise voting rights is not counted in the</p>	<ol style="list-style-type: none"> 1. Text revised in Paragraph 1 to include various situations where the voting rights are restricted or may not be exercised. 2. No amendments for Paragraph 2, 3, and 4.

<p>rights is not counted in the number of voting rights of shareholders in attendance.</p> <p>With the exception of trust enterprises or stock affairs agency institutions approved by the competent securities authority, the number of voting rights represented by any one person commissioned by two or more shareholders must not exceed three percent of the voting rights for total outstanding shares; when exceeded, the voting rights in excess of the limit will not be counted, but they will still be counted among the number of voting rights for shareholders in attendance.</p>	<p>number of voting rights of shareholders in attendance.</p> <p>With the exception of trust enterprises or stock affairs agency institutions approved by the competent securities authority, the number of voting rights represented by any one person commissioned by two or more shareholders must not exceed three percent of the voting rights for total outstanding shares; when exceeded, the voting rights in excess of the limit will not be counted, but they will still be counted among the number of voting rights for shareholders in attendance.</p>	
	<p>Article 15-1</p> <p>The Company <u>may</u> state in the shareholder's meeting notice that a shareholder who does not attend the shareholders' meeting nor authorize a proxy to attend the meeting may exercise his voting power in writing or by way of electronic transmission. A shareholder who exercises his voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have</p>	<p>Revise the current clause as Article 3-1.</p>

waived his voting power in respective of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting.

A shareholder who elects to exercise his voting power in writing or by way of electronic transmission as in the preceding paragraph, his declaration of intention shall be served to the Company five days prior to the scheduled meeting date of the shareholders' meeting, whereas if two or more declarations of the same intention are served to the Company, the first declaration of such intention received shall prevail; unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.

In case a shareholder who has exercised his voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, he shall, one day prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his voting power, serve a separate declaration of intention to rescind hi previous declaration of intention made in exercising the voting power under the preceding paragraph. In the

	<p>absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail.</p> <p>In case a shareholder has exercised his voting power in writing or by way of electronic transmission, and has also authorized a proxy to attend the shareholders' meeting in his behalf, then the voting power exercised by the authorized proxy for the said shareholder shall prevail.</p>	
<p>Article 15-1</p> <p>Except for the exercise of voting right in writing or by way of electronic transmission as regulated in <u>Paragraph 1 of Article 3-1</u>, the means of voting will be determined by the Meeting Chairman at one of the following methods:</p> <p>(1) Ballot voting</p> <p>(2) Voting by means of electronic transmission, such as key in by barcode and keyboard.</p>	<p>Article 15-2</p> <p>Except for the exercise of voting right in writing or by way of electronic transmission as regulated in <u>the preceding article</u>, the means of voting will be determined by the Meeting Chairman at one of the following methods:</p> <p>(1) Ballot voting</p> <p>(2) Voting by means of electronic transmission, such as key in by barcode and keyboard.</p>	<p>To revise the cardinal number of Article 15-2 as 15-1.</p>
<p>Article 20</p> <p>Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the Chairman of the meeting and distributed to all shareholders of</p>	<p>Article 20</p> <p>Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the Chairman of the meeting and distributed to all shareholders of</p>	<ol style="list-style-type: none"> 1. Rules regarding the recording and distribution of shareholders' meeting minute in Paragraph 1 and 2 are amended. 2. Paragraph 3 and 4 are not amended.

<p>the Company within twenty days after the close of the meeting.</p> <p>The preparation of the minutes of shareholders' meeting as required in the preceding paragraph may be effected by means of electronic transmission; the distribution of the minutes of shareholders' meeting may be effected by means of a public notice via Market Observation Post System of the Taiwan Stock Exchange.</p> <p>The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the Chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company and fully disclosed on the Company's official website.</p> <p>The method of adopting resolutions in the preceding paragraph where the shareholders' opinions are solicited and the proposal are unanimously agreed, the meeting minute shall state " the resolution is unanimously adopted by all shareholders</p>	<p>the Company within twenty days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be effected by means of electronic transmission.</p> <p>For shareholders holding less than 1,000 registered shares, the distribution of the minute of shareholders' meeting may be effected by means of a public notice via Market Observation Post System of the Taiwan Stock Exchange.</p> <p>The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the Chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company and fully disclosed on the Company's official website.</p> <p>The method of adopting resolutions in the preceding paragraph where the shareholders' opinions are solicited and the proposal are unanimously agreed, the meeting minute shall state " the resolution is unanimously adopted by all shareholders attending the shareholders'</p>	
--	---	--

<p>attending the shareholders' meeting after the chairman inquires all attending shareholders' opinion". However, as to any proposal that has received any dissent and been adopted in the shareholders' meeting, the meeting minutes shall record the method and result of the voting.</p> <p>With respect to the election of Directors and Supervisors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the Directors or Supervisors who were elected.</p>	<p>meeting after the chairman inquires all attending shareholders' opinion". However, as to any proposal that has received any dissent and been adopted in the shareholders' meeting, the meeting minutes shall record the method and result of the voting.</p> <p>With respect to the election of Directors and Supervisors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the Directors or Supervisors who were elected.</p>	
--	--	--

Agenda 6-proposed by the board of directors

Subject:

Amendment to the Company's Procedures for Acquisition or Disposal of Assets

Explanatory note:

Amended in compliance with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" as regulated by the Financial Supervisory Commission dated February 13th, 2012.

