

Welfare Measures for Employees, Retirement System and Implementation

1. Welfare measures for employees

Besides the general benefits such as group insurance and pension for employees, other welfare measures of the company have been stipulated in the employee handbook in accordance with the regulations of the local labor administration of Malaysia. The related welfare measures include annual and festival premiums, staff tourism, bonus, annual leave, marriage or bereavement leaves and related subsidies, etc.

It is also clearly stated in the Articles of Association: If the company makes a profit in the year, at least 1% of the profit should be allocated as employee bonus to be paid in stock or cash according to the resolution of the board of directors; also, the employees of the subordinate companies that meet certain conditions are also entitled to such distribution of profit. The distribution of remuneration of employees and directors shall be reported to the shareholders' meeting. However, if the company still has accumulated losses, it shall reserve the compensation amount in advance, and then allocate the remuneration of employees and directors according to the proportion mentioned in the preceding paragraph.

In addition, Rules of Employee Share Ownership Trust have been adopted: in view of the operational status, the company additionally allocates a certain amount to purchase company's shares, and allocate to employees according to their grades, seniority to enhance employee wellbeing and raise a stronger affinity amongst employees for the company, and the participants are Taiwanese employees who have been employed by the branches and subsidiaries in Taiwan for 6 months of service or more (excluding employees that are hired overseas to work at the local and contracted personnel).

2. Further education and training

Employees are the most important assets of an enterprise, in order to enable employees to make good use of their strengths, be competent for their work, continuously achieve the tasks and objectives assigned by the organization and create the core value of the company, the company regularly organizes employees to participate in various internal and external employee education and training courses. The external training programs include technology research and development related courses, ISO training course and other courses; the internal training programs include quality control courses, management related courses and company product related courses.

3. Retirement system and implementation

The company's employee retirement system conforms to the provisions of the local government where each subsidiary is located. Among them, Taiwan branch makes contribution to the labor insurance bureau at the rate of 60/o of the monthly salary of each employee in accordance with the provisions of the labor pension regulations. The employee retirement system of Malaysia branch conforms to the regulations of Malaysian government, which covers all employees on formal appointments. In accordance with the provisions of system, each employee makes contribution and the company makes additional contribution to the labor retirement trust fund at the respective rate of 11% and 12%-13% of the monthly salary of each employee.