

Corporate Governance Status

Corporate Governance Status, its Discrepancy with Best-Practice Principles for TSEC/GTSM Listed Companies, and Reasons:

Items	Executions	Discrepancy with Best-Practice Principles and its Reasons
<p>1. Corporate Shareholding Structure and Shareholders' Rights</p> <p>(1) Ways of handling shareholders' suggestions or disputes</p> <p>(2) Corporate's list of major shareholders who are in actual control of the company and list of ultimate owners of these major shareholders</p> <p>(3) Risk management mechanism and firewall between the company and its affiliates</p>	<p>Company has already set up a spokesperson system to handle the relevant issues.</p> <p>Company has authorized its stock affair representative, GCSC (Grand Cathay Securities Corp.), to deal with the relevant issues.</p> <p>Company has done in accordance with the internal control system and relevant regulations.</p>	<p>None.</p>

Items	Executions	Discrepancy with Best-Practice Principles and its Reasons
<p>2. Composition and Responsibility of the Board of Directors</p> <p>(1) Independent Directors</p> <p>(2) Regular evaluation of the independent external auditor</p>	<p>Company has 2 independent directors.</p> <p>Company's accounting department has regularly evaluated the external auditor on its independent status.</p>	<p>None.</p>
<p>3. Composition and Responsibility of Supervisor</p> <p>(1) Independent supervisor(s)</p> <p>(2) Communications between supervisor(s) and company employees and shareholders</p>	<p>Company has 2 independent supervisors.</p> <p>Supervisors may directly get in touch with the relevant company personnel if they have any questions.</p>	<p>None.</p>
<p>4. Set-up of communication channel with the stakeholders</p>	<p>The stakeholders may contact directly with the company as required.</p>	<p>None.</p>

Items	Executions	Discrepancy with Best-Practice Principles and its Reasons
<p>5. Disclosure of Information (1) Status on setup of company website, disclosure of financial, business, and corporate governance status information</p> <p>(2) Other information disclosure channels (e.g. setup of English website, designating responsible person to collect & disclose company information, implementing spokesperson system, posting the proceedings of investor conference on company website, etc.)</p>	<p>Company has posted all kinds of business information at the Market Observation Post according to regulation, regularly or randomly, and has disclosed relevant information timely through company website.</p> <p>Company website: www.acs.com.tw, a bilingual (English & Chinese) website, with responsible person to collect and disclose information, and the spokesperson system implemented.</p>	<p>None.</p>
<p>6. Status of functional committee such as the auditing committee</p>	<p>Company has not set up the auditing committee yet.</p>	<p>Under evaluation.</p>

Items	Executions	Discrepancy with Best-Practice Principles and its Reasons
<p>7. If the Company has established its own Corporate Governance Principle in accordance with the “TSE Corporate Governance Best-Practice Principles”, please describe its implementation and any discrepancy.</p> <p>The Company does not have its own Corporate Governance Principle.</p>		

8. Other important information that enables the understanding of the company's Corporate Governance Status (e.g. the upgrading courses attendance status of board members, the board meeting attendance status, the implementation status of risk management policy and risk measuring standard, the execution status of consumer or customer protection policy, the status of precluding a certain director from voting on matters that he has a stake, the status of company's purchasing liability insurance for its directors/supervisors, and the social responsibility):

(1) The Company has provided its directors/supervisors with the relevant laws and regulations that require their attention, and has regularly conducted business-related briefings during board meetings.

(2) Except for special conditions, all directors and supervisors will attend the board meetings.

(3) The Company has taken measures in its financial risk management regarding to foreign exchange rate and relevant derivative merchandises so as to reduce the risks, and has inspected its financial structure at all times; for the internal control, the Company has established responsible auditing personnel to conduct audits on its internal control system, regularly or randomly, and provide reports.

(4) All directors of the Company hold a consensus that one shall voluntarily shun from voting on issues that he is stake-related to.

(5) The Company's business is always well defined in the contract with its client in order to protect the responsibility and obligation of both parties.

(6) The Company has procured the liability insurance for its directors/supervisors in accordance with the regulation of Company Law.

(7) The Company has established the Employees' Welfare Committee, not only providing legal benefits to the employees but also actively engaging in public welfare activities.

Note 1: For the upgrading courses attendance status of directors and supervisors, please refer to the provisions in the "Referential Key Points for Upgrading the TSEC/GTSM Listed Companies' Directors and Supervisors", published by Taiwan Stock Exchange Corporation.

Note 2: If the Company is a Security, Investment Services, or Futures Corporation, the Company is required to state the implementation status of its risk management policy, risk measuring standard, and consumer/customer protection policy.