Resolution:

Attachment 4

Comparison Table of Drafted Amendments to Procedures for Acquisition or Disposal of Assets

Revised clause	Clause in force	Explanation
<p>Article 3</p> <p>Terms used in the Procedures are defined as follows:</p> <p>1. "Derivatives": Forward contracts, options contracts, futures contracts, leverage contracts, swap contracts and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.</p> <p>[Content omitted]</p> <p>8. "Within one year": Refers to one year preceding the actual date of acquisition or disposal of the assets or occurrence of the transaction.</p> <p>9. "Transaction amount": Refers to the transaction amount calculated using one of the following methods. However, in calculation of threshold of the transaction amount to determine whether the Company shall obtain appraisal reports or certified public accountant's</p>	<p>Article 3</p> <p>Terms used in the Procedures are defined as follows:</p> <p>1. "Derivatives": Forward contracts, options contracts, futures contracts, leverage contracts, swap contracts and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.</p> <p>[Content omitted]</p> <p>8. "Within one year": Refers to one year preceding the actual date of acquisition or disposal of the assets or occurrence of the transaction.</p>	<p>Paragraph 2 of Article 22 in force is re-paragraphed as Subparagraph 9 in the revised clause.</p> <p>Additional rules are amended in accordance with Article 11-1 and Paragraph 2 Article 14 of the amended regulation of the FSC.</p>

<p>opinions, or whether items need to be approved by the Board of Directors and recognized by the Supervisors, items duly conducted in accordance with the Procedures need not be counted toward the transaction amount. In calculation of the threshold to determine whether the Company shall publicly announce and report the relevant information of the transaction, items duly announced in accordance with the Procedures need not be counted toward the transaction amount.</p> <p>(1)The amount of any individual transaction.</p> <p>(2)The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within one year.</p> <p>(3)The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within one year.</p> <p>(4)The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same securities within one year.</p>		
<p>Article 7 The total amount of investment, the total amount of investment in securities, the limit for individual</p>	<p>Article 7 The total amount of investment, the total amount of investment in securities, the limit for individual</p>	<p>To meet the strategy of the CSC Group to promote the overseas sales channels,</p>

<p>securities, and the total amount of real estate for non-business purposes for the Company and its subsidiaries, except that the subsidiaries are public companies and have their own Provisions of the Procedures for Acquisition or Disposal of Assets, are stipulated below, respectively:</p> <p>1. The total amount of the Company's investment must not exceed 180% of the Company's paid-in capital, of which the total amount of investments in non-steel-related businesses must not exceed 20% of its' own paid-in capital; the total amount of investments in other securities must not exceed 40% of its' own paid-in capital, and investments in individual securities, except those in 100%-owned subsidiaries, must not exceed 40% of its' own paid-in capital.</p> <p>2. The total amount of investment for each subsidiary company whose primary business is not <u>investment, transportation or trading</u>, must not exceed 100% of the subsidiary company's paid-in capital, the total amount invested in other securities must not exceed 40% of the subsidiary company's paid-in capital, and investments in individual securities must not exceed 40% of the subsidiary company's paid-in capital. For each subsidiary company that has <u>investment, transportation, or trading</u> as its primary businesses, the total amount of investments must not exceed 250% of the subsidiary's</p>	<p>securities, and the total amount of real estate for non-business purposes for the Company and its subsidiaries, except that the subsidiaries are public companies and have their own Provisions of the Procedures for Acquisition or Disposal of Assets, are stipulated below, respectively:</p> <p>1. The total amount of the Company's investment must not exceed 180% of the Company's paid-in capital, of which the total amount of investments in non-steel-related businesses must not exceed 20% of its' own paid-in capital; the total amount of investments in other securities must not exceed 40% of its' own paid-in capital, and investments in individual securities, except those in 100%-owned subsidiaries, must not exceed 40% of its' own paid-in capital.</p> <p>2. The total amount of investment for each subsidiary company whose primary business is not investment or transportation must not exceed 100% of the subsidiary company's paid-in capital, the total amount invested in other securities must not exceed 40% of the subsidiary company's paid-in capital, and investments in individual securities must not exceed 40% of the subsidiary company's paid-in capital. For each subsidiary company that has investment or transportation as its primary businesses, the total amount of investments must not exceed 250% of the subsidiary's paid-in</p>	<p>Sub-paragraph 2 of Paragraph 1 is amended to increase the flexibility of investment by the CSGT, the subsidiary with primary business in trading.</p>
---	---	--

