

Dividend distribution proposed for the next annual general meeting

2017 Earnings Appropriation Report

Unit: NTD

| | |
|---|-----------------|
| Opening undistributed earnings | 0 |
| Less: Revaluation of defined benefit plan recognized in retained earnings | (39,816,112) |
| Plus: Reversal of special reserves provided on contra equity items | 495,863,858 |
| Adjusted undistributed earnings | 456,047,746 |
| Plus: current period net profit | 2,333,097,775 |
| Less: provision of statutory reserves(10%) | (233,309,778) |
| Earnings available for distribution in the current period | 2,555,835,743 |
| Less: stock dividends (40%) | (766,750,700) |
| Less: cash dividends (60%) | (1,789,085,043) |
| Closing undistributed earnings | 0 |

Note: Appropriation of 2017 earnings is subject to resolution of board of directors meeting and annual general meeting in 2018.

Impacts of proposed stock dividends on the Company's business performance and earnings per share:

| Item | | Year | 2018 (estimated) |
|---------------------------------|---|---------------------------------------|--------------------------|
| | | | |
| Opening paid-up capital | | | NTD\$35,423,607 thousand |
| Dividends for the current year | Cash dividends per share | | \$ 0.52 |
| | Stock dividends per share (from capitalization of earnings) | | \$ 0.22 |
| | Stock dividends per share (from capitalization of reserves) | | 0 |
| Changes in business performance | Operating Profits | | Not applicable (Note) |
| | Year-on-year percentage variation of operating profit | | |
| | Net income | | |
| | Year-on-year percentage variation of net income | | |
| | Earnings per share | | |
| | Year-on-year percentage variation of earnings per share | | |
| | Yearly average return on investment (a reciprocal of yearly average PE ratio) | | |
| Pro forma EPS and PE ratio | If capitalized earnings were entirely distributed as cash dividends instead | Pro forma EPS | |
| | | Pro forma annual return on investment | |
| | Without capitalization of reserves | Pro forma EPS | |
| | | Pro forma annual | |

| | | | |
|--|--|---------------------------------------|--|
| | | return on investment | |
| | Without capitalization of serves and if capitalized earnings were entirely distributed as cash dividends instead | Pro forma EPS | |
| | | Pro forma annual return on investment | |

Note: The Company did not produce financial forecast for 2017. Pursuant to Letter No. (89)-Tai-Tsai-Cheng-(1)-Zi-00371 issued by the Securities and Futures Commission, Ministry of Finance, on February 1, 2000, companies that do not publish financial forecasts are not required to disclose this information.