

A. Corporate Governance Implementation as Required by the Financial Supervisory Commission of Taiwan

Item	Implementation Status	Reason for Non-Implementation
<p>1. Shareholding structure & Shareholder's Rights</p> <p>(1) The way of handing shareholder suggestions or disputes</p> <p>(2) The Company's possession of major shareholder's list and the list of ultimate owners of these major shareholders</p> <p>(3) Risk Management Mechanism and Fire Wall between the Company and its affiliates</p>	<p>(1) The Investor Relations office handles as needed.</p> <p>(2) Changes are acknowledged through reporting information on websites (Market Observation Post System).</p> <p>(3) It has followed the internal control system to attain risk management.</p>	<p>None</p> <p>None</p> <p>None</p>
<p>2. Composition and Responsibilities of the Board of Directors</p> <p>(1) Independent Directors</p> <p>(2) Regular evaluation of external auditors' Independency</p>	<p>(1) Two independent directors were elected in the shareholders' Meeting on June 28, 2003.</p> <p>(2) Board of Directors regularly evaluates the independence of the certifying accountants. The current certifying accountants have not certified for a consecutive 5 years</p>	<p>None</p> <p>None</p>
<p>3. Composition and Responsibilities of Supervisors</p> <p>(1)Independent Supervisor(s)</p> <p>(2)Communication channel with employees or shareholders</p>	<p>(1) An independent supervisor was elected in the interim shareholders' Meeting on September 22, 2004.</p> <p>(2) Communication is good between the supervisors and employees & shareholders.</p>	<p>None</p> <p>None</p>

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4. Communication channel with stakeholders	The company communicates with stakeholders through relevant offices in charge. Communication is good.	None
5. Information Disclosure (1) Establishment of corporate website to disclose information regarding the Company's financials, business and corporate governance status (2) Other information disclosure channels (e.g. English website, appointing responsible people to handle information collection and disclosure, appointing spokesperson, web casting investors conference)	Company website is established. Information disclosure is regularly implemented according to regulations.	None Not Applicable
6. Operations of the Company's audit committee and other committees of the Board of Directors	The company has established an Audit Committee on March 28, 2005.	None
7. If the Company has established corporate governance policies based on TSEC/GTSM Corporate Governance Best Practice Principles, please describe discrepancy between the policies and their implementation.	It has established an internal control system according to regulations of the supervising governmental organizations. It is following the internal control system to attain a corporate governance system.	

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<p>8. Please describe clearly the company's policy and implementation on social responsibility (e.g. human rights, employee rights and interests, environmental protection, community participation, supplier relations and stakeholder rights etc.):</p>	<p>The company understands that operation profit is not the only element of success for running a business. They also include giving back to the society and environment. So the company decided to continue doing its best in giving back to the society. Regarding environmental protection, the company has implemented the Environment Management System (EMS). It has also been certified by the green partners of clients such as SONY, SAMSUNG, & ASUS.</p>	

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<p>9. Other important information to facilitate better understanding of the Company's corporate governance practices (e.g. director's and supervisors' training records, director's and supervisors' attendance of the board of directors meetings, the implementation of risk management policies and risk evaluation measures, the implementation of consumers/customers protection policies, the implementation of directors refusing themselves in case of conflicts of interests situations, purchasing insurance for directors and supervisors)</p>	<p>(1) Director's and supervisors' training records: Directors & supervisors have engaged in further training in 2005.</p> <p>(2) Director's and supervisors' attendance of the board of directors meetings: Good attendance for the directors & supervisors.</p> <p>(3) The implementation of risk management policies and risk evaluation measures:</p> <p>(4) The implementation of consumers/customers protection policies:</p> <p>(5) The implementation of directors refusing themselves in case of conflicts of interest's: Meeting Regulations for the Board of Directors have established a list of affairs to avoid.</p> <p>(6) Purchasing insurance for directors and supervisors: Insured.</p>	<p>Not Applicable</p> <p>Not Applicable</p>

B. If the company has adopted corporate governance best-practice principles or related bylaws, it shall disclose how these are to be searched: None

C. Any other material information that would afford a better understanding of the status of the company's implementation of corporate governance may also be disclosed. The provisions of the preceding paragraph shall also apply to any securities firm, securities investment trust enterprise, securities investment consulting enterprise, and futures commission merchant that is a public company: None