<p>paid-in capital, the total amount invested in other securities must not exceed 100% of the subsidiary company's paid-in capital, and investments in individual securities must not exceed 100% of the subsidiary company's paid-in capital.</p> <p>3. The total amount of real estate acquired by the Company and each subsidiary company for non-business purposes must not exceed 10% of each company's paid-in capital.</p> <p>Securities as referred to in the preceding paragraphs do not include low-risk investment instruments acquired or disposed of for financial management purposes in Item 2, Subparagraph 1 of Article 6.</p>	<p>capital, the total amount invested in other securities must not exceed 100% of the subsidiary company's paid-in capital, and investments in individual securities must not exceed 100% of the subsidiary company's paid-in capital.</p> <p>3. The total amount of real estate acquired by the Company and each subsidiary company for non-business purposes must not exceed 10% of each company's paid-in capital.</p> <p>Securities as referred to in the preceding paragraphs do not include low-risk investment instruments acquired or disposed of for financial management purposes in Item 2, Subparagraph 1 of Article 6.</p>	
<p>Article 8</p> <p>In acquiring or disposing real property or other fixed assets where the transaction amount reaches NT\$300 million or more, the Company, unless transacting with a government agency, commissioning others to build on its own land, commissioning others to build on rented land, or acquiring or disposing machinery equipment for operating use, shall obtain an appraisal report <u>before the date of occurrence of the event</u> from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances a limited price, specified price, or special price must be given as a reference basis</p>	<p>Article 8</p> <p>In acquiring or disposing real property or other fixed assets where the transaction amount reaches NT\$300 million or more, the Company, unless transacting with a government agency, commissioning others to build on its own land, commissioning others to build on rented land, or acquiring or disposing machinery equipment for operating use, shall obtain an appraisal report <u>in advance</u> from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances a limited price, specified price, or special price must be given as a reference basis</p>	<ol style="list-style-type: none"> 1. To define the timing of obtaining the appraisal report in Paragraph 1. 2. To amend sub-paragraph 3 of Paragraph 1 so that in the cases when an appraisal result is in favor of the Company, a certified public accountant's opinion is not required. 3. Text revised in Sub-paragraph 4 of Paragraph 1. 4. No amendment for other contents in Article 8.

<p>for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where the professional appraiser's appraisal results exhibit any one of the following circumstances, <u>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</u>, 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 ARDF and express a specific opinion regarding the reasons for the discrepancy and the fairness of the transaction price:</p> <p>(1) Where the discrepancy between the appraisal result and the transaction amount reaches 20 percent or more of the transaction amount.</p> <p>(2) Where the discrepancy between the appraisal results of two or more professional appraisers reaches 10 percent or more of the transaction amount.</p> <p>4. <u>No more than three months may pass between the date of the appraisal report issued by a professional appraiser and the contract execution date;</u></p>	<p>for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where the professional appraiser's appraisal results exhibit any one of the following circumstances, 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 ARDF and express a specific opinion regarding the reasons for the discrepancy and the fairness of the transaction price:</p> <p>(1) Where the discrepancy between the appraisal result and the transaction amount reaches 20 percent or more of the transaction amount.</p> <p>(2) Where the discrepancy between the appraisal results of two or more professional appraisers reaches 10 percent or more of the transaction amount.</p> <p>4. <u>Where an appraisal is conducted before a contract execution date, no more than three months may pass between the date of the appraisal report</u></p>	
---	--	--

<p>provided, where the publicly announced current 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. While dealing with the acquisition or disposal of real property or other fixed assets not contained in the previous paragraph, first-echelon organizations engaging in the acquisition or disposal of real property as part of their organizational function should refer to the public current value, assessed value and the actual transaction prices for neighboring real properties before setting a transaction price; and first-echelon organizations engaging in the acquisition or disposal of other fixed assets as part of their organizational function should refer to past transaction prices experienced by the Company or those in the same industry before setting a transaction price, as a means of providing those in authority with a reference for estimating a transaction price.</p>	<p>and the contract execution date; provided, where the publicly announced current 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. While dealing with the acquisition or disposal of real property or other fixed assets not contained in the previous paragraph, first-echelon organizations engaging in the acquisition or disposal of real property as part of their organizational function should refer to the public current value, assessed value and the actual transaction prices for neighboring real properties before setting a transaction price; and first-echelon organizations engaging in the acquisition or disposal of other fixed assets as part of their organizational function should refer to past transaction prices experienced by the Company or those in the same industry before setting a transaction price, as a means of providing those in authority with a reference for estimating a transaction price.</p>	
<p>Article 9 In acquiring or disposing of securities, the Company <u>shall, before the date of occurrence of the event, obtain</u> the most recent financial statement, audited and attested by a certified public accountant, of the underlying company for reference in appraising the transaction price.</p>	<p>Article 9 In acquiring or disposing of securities, the Company <u>shall first obtain</u> the most recent financial statement, audited and attested by a certified public accountant, of the underlying company for reference in appraising the transaction price. In any of the following circumstances where</p>	<p>1. To define the timing of obtaining the financial statement or the opinions of the certified public accountant in Paragraph 1. Also, the provision of adopting the report of an expert</p>

<p>In any of the following circumstances where the transaction amount reaches NT\$300 million or more, the Company shall engage a certified public accountant to render an opinion on the reasonableness of the transaction price <u>before the date of occurrence of the event. If the certified public accountant needs to use the report of an expert as evidence, he shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p> <p>However, securities with quoted prices in an active market or covered by other regulations of the FSC are not subject to this restriction.</p> <p>Exceptions in the preceding paragraph refer to the following:</p> <ol style="list-style-type: none"> 1. Securities acquired by means of cash subscriptions when establishing a company by sponsorship or by an offer of public shares. 2. Subscriptions of securities based on their face value issued by the target company in order to increase cash capital in accordance with the relevant laws. 3. Subscriptions of securities issued by 100% owned subsidiary for the purpose of increasing cash capital. 4. Listed, traded and emerging securities traded in stock exchanges or by brokers. 5. Government bonds, or bonds 	<p>the transaction amount reaches NT\$300 million or more, the Company shall engage a certified public accountant to render an opinion on the reasonableness of the transaction price. However, securities with quoted prices in an active market or covered by other regulations of the FSC are not subject to this restriction.</p> <p>Exceptions in the preceding paragraph refer to the following:</p> <ol style="list-style-type: none"> 1. Securities acquired by means of cash subscriptions when establishing a company by sponsorship or by an offer of public shares. 2. Subscriptions of securities based on their face value issued by the target company in order to increase cash capital in accordance with the relevant laws. 3. Subscriptions of securities issued by 100% owned subsidiary for the purpose of increasing cash capital. 4. Listed, traded and emerging securities traded in stock exchanges or by brokers. 5. Government bonds, or bonds traded with repurchase or resell agreements. 	<p>is amended.</p>
--	---	--------------------

<p>traded with repurchase or resell agreements.</p> <p>6. Domestic and overseas funds.</p> <p>7. The acquisition or disposal of stocks for listed or trading companies by means of a tender offer or auction for listed or traded securities at a stock exchange or securities market.</p> <p>8. Securities acquired from subscriptions of cash capital increase made by public offering, where the securities are not obtained through private placement.</p> <p>9. Fund applications made prior to the establishment of the funds in accordance with Article 11, Paragraph 1 of the Securities Investment Trust and Consulting Act and the order numbered Chin Cheng Four Tzu No. 0930005249 issued by the FSC on November 1, 2004.</p> <p>10. For the subscription and repurchase of domestic private equity funds, if the investment strategy is already indicated in the trust contract, except for securities margin trading and any product positions related to open interest securities being held, then the remainder will be within the same range of investment as for public offering funds.</p> <p><u>Other situations regulated by the FSC.</u></p>	<p>6. Domestic and overseas funds.</p> <p>7. The acquisition or disposal of stocks for listed or trading companies by means of a tender offer or auction for listed or traded securities at a stock exchange or securities market.</p> <p>8. Securities acquired from subscriptions of cash capital increase made by public offering, where the securities are not obtained through private placement.</p> <p>9. Fund applications made prior to the establishment of the funds in accordance with Article 11, Paragraph 1 of the Securities Investment Trust and Consulting Act and the order numbered Chin Cheng Four Tzu No. 0930005249 issued by the FSC on November 1, 2004.</p> <p>10. For the subscription and repurchase of domestic private equity funds, if the investment strategy is already indicated in the trust contract, except for securities margin trading and any product positions related to open interest securities being held, then the remainder will be within the same range of investment as for public offering funds.</p> <p><u>Other situations regulated by the FSC.</u></p>	
<p>Article 10</p>	<p>Article 10</p>	<p>To define the timing to obtain opinions of a</p>

<p>When the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches NT\$300 million or more, the Company shall engage a certified public accountant to render an opinion on the reasonableness of the transaction price <u>before the date of occurrence of the event</u>; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	<p>When the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 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 CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	<p>certified public accountant.</p>
<p>Section II <u>Related party transactions</u></p>	<p>Section II <u>Acquiring real property from a related party</u></p>	<p>To amend the title of this section to expand the definition scope of related parties.</p>
<p>Article 12 <u>When engaging in any acquisition or disposal of assets from or to a related party</u>, the Company shall ensure that the reasonableness of the transaction terms is appraised, and other relevant matters are carried out, in compliance with the provisions of the preceding Section and this Section. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p>	<p>Article 12 <u>When acquiring real property from a related party through purchase or swap</u>, the Company shall ensure that the reasonableness of the transaction terms is appraised, and other relevant matters are carried out, in compliance with the provisions of the preceding Section and this Section. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p>	<p>Text revised to expand the definition scope of related parties.</p>
<p>Article 13 When the Company intends to acquire <u>or dispose of real</u></p>	<p>Article 13 When the Company intends to acquire real property from a</p>	<p>1. Paragraph 1 is amended in accordance with Article 14 of the</p>

<p><u>property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches NT\$300 million or more, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the Supervisors:</u></p> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the <u>acquisition or disposal of the asset.</u> 2. The reason for choosing the related party as a trading counterparty. 3. <u>With respect to the acquisition of real property from a related party, information</u> regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the provisions of Article 14 and Article 15. 4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party. 5. Monthly cash flow forecasts for the year commencing from the 	<p>related party, it may not proceed with the transaction until the following matters have been approved by the Board of Directors and recognized by the Supervisors:</p> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the <u>real property acquisition.</u> 2. The reason for choosing the related party as a trading counterparty. 3. Information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the provisions of Article 14 and Article 15. 4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party. 5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of 	<p>regulations by the FSC.</p> <ol style="list-style-type: none"> 2. Paragraph 2 is amended so that the Board may delegate the Chairman to decide the matter within a certain amount.
--	--	--

<p>anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. <u>An appraisal report from a professional appraiser or a certified public accountant's opinion obtained in compliance with the preceding article.</u></p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>When the Company acquires or disposes of machinery and equipment for business use from or to its subsidiaries, the Board of Directors may delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board meeting.</u></p>	<p>the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. Restrictive covenants and other important stipulations associated with the transaction.</p>	
<p>Article 21-1</p> <p>When participating in a merger, demerger, or acquisition, the Company shall prepare a full written record of the following information and retain it for five years for reference:</p> <p>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</p>	<p>Article 21-1</p> <p>When participating in a merger, demerger, or acquisition, the Company shall prepare a full written record of the following information and retain it for five years for reference:</p> <p>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</p>	<p>1. No amendment for paragraph 1.</p> <p>2. Paragraph 2 is amended to define the commencing date of the obligation.</p>

<p>in the planning or implementation of any merger, demerger, acquisition, or transfer of another Company's shares prior to disclosure of the information.</p> <p>2. Dates of material events: Including the dates of signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the signing of a contract, and the convening of meetings of the Board of Directors..</p> <p>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 meetings of the Board of Directors.</p> <p>The Company shall, within 2 days <u>commencing immediately from the date</u> of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in Subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.</p>	<p>in the planning or implementation of any merger, demerger, acquisition, or transfer of another Company's shares prior to disclosure of the information.</p> <p>2. Dates of material events: Including the dates of signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the signing of a contract, and the convening of meetings of the Board of Directors..</p> <p>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 meetings of the Board of Directors.</p> <p>The Company shall, within 2 days of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in Subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.</p>	
<p>Article 22</p> <p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and</p>	<p>Article 22</p> <p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and</p>	<p>1. Paragraph 1 is amended to define the commencing date of the obligation.</p> <p>2. Subparagraph 2 and 5 of</p>

<p>report the relevant information on the <u>FSC's</u> designated website in the appropriate format as prescribed by regulations within two days <u>commencing immediately</u> from the date of occurrence of the fact:</p> <ol style="list-style-type: none"> 1. <u>Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements.</u> 2. Merger, demerger, acquisition, or transfer of shares. 3. Loss from derivatives trading reaching the limit on aggregate loss or loss on individual contract set out in Sub-item 2, Item 5, Sub-paragraph 1 of Article 17 of the Procedures. 4. Where an asset transaction other than any of those referred to in the preceding <u>three</u> sub-paragraphs <u>or investment in the mainland area</u> reaches NT\$300 million; provided, this shall not apply to the following circumstances: 	<p>report the relevant information on the <u>FSC's</u> designated website in the appropriate format as prescribed by regulations within two days from the date of occurrence of the fact:</p> <ol style="list-style-type: none"> 1. Acquisition of real property from a related party. 2. <u>Investment in the mainland area.</u> 3. Merger, demerger, acquisition, or transfer of shares. 4. Loss from derivatives trading reaching the limit on aggregate loss or loss on individual contract set out in Sub-item 2, Item 5, Sub-paragraph 1 of Article 17 of the Procedures. 5. Where an asset transaction other than any of those referred to in the preceding <u>four</u> sub-paragraphs reaches NT\$300 million; provided, this shall not apply to the following circumstances: 	<p>Paragraph 1 is combined and organized as Subparagraph 4.</p> <ol style="list-style-type: none"> 3. Rules governing “engaging others to build on rented land” is amended in Sub-paragraph 4 of Paragraph 1. 4. The current Paragraph 2 in force amended as Sub-paragraph 9 of Article 3. 5. The current Paragraph 3 to Paragraph 5 is renumbered as Paragraph 2 to 4.
--	--	--

<p>(1) Trading of government bonds.</p> <p>(2) Trading of bonds under repurchase/resale agreements.</p> <p>(3) Where the type of asset acquired or disposed is equipment/machinery for operational use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</p> <p>(4) Where land is acquired under an arrangement for commissioned construction on self-owned land, <u>engaging others to build on rented land</u>, 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.</p>	<p>(1) Trading of government bonds.</p> <p>(2) Trading of bonds under repurchase/resale agreements.</p> <p>(3) Where the type of asset acquired or disposed is equipment/machinery for operational use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</p> <p>(4) Where land is acquired under an arrangement for commissioned construction on self-owned 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.</p> <p><u>The amount of transactions above shall be calculated as follows, but those of transactions announced in accordance with the Procedures are excluded:</u></p> <ol style="list-style-type: none"> <u>1. The amount of any individual transaction.</u> <u>2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within one year.</u> 	
---	--	--

<p>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 subsidiary that is not domestic public company and enter the information in the prescribed format into the information reporting website designated by the FSC by the tenth day of each month.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety.</p> <p>In acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions</p>	<p><u>3. The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within one year.</u></p> <p><u>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same securities within one year.</u></p> <p>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 subsidiary that is not domestic public company and enter the information in the prescribed format into the information reporting website designated by the FSC by the tenth day of each month.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety.</p> <p>In acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting</p>	
--	--	--

<p>at the Company’s headquarter, where they shall be retained for five years except where another act provides otherwise</p>	<p>minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company’s headquarter, where they shall be retained for five years except where another act provides otherwise</p>	
<p>Article 23 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 following paragraph, a public report of relevant information shall be made on the information reporting website designated by the FSC within two days <u>commencing immediately</u> from the date of occurrence of the fact:</p> <ol style="list-style-type: none"> 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. <u>Change to the originally publicly announced and reported information.</u> 	<p>Article 23 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 following paragraph, 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 fact:</p> <ol style="list-style-type: none"> 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. 	<ol style="list-style-type: none"> 1. Paragraph 1 is amended to define the commencing date of the obligation. 2. Subparagraph 3 of Paragraph 1 is amended in accordance the new Article 31 of Procedures Governing Acquisition or Disposal of Assets by the FSC.
<p>Article 24 Any subsidiary that is a domestic</p>	<p>Article 24 Any subsidiary that is a domestic</p>	<p>Text amended to enforce the supervision of the</p>

<p>public company must enact <u>and implement</u> procedures in accordance with “Regulations Governing Acquisition and Disposal of Assets by Public Companies” regulated by the FSC. Any subsidiary that is not a domestic public company must enact <u>and implement</u> procedures for the acquisition and disposal of assets in reference to the Procedures.</p>	<p>public company must enact procedures in accordance with “Regulations Governing Acquisition and Disposal of Assets by Public Companies” regulated by the FSC. Any subsidiary that is not a domestic public company must enact procedures for the acquisition and disposal of assets in reference to the Procedures.</p>	<p>subsidiaries.</p>
---	---	----------------------

Agenda 7-proposed by the board of directors

Subject:

Amendments to Regulations Governing the Election of Directors and Supervisors

Explanatory note:

Paragraph 2 of Article 2, Article 9, Sub-paragraph 13 of Article 10, and Paragraph 3 of Article 5 are amended in accordance with “Regulations Governing the Election of Directors and Supervisors”

Resolution:

Attachment 5

Comparison Table of Drafted Amendments to Regulations Governing the Election of Directors and Supervisors of China Steel Corporation

Revised clause	Clause in force	Explanation
<p>Article 2</p> <p>In election of board of directors, the Company adopts candidate nomination system in compliance with Article 192-1 of the Company Act. Independent directors and non-independent directors must be nominated separately, and shareholders shall elect the directors from among the nominees listed in the rosters of director and independent director candidates.</p> <p>Any rules specially stipulated in Article 5 of "Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies" shall also apply to the nomination of independent directors of the Company.</p> <p>An independent director of the Company shall meet the qualifications requirements pursuant to Article 2, 3, and 4 of "Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies."</p> <p>Independent directors and non-independent directors of the Company must be elected at the same time but the ballots must be tallied separately.</p> <p>When a director is dismissed for any reason, resulting in a number of directors lower than</p>	<p>Article 2</p> <p>In election of board of directors, the Company adopts candidate nomination system in compliance with Article 192-1 of the Company Act. Independent directors and non-independent directors must be nominated separately, and shareholders shall elect the directors from among the nominees listed in the rosters of director and independent director candidates.</p> <p>Any rules specially stipulated in Article 5 of "Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies" shall also apply to the nomination of independent directors of the Company.</p> <p>An independent director of the Company shall meet the qualifications requirements pursuant to Article 2, 3, and 4 of "Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies."</p> <p>Independent directors and non-independent directors of the Company must be elected at the same time but the ballots must be tallied separately.</p> <p>When a director is dismissed for any reason, resulting in a number of directors lower than</p>	<p>A candidate nomination system is adopted and is thus amended in Paragraph 7 of the Article.</p> <p>No amendment in other paragraphs.</p>

<p>that required under the Company's Articles of Incorporation, a by-election for director shall be held at the next following shareholders meeting. When more than one-third of the directors have been dismissed, the company shall convene a special shareholders meeting to hold a by-election within 60 days from the date on which the situation arose.</p> <p>When an independent director is dismissed for any reason, resulting in a number of directors lower than that required under the proviso of Paragraph 1, Article 14-2 of the Securities and Exchange Act, a by-election for independent director shall be held at the next following shareholders meeting. When all independent directors have been dismissed, the Company shall convene a special shareholders meeting to hold a by-election within 60 days from the date on which the situation arose.</p> <p>A candidate nomination system is adopted <u>in compliance with Article 216-1 of the Company Act</u> for the election of Supervisors of the Company. Supervisors shall be elected from <u>a list of candidates by shareholders.</u></p> <p>When a supervisor is dismissed for any reason, resulting in a number of directors lower than that required under the Company's Articles of Incorporation, a by-election for supervisor shall be held at the</p>	<p>that required under the Company's Articles of Incorporation, a by-election for director shall be held at the next following shareholders meeting. When more than one-third of the directors have been dismissed, the company shall convene a special shareholders meeting to hold a by-election within 60 days from the date on which the situation arose.</p> <p>When an independent director is dismissed for any reason, resulting in a number of directors lower than that required under the proviso of Paragraph 1, Article 14-2 of the Securities and Exchange Act, a by-election for independent director shall be held at the next following shareholders meeting. When all independent directors have been dismissed, the Company shall convene a special shareholders meeting to hold a by-election within 60 days from the date on which the situation arose.</p> <p>A candidate nomination system is <u>not</u> adopted for the election of Supervisors of the Company. Supervisors shall be elected from <u>among the shareholders with disposing capability.</u></p> <p>When a supervisor is dismissed for any reason, resulting in a number of directors lower than that required under the Company's Articles of Incorporation, a by-election for supervisor shall be held at the</p>	
---	---	--

<p>next following shareholders meeting. When all supervisors have been dismissed, the Company shall convene a special shareholders meeting to hold a by-election within 60 days from the date on which the situation arose.</p>	<p>next following shareholders meeting. When all supervisors have been dismissed, the Company shall convene a special shareholders meeting to hold a by-election within 60 days from the date on which the situation arose.</p>	
<p>Article 5 The Board of Directors shall prepare the same number of ballots as the number of seats available for directors and supervisors to be elected and distribute to each common shareholder who attends the shareholders' meeting. Each attendant common shareholder's certificate number and weighted number of voting shares shall be printed on his ballots. The voter's name is replaced by his certificate number which is printed on his ballots.</p> <p><u>For common shareholders who choose to exercise their voting rights by way of electronic transmission, no printed ballots are furnished.</u></p>	<p>Article 5 The Board of Directors shall prepare the same number of ballots as the number of seats available for directors and supervisors to be elected and distribute to each common shareholder who attends the shareholders' meeting. Each attendant common shareholder's certificate number and weighted number of voting shares shall be printed on his ballots. The voter's name is replaced by his certificate number which is printed on his ballots.</p>	<p>No amendment for Paragraph 1 and 2. Paragraph 3 is amended in compliance with regulation governing the implement of voting by way of electronic transmission.</p>

<p>Article 9</p> <p>The voter shall fill the following data in the "candidate" <u>columns</u> on ballots according to a candidate list of <u>independent directors, non-independent directors</u> or <u>supervisors</u> before casting his ballots into the ballot box:</p> <p>(1) The candidate's full name and shareholder's number if the candidate is CSC's nature-person shareholder; or the candidate's full name and identification number of certificate if the candidate is a nature person rather than CSC's shareholder;</p> <p>(2) The candidate's full name and shareholder's number if the candidate is a legal-person or government shareholder; and</p> <p>(3) The name and shareholder's number of the legal-person or government shareholder and the full name of the representative if the candidate is a representative of the legal entity or government shareholder. The respective full name of representatives shall be added to fill in if there are several representatives for the same legal-person or government shareholder.</p>	<p>Article 9</p> <p>The voter shall fill the following data in the "candidate" <u>column</u> on ballots before casting his ballots into the ballot box:</p> <p>(1) The candidate's full name and shareholder's number if the candidate is CSC's nature-person shareholder; or the candidate's full name and identification number of certificate if the candidate is a nature person rather than CSC's shareholder;</p> <p>(2) The candidate's full name and shareholder's number if the candidate is a legal-person or government shareholder; and</p> <p>(3) The name and shareholder's number of the legal-person or government shareholder and the full name of the representative if the candidate is a representative of the legal entity or government shareholder. The respective full name of representatives shall be added to fill in if there are several representatives for the same legal-person or government shareholder.</p>	<p>Article amended due to the implement of the candidate nomination system adopted by the Company for the election of supervisors.</p>
--	--	--

<p>Article 10 Any of the following circumstances shall cause the ballot(s) invalid:</p> <p>(1) Without submitting the attendance registration card to complete the registration procedure;</p> <p>(2) Without using the ballot(s) prepared by the board of directors;</p> <p>(3) To fill in two or more candidates' names;</p> <p>(4) In addition to the candidate's full name, shareholder's number or identification number of certificate, other characters or scripts are written on the ballot;</p> <p>(5) To tear the ballot into incomplete one;</p> <p>(6) Contaminated ballot causes the filled candidate(s) hard to distinguish;</p> <p>(7) Totally blank ballot;</p> <p>(8) The blurred handwriting is hard to identify or the handwriting is altered, but correction, addition or deletion of error handwriting shall be excluded;</p> <p>(9) The filled candidate is a CSC's shareholder, but his/her or shareholder's number is different from that shown in the booklet of registered shareholders;</p> <p>(10) The candidate is a non-shareholder natural person, but his/her name is different from that shown in his/her certificates;</p> <p>(11) The filled candidate is the representative of a legal-person</p>	<p>Article 10 Any of the following circumstances shall cause the ballot(s) invalid:</p> <p>(1) Without submitting the attendance registration card to complete the registration procedure;</p> <p>(2) Without using the ballot(s) prepared by the board of directors;</p> <p>(3) To fill in two or more candidates' names;</p> <p>(4) In addition to the candidate's full name, shareholder's number or identification number of certificate, other characters or scripts are written on the ballot;</p> <p>(5) To tear the ballot into incomplete one;</p> <p>(6) Contaminated ballot causes the filled candidate(s) hard to distinguish;</p> <p>(7) Totally blank ballot;</p> <p>(8) The blurred handwriting is hard to identify or the handwriting is altered, but correction, addition or deletion of error handwriting shall be excluded;</p> <p>(9) The filled candidate is a CSC's shareholder, but his/her or shareholder's number is different from that shown in the booklet of registered shareholders;</p> <p>(10) The candidate is a non-shareholder natural person, but his/her name is different from that shown in his/her certificates;</p> <p>(11) The filled candidate is the representative of a legal-person</p>	<p>Subparagraph 13 is amended in compliance with the candidate nomination system adopted by the Company for election of supervisors.</p>
---	---	--

<p>or government shareholder, but its name and shareholder's number are different from that shown in the booklet of registered shareholders;</p> <p>(12) The filled candidate's name is the same as other shareholder's, but he/she does not fill in his/her shareholder's number or certificate's number available for identification marking.</p> <p>(13) The name(s) of filled candidate(s) is (are) not in the list of nominated candidates for <u>independent directors, non-independent directors, or supervisors.</u></p>	<p>or government shareholder, but its name and shareholder's number are different from that shown in the booklet of registered shareholders;</p> <p>(12) The filled candidate's name is the same as other shareholder's, but he/she does not fill in his/her shareholder's number or certificate's number available for identification marking.</p> <p>(13) The name(s) of filled candidate(s) is (are) not in the list of nominated candidates for <u>independent directors or non-independent directors.</u></p>	
--	--	--

Agenda 8-proposed by the board of directors

Subject:

To discuss the proposal of releasing the prohibition on Director, Mr. Jyh-Yuh, Sung from holding the same position of Chung-Hung Steel Corporation.

Explanatory note:

- 1. The agenda is proposed in compliance with Paragraph1, Article 209 of the Company Act : A director who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- 2. Mr.Jyh-Yuh, Sung, Director of the Board, plans to serve on the Board of Chung-Hung Steel Corporation. Information of Chung-Hung Steel Corporation is as follows:

Invested Company	Shareholding by CSC	Position to be held concurrently	Business with CSC
Chung-Hung Steel Corporation	40.59%	Director	steel production and trading

- 3. Although the Company is related to Chung-Hung Steel Corporation in perspective of partial business, the products and services provided by these two companies belong to different market segments. The Company may thereby protect its investment rights and benefit from Mr.Jyh-Yuh Sung’s serving in the board of Chung-Hung Steel Corporation by participating in important operating decisions and monitor the execution of business strategies.

Resolution:

Agenda 9-proposed by the board of directors

Subject:

Proposal of releasing the prohibition on Director, Mr. Kin-Tsau, Lee from holding the positions of Chairman of China Ecotek Corporation and Director of Formosa Ha Tinh Steel Corporation.

Explanatory Note:

- 1. The agenda is proposed in compliance with Paragraph1, Article 209 of the Company Act : A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- 2. Mr. Kin-Tsau, Lee, Director of the Board, plans to serve on the Boards of China Ecotek Corporation and Formosa Ha Tinh Steel Corporation. Information of China Ecotek Corporation and Formosa Ha Tinh Steel Corporation is as follows:

Invested Company	Shareholding by CSC	Position to be held concurrently	Business with CSC
China Ecotek Corporation	49.00%	Chairman	engineering of environmental protection and steel construction
Formosa Ha Tinh Steel Corporation	5.00%	Director	Integrated steel mill

- 3. Although the Company is related to China Ecotek Corporation and Formosa Ha Tinh Steel Corporation in perspective of partial business, the products and services provided by these two companies belong to different market segments. The Company may thereby protect its investment rights and benefit from Mr. Kin-Tsau, Lee’s serving in the board of China Ecotek Corporation and Formosa Ha Tinh Steel Corporation by participating in important operating decisions and monitor the execution of business strategies.

Resolution:

Agenda 10-proposed by the board of directors

Subject:

Proposal of releasing the prohibition on Director, Mr. Jih-Gang, Liu from holding the same positions of Chung-Hung Steel Corporation, CSC Steel Holdings Bhd., CSC Steel Sdn. Bhd., and East Asia United Steel Corporation.

Explanatory note:

1. The agenda is proposed in compliance with Paragraph1, Article 209 of the Company Act : A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
2. Mr. Jih-Gang, Liu, Director of the Board, plans to serve on the Board of Chung-Hung Steel Corporation, CSC Steel Holdings Bhd., CSC Steel Sdn. Bhd., and East Asia United Steel Corporation. Information of these for corporations is as follows:

Invested Company	Shareholding by CSC	Position to be held concurrently	Business with CSC
Chung-Hung Steel Corporation	40.59%	Director	Steel production and trading
CSC Steel Holdings Bhd.	45.00%	Director	A holding company of CSC Steel Sdn. Bhd.
CSC Steel Sdn. Bhd.	45.00%	Director	Production and trading of Cold-rolled product.
East Asia United Steel Corporation	29.04%	Director	The holding company of Sumitomo Metals (Wakayama) – the slab supplier of the CSC Group.

3. Although the Company is related to the above-mentioned companies in perspective of partial business, the products and services provided by these companies belong to different market segments. The Company may thereby protect its investment rights and benefit from Mr. Jih-Gang, Liu’s serving in the board of these companies by participating in important operating decisions and monitor the execution of business strategies.

Resolution: