



創見資訊股份有限公司
Transcend Information, Inc.

Handbook
for the 2016 Annual Regular Shareholders' Meeting

**This English version is a translation based on the original Chinese version.
Where any discrepancy arises between the two versions, the Chinese version shall prevail.**

Transcend Information, Inc.

Handbook for the 2016 Annual Regular Shareholders' Meeting
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Transcend Information, Inc.

2016 ANNUAL REGULAR SHAREHOLDERS' MEETING PROCEDURE

1. Call the Meeting to Order
2. Chairman's Remarks
3. Discussion Items
4. Report Items
5. Proposed Items
6. Special Motions
7. Meeting Adjourned

Transcend Information, Inc.

2016 ANNUAL REGULAR SHAREHOLDERS' MEETING AGENDA
(Translation)

Time: 9:00 a.m., Tuesday, June 14, 2016

Place: No. 70, XingZhong Rd., NeiHu Dist., Taipei 114, Taiwan (Transcend Information, Inc.)

Chairman's Remarks

I. Discussion Items

(1) Amend the Articles of Incorporation.

II. Report Items

(1) The operating result of 2015

(2) Audit Committee's review report

(3) 2015 remuneration report of employees and directors

(4) The status of endorsements and guarantees

III. Proposed Items

(1) Adoption of 2015 Business Report and Financial Statements

(2) Adoption of the proposal for distribution of 2015 earnings

IV. Special Motions

V. Meeting Adjourned

I. Discussion Items

Subject: Amend the Articles of Incorporation. (Proposed by the Board of Directors)

Explanatory Notes:

- a. To comply with Article 170 of the Company Act.
- b. To comply with Article 235, 235-1 and 240 of the Company Act.
- c. The date of the annual meeting of the shareholders is confirmed and the company hereby proposes to amend Article 24 of the Articles of Incorporation.
- d. Please refer to page 8-14 Attachment I, Comparison table for the Articles of Incorporation.
- e. It is submitted for approval.

Resolution:

II. Report Items

(1) The operating result of 2015

Explanatory Notes: For the operating result of 2015, please refer to page 15 to 16 for Attachment II.

(2) Audit Committee's review report

Explanatory Notes: For Audit Committee's review report, please refer to page 17 for Attachment III.

(3) 2015 remuneration report of employees and directors

Explanatory Notes: The remuneration of 2015 profit to employees would be NTD 35,703,755 (distributed by cash); and that to directors would be NTD 5,040,000. The estimated remuneration to employees is NTD 34,908,959 and the different amount should be NTD 794,796; the estimated remuneration to directors is NTD 6,328,785 and the different amount should be NTD 1,288,785. The difference will be recognized as expense in the statement of income in 2016.

(4) The status of endorsements and guarantees

Explanatory Notes: The Company provided a guarantee for Transcend Japan Inc. amounting to JPY 2,000,000 thousand, and the actual amount of guarantee draw down is JPY 1,500,000 thousand by the end of 2015. Pursuant to the Company's "Procedures for Endorsement and Guarantee", the limit of guarantee was NTD 8,200,832 thousand (approximate JPY 28,400,000 thousand).

III. Proposed Items

(1) Adoption of 2015 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanatory Notes:

- a. The separate financial statement and consolidated financial statement of the Company for the year of 2015 have been audited by independent auditors, Mr. Chun - Yao, Lin and Mr. Chien - Hung Chou, of the Pricewaterhouse Coopers. The Business Report, Independent Auditors' Report and Financial Statements are hereby also attached. (Please refer to page 15 to 16 for Attachment II, and page 18 to 31 for Attachment IV and V)
- b. It is submitted for ratification.

Resolution:

(2) Adoption of the proposal for distribution of 2015 earnings (Proposed by the Board of Directors)

Explanatory Notes:

- a. For appropriations of 2015 earnings, the Company will distribute cash dividend of NTD 2,929,179,390 from the available retained earnings of 2015 after setting aside legal reserve and special reserve.
- b. Please refer to page 6 for the chart of 2015 earnings distribution.
- c. Cash dividends will be distributed proportionately according to shareholders' shares ownership registered in the Common Stockholders' Roster as of the date of record.
- d. To avoid the change in the total amount of common shares outstanding resulting from buyback of company shares, or transfer or cancellation of treasury stock, it is proposed that the Chairman of the Board be authorized to adjust the cash to be distributed to each common share.
- e. It is submitted for ratification.

Resolution:

Transcend Information, Inc.
The Chart of 2015 Earnings Distribution
For the year ended December 31, 2015
(Expressed in New Taiwan dollar)

Item	Amount	Remarks
Unappropriated retained earnings at beginning	4,770,705,070	
Add: Adjustment on unappropriated earnings for 2015	(2,282,862)	
Adjusted unappropriated retained earnings	4,768,422,208	
Add: Net income for 2015	3,221,902,194	
Less: Legal reserve (10%)	322,190,219	
Less: Special reserve	21,690,772	
Retained earnings available for appropriation as of December 31, 2015	7,646,443,411	
Less: Items of distribution - Cash dividend to shareholders	2,929,179,390	Cash dividend (NTD \$6.8 per share)
Unappropriated retained earnings at end	4,717,264,021	

Chairman : Shu, Chung-Wan General Manager : Shu, Chung-Cheng Accounting Supervisor : Lu, Chih-Yuan

IV. Special Motions

V. Meeting Adjourned

TRANSCEND INFORMATION INC.
COMPARISON TABLE FOR THE “ARTICLES OF INCORPORATION”

Proposed Amendment	Currently in Effect	Explanation
<p>Section III - Shareholders’ meetings Article 9 :</p> <p>Shareholders’ meetings of the Corporation are of two types, namely: (1) regular meetings and (2) special meetings.</p> <p><u>Regular meetings shall be convened at least once a year, and within 6 months after the close of each fiscal year.</u></p> <p>Special meetings shall be convened in accordance with applicable laws and regulations whenever necessary.</p> <p>Written notices shall be sent to all shareholders, at least 30 days in advance; and at least 15 days in advance, in case of special meetings.</p>	<p>Section III - Shareholders’ meetings Article 9 :</p> <p>Shareholders’ meetings of the Corporation are of two types, namely: (1) regular meetings and (2) special meetings.</p> <p><u>Regular meetings shall be convened within 6 months</u> after the close of each fiscal year. Special meetings may be convened in accordance with applicable laws and regulations whenever necessary. Written notices shall be sent to all shareholders for the convening of shareholders’ meetings, at least 30 days in advance, in case of regular meetings; and at least 15 days in advance, in case of special meetings.</p>	<p>To comply with Article 170 of the Company Act.</p>
<p>Section VI - Accounting Article 22 :</p> <p>If the Company has earnings after the annual final accounting, it <u>shall pay remuneration to employees at the minimum of 1% of the profit, and pay remuneration to directors at the maximum of 0.2% of the profit.</u></p> <p><u>However, the Company's accumulated losses shall have been covered.</u></p>	<p>Section VI - Accounting Article 22 :</p> <p>If the Company has earnings after the annual final accounting, it shall be allocated in the following order:</p> <ol style="list-style-type: none"> 1. To pay taxes. 2. To cover accumulated losses, if any. 3. To appropriate 10% legal reserve unless the total legal reserve accumulated has already reached the 	<p>For the trend for expenditure of employee bonus shares, employees are not the subject of earnings distribution.</p> <p>To comply with Article 235, 235-1 and 240 of the Company Act, an fixed amount or ratio of distributable profit by the current year as employees' and directors’ compensation shall be definitely specified in the Articles of Incorporation.</p>

Proposed Amendment	Currently in Effect	Explanation
<p><u>Employees' remuneration could be paid by cash or stock, and in the event of stock payment, employees shall mean the Company's employees and employees serving with affiliates who meet specific requirements. Such specific requirements shall be prescribed by the board of directors.</u></p>	<p>amount of the Company's authorized capital.</p> <p>4. To set aside special reserve in accordance with the regulations</p> <p>5. To reserve certain amount, on the premise that there is no effect on the Company's normal operations and no violation of regulations, for maintaining stability of dividends.</p> <p><u>6. To pay remuneration to directors and supervisors at 0.2% of the balance after withholding the amounts under subparagraphs 1 to 5.</u></p> <p><u>7. To pay bonus to employees at 1% minimum of the balance after withholding the amounts under subparagraphs 1 to 5. (The employees to receive stock bonus may include Transcend's employees and employees serving with affiliates who meet specific requirements. Such specific requirements shall be prescribed by the board of directors.)</u></p> <p>8. For any remainder, the board of directors shall propose allocation ratios and propose them at the shareholders' meeting.</p> <p>Regarding the special reserve under subparagraphs 4, the Company shall set aside special reserve, equal to the</p>	<p>To comply with Rule No. 10402427800 issued by the MEA, the Company shall definitely specify a maximum ratio of distributable profit by the current year as directors' compensation.</p> <p>The Policy about employees' and directors' compensation is defined in Article 22; the original Paragraph 1 to 5 and 8 of Article 22 are defined in Article 22-1; original Article 22-1 is defined in Article 22-2</p>

Proposed Amendment	Currently in Effect	Explanation
	<p>debit balance which happen at the current year on other equity items (including Unrealized loss on financial instrument, cumulative translation adjustment, and unrecognized pension cost, which can be combined if there are unrealized gain.), from the current earnings after tax and unappropriated retained earnings prior year. If the debit balance is cumulative before, the Company shall set aside special reserve not to distribute it from the unappropriated retained earnings prior year. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.</p>	
<p>Article 22-1 If the Company has earnings after the annual final accounting, it shall be allocated in the following order:</p> <ol style="list-style-type: none"> 1. To pay taxes. 2. To cover accumulated losses, if any. 3. To appropriate 10% legal reserve unless the total legal reserve accumulated has already reached the amount of the Company's authorized capital. 4. To set aside special reserve in accordance with the regulations 	<p>Original Paragraph 1 to 5 and 8 of Article 22.</p>	<p>For the trend for expenditure of employee bonus shares, employees are not the subject of earnings distribution. To comply with Article 235, 235-1 and 240 of the Company Act, an fixed amount or ratio of distributable profit by the current year as employees' and directors' compensation shall be definitely specified in the Articles of Incorporation.</p> <p>To comply with Rule No. 10402427800 issued by the MEA, the Company shall definitely specify a</p>

Proposed Amendment	Currently in Effect	Explanation
<p>5. To reserve certain amount, on the premise that there is no effect on the Company's normal operations and no violation of regulations, for maintaining stability of dividends.</p> <p>6. For any remainder, the board of directors shall propose allocation ratios and propose them at the shareholders' meeting.</p> <p>Regarding the special reserve under subparagraphs 4, the Company shall set aside special reserve, equal to the debit balance which happens at the current year on other equity items (including Unrealized loss on financial instrument, cumulative translation adjustment, and unrecognized pension cost, which can be combined if there are unrealized gain.), from the current earnings after tax and unappropriated retained earnings prior year. If the debit balance is cumulative before, the Company shall set aside special reserve not to distribute it from the unappropriated retained earnings prior year. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.</p>		<p>maximum ratio of distributable profit by the current year as directors' compensation.</p> <p>The Policy about employees' and directors' compensation is defined in Article 22; the original Paragraph 1 to 5 and 8 of Article 22 are defined in Article 22-1; original Article 22-1 is defined in Article 22-2</p>

Proposed Amendment	Currently in Effect	Explanation
<p>Article 22-2</p> <p>The Company distributes dividends taking into consideration the Company's economic environment and growth phases, future demands of funds, long-term financial planning, and the cash flows that the stockholders desire. Cash dividends shall account for at least 5% of the total dividend distributed.</p>	<p>Original Article 22-1.</p>	<p>For the trend for expenditure of employee bonus shares, employees are not the subject of earnings distribution. To comply with Article 235, 235-1 and 240 of the Company Act, an fixed amount or ratio of distributable profit by the current year as employees' and directors' compensation shall be definitely specified in the Articles of Incorporation.</p> <p>To comply with Rule No. 10402427800 issued by the MEA, the Company shall definitely specify a maximum ratio of distributable profit by the current year as directors' compensation.</p> <p>The Policy about employees' and directors' compensation is defined in Article 22; the original Paragraph 1 to 5 and 8 of Article 22 are defined in Article 22-1; original Article 22-1 is defined in Article 22-2</p>
<p>Article 24</p> <p>These Articles of Incorporation were adopted on August 23, 1989. The first amendment was made on January 28, 1991. The second amendment was made on May 25, 1992. The third amendment was made on</p>	<p>Article 24</p> <p>These Articles of Incorporation were adopted on August 23, 1989. The first amendment was made on January 28, 1991. The second amendment was made on May 25, 1992. The third amendment was made on</p>	<p>Article 9, 22 and 22-1 of the Articles of Incorporation were amended and Article 22-2 of the Articles of Incorporation was added by the resolution of 5th Board of Directors Meeting in 2015.</p>

Proposed Amendment	Currently in Effect	Explanation
<p>September 1, 1992.</p> <p>The fourth amendment was made on July 30, 1994.</p> <p>The fifth amendment was made on June 8, 1995.</p> <p>The sixth amendment was made on July 8, 1997.</p> <p>The seventh amendment was made on August 15, 1997.</p> <p>The eighth amendment was made on September 12, 1997.</p> <p>The ninth amendment was made on June 20, 1998.</p> <p>The 10th amendment was made on September 15, 1998.</p> <p>The 11th amendment was made on June 12, 1999.</p> <p>The 12th amendment was made on April 15, 2000.</p> <p>The 13th amendment was made on April 9, 2001.</p> <p>The 14th amendment was made on June 10, 2002.</p> <p>The 15th amendment was made on June 3, 2003.</p> <p>The 16th amendment was made on June 11, 2004.</p> <p>The 17th amendment was made on June 13, 2005.</p> <p>The 18th amendment was made on</p>	<p>September 1, 1992.</p> <p>The fourth amendment was made on July 30, 1994.</p> <p>The fifth amendment was made on June 8, 1995.</p> <p>The sixth amendment was made on July 8, 1997.</p> <p>The seventh amendment was made on August 15, 1997.</p> <p>The eighth amendment was made on September 12, 1997.</p> <p>The ninth amendment was made on June 20, 1998.</p> <p>The 10th amendment was made on September 15, 1998.</p> <p>The 11th amendment was made on June 12, 1999.</p> <p>The 12th amendment was made on April 15, 2000.</p> <p>The 13th amendment was made on April 9, 2001.</p> <p>The 14th amendment was made on June 10, 2002.</p> <p>The 15th amendment was made on June 3, 2003.</p> <p>The 16th amendment was made on June 11, 2004.</p> <p>The 17th amendment was made on June 13, 2005.</p> <p>The 18th amendment was made on</p>	

Proposed Amendment	Currently in Effect	Explanation
<p>June 14, 2006.</p> <p>The 19th amendment was made on June 11, 2007.</p> <p>The 20th amendment was made on June 13, 2008.</p> <p>The 21th amendment was made on June 16, 2009.</p> <p>The 22th amendment was made on June 17, 2010.</p> <p>The 23th amendment was made on June 10, 2011.</p> <p>The 24th amendment was made on January 5, 2012.</p> <p>The 25th amendment was made on June 13, 2013.</p> <p>The 26th amendment was made on June 12, 2014.</p> <p><u>The 27th amendment was made on</u> June 14, 2016.</p>	<p>June 14, 2006.</p> <p>The 19th amendment was made on June 11, 2007.</p> <p>The 20th amendment was made on June 13, 2008.</p> <p>The 21th amendment was made on June 16, 2009.</p> <p>The 22th amendment was made on June 17, 2010.</p> <p>The 23th amendment was made on June 10, 2011.</p> <p>The 24th amendment was made on January 5, 2012.</p> <p>The 25th amendment was made on June 13, 2013.</p> <p>The 26th amendment was made on June 12, 2014.</p>	

**TRANSCEND INFORMATION INC.
BUSINESS REPORT**

2015 was a year with significant challenges for memory module industry. As Flash and DRAM market supply exceeded demand, the prices of Flash and DRAM steadily decreased, therefore driving down profit margin of the end-user products. Transcend, as a leading manufacturer of storage and industrial-grade products, has executed our business strategy of deriving a greater portion of revenue from high-margin projects, especially in industrial and embedded applications, and developing new products to fulfill the demands of various applications needs. Despite that memory market was shrinking in 2015, Transcend's profit remained at the leading position in Taiwan. Hereby, we would like to thank our valued shareholders, clients, suppliers and employees for your continued supports of Transcend.

Transcend's consolidated revenue totaled NT\$24.9 billion in 2015. Consolidated gross profit totaled NT\$4.7 billion. Gross profit rate is 18.9 percent. Operating income totaled 3.05 billion. Income before tax totaled 3.71 billion. Net income totaled 3.22 billion. EPS is NT\$ 7.48 calculated at the weighted average of outstanding share capital amounting to 4.3 billion.

With our excellent brand operation, Transcend has been awarded by its innovative products and superior product quality. For the ninth year in a row, Transcend Information appears on Interbrand's Best Taiwan Global Brands ranking. Our cutting-edge products have won Taiwan Excellence Award for eleventh consecutive year. Moreover, Transcend's DrivePro 520 Dual Lens Car Video Recorder and JetDrive Lite Expansion Cards received the prestigious "Good Design Award 2015" for the top design quality.

As a leading brand in the market, Transcend has managed to satisfy the fast-changing industrial environment and demands of customers. This year, the solid state drives (SSD) market is expected to grow due to their advantages over traditional hard disk drives. Since the price of SSD dropped to a sweet spot that stimulate surging demands, Transcend's sales revenue of SSD has reached record high. Meanwhile, by broadening industrial product portfolio and offering customized solutions, Transcend has generated steady profit growth with consistent increase of market share of industrial and embedded

applications. In addition to industrial products, we also invest in strategic products such as body cameras and car video recorders to expand the memory applications in the multimedia market.

Transcend focuses not only on sales performance, but also on corporate social responsibility. Through a concerted effort to strengthen information disclosure, Transcend ranked in the top 20% of listed company on “Corporate Governance Evaluation” conducted by the Securities and Futures Institute (SFI) in 2014. Besides, we have sponsored sport activities in high school and universities, including the High School Basketball League (HBL) and the Black Panther High School Baseball Tournament, for over five years. We also kicked off a long-term Baseball Mentoring Program aimed at underprivileged school children last year, expecting to serve as a platform for young promising athletes to fulfill their baseball dreams. Last year was the second year we received the “Sports Activists Award” from the Sports Affairs Council as our continuing contribution to promote sports in Taiwan.

Looking to 2016, memory market will still struggle with the oversupply problem and falling DRAM and NAND Flash prices. Besides, the rising China supply chain competing in the market may also be an influential factor to the future memory industry. Thus, the ability to quickly respond to the market's changing needs is the key to remain a company's revenue and profit.

In addition to implementing effective inventory management and purchasing strategy, Transcend will continue to invest in research and development, as well as provide integrated service to our clients through our 13 branches worldwide. Owing to the drastic drops in SSD pricing and its rising popularity, we think we have a good opportunity for profitable growth during the year to come. Also, we will continue to innovate with strategy product lines in consumer market to fulfill a broad range of multimedia applications.

Here again we sincerely thank all of our shareholders, for your continued support and for the confidence that you have placed in us. We will make every effort to keep Transcend operational excellence and look forward to sharing our progress with you.

Chairman : Shu, Chung-Wan General Manager : Shu, Chung-Cheng Accounting Supervisor : Lu, Chih-Yuan

Attachment III

Audit Report of Audit Committee

The Board of Directors has prepared the Company's 2015 Business Report, Financial Statements and Earnings Distribution Proposal. Transcend Corporation's Financial Statements have been audited and certified by Mr. Chun-Yao, Lin and Mr. Chien - Hung Chou, the CPA of the Pricewaterhouse Coopers. The Business Report, Financial Statements and Earnings Distribution Proposal have been reviewed and considered to be complied with relevant rules by the undersigned, the audit committee of Transcend Corporation. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

The audit Committee of Transcend Corporation

Chairman of the audit Committee: Wang, Yi-Shin

March 10, 2016

Attachment IV

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of Transcend Information, Inc.

We have audited the accompanying separate balance sheets of Transcend Information, Inc. as of December 31, 2015 and 2014 and the related separate statements of comprehensive income, of changes in equity, and of cash flows for the years ended December 31, 2015 and 2014. These separate financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the separate financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Transcend Information, Inc. as of December 31, 2015, and December 31, 2014, and financial performance and cash flows for the years then ended in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers".

March 10, 2016

Taipei, Taiwan

Republic of China

The accompanying separate financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying separate financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TRANSCEND INFORMATION, INC.
SEPARATE BALANCE SHEETS
(Expressed in New Taiwan thousand Dollar)

Assets	December 31, 2015		December 31, 2014	
	AMOUNT	%	AMOUNT	%
Current assets				
Cash and cash equivalents	\$ 10,867,629	45	\$ 10,807,417	40
Current financial assets at fair value				
through profit or loss	15,768	-	53,545	-
Current bond investments without active				
market	607,917	3	585,525	2
Notes receivable, net	959	-	-	-
Accounts receivable, net	2,000,096	8	1,709,341	6
Accounts receivable due from related				
parties, net	914,017	4	1,178,290	5
Other receivables	128,738	1	254,029	1
Inventories, net	4,219,148	18	6,041,633	22
Other current assets	15,568	-	14,175	-
Current Assets	<u>18,769,840</u>	<u>79</u>	<u>20,643,955</u>	<u>76</u>
Non-current assets				
Available-for-sale financial				
assets-non-current	184,304	1	232,639	1
Investments accounted for using equity				
method	2,928,897	12	4,087,977	15
Property, plant and equipment	1,718,153	7	1,798,337	7
Investment property, net	213,296	1	214,878	1
Deferred tax assets	42,780	-	64,006	-
Other non-current assets	46,592	-	88,941	-
Non-current Assets	<u>5,133,950</u>	<u>21</u>	<u>6,486,778</u>	<u>24</u>
Total Assets	<u>\$ 23,903,790</u>	<u>100</u>	<u>\$ 27,130,733</u>	<u>100</u>

(Continued)

TRANSCEND INFORMATION, INC.
SEPARATE BALANCE SHEETS
(Expressed in New Taiwan thousand Dollar)

Liabilities and Equity	December 31, 2015		December 31, 2014	
	AMOUNT	%	AMOUNT	%
Current liabilities				
Short-term borrowings	\$ 492,375	2	\$ 506,400	2
Financial liabilities at fair value through profit or loss - current	13	-	-	-
Notes payable	-	-	7	-
Accounts payable	1,495,689	6	3,090,479	12
Accounts payable to related parties	566,463	3	1,679,508	6
Other payables	298,512	1	350,741	1
Other payables to related parties	86	-	988	-
Current tax liabilities	269,336	1	271,173	1
Other current liabilities	2,134	-	3,442	-
Current Liabilities	<u>3,124,608</u>	<u>13</u>	<u>5,902,738</u>	<u>22</u>
Non-current liabilities				
Deferred tax liabilities	259,110	1	485,121	2
Other non-current liabilities	17,991	-	24,269	-
Non-current Liabilities	<u>277,101</u>	<u>1</u>	<u>509,390</u>	<u>2</u>
Total Liabilities	<u>3,401,709</u>	<u>14</u>	<u>6,412,128</u>	<u>24</u>
Share capital				
Common stock	4,307,617	18	4,307,617	16
Capital surplus				
Capital surplus	4,799,075	20	4,799,075	18
Retained earnings				
Legal reserve	3,426,756	14	3,053,235	11
Unappropriated retained earnings	7,990,324	34	8,504,167	31
Other equity interest				
Other equity interest	(21,691)	-	54,511	-
Total Equity	<u>20,502,081</u>	<u>86</u>	<u>20,718,605</u>	<u>76</u>
Commitments and contingent liabilities				
Significant subsequent event				
Total Liabilities and Equity	<u>\$ 23,903,790</u>	<u>100</u>	<u>\$ 27,130,733</u>	<u>100</u>

TRANSCEND INFORMATION, INC.
SEPARATE STATEMENTS OF INCOME

(Expressed in New Taiwan thousand Dollar, except Earnings Per Share)

Items	For the years ended December 31,			
	2015		2014	
	AMOUNT	%	AMOUNT	%
Operating Revenue	\$ 24,021,076	100	\$ 26,325,967	100
Operating Costs	(20,267,171)	(84)	(21,777,028)	(83)
Gross Profit	<u>3,753,905</u>	<u>16</u>	<u>4,548,939</u>	<u>17</u>
Unrealized gain from intercompany transaction	(34,559)	-	(70,857)	-
Realized gain from intercompany transaction	70,857	-	87,889	-
Gross Profit, net	<u>3,790,203</u>	<u>16</u>	<u>4,565,971</u>	<u>17</u>
Operating Expenses				
Sales and marketing expenses	(572,201)	(2)	(629,163)	(2)
General and administrative expenses	(198,052)	(1)	(205,987)	(1)
Research and development expenses	(134,062)	(1)	(174,011)	(1)
Total operating expenses	<u>(904,315)</u>	<u>(4)</u>	<u>(1,009,161)</u>	<u>(4)</u>
Operating Profit	<u>2,885,888</u>	<u>12</u>	<u>3,556,810</u>	<u>13</u>
Non-operating Income and Expenses				
Other income	144,734	-	172,465	1
Other gains and losses	502,588	2	430,406	2
Finance costs	(1,657)	-	(6,248)	-
Share of gain of associates and joint ventures accounted for under equity method	(2,415)	-	151,325	-
Total non-operating income and expenses	<u>643,250</u>	<u>2</u>	<u>747,948</u>	<u>3</u>
Profit before Income Tax	<u>3,529,138</u>	<u>14</u>	<u>4,304,758</u>	<u>16</u>
Income tax expense	(307,236)	(1)	(569,553)	(2)
Profit for the Year	<u>\$ 3,221,902</u>	<u>13</u>	<u>\$ 3,735,205</u>	<u>14</u>
Other Comprehensive Income				
Components of other comprehensive income that will not be reclassified to profit or loss				
Losses on remeasurements of defined benefit plans	(\$ 2,283)	-	(\$ 86)	-
Components of other comprehensive income that will be reclassified to profit or loss				
Cumulative translation differences for foreign operations	(33,575)	-	92,968	-
Unrealized loss on available-for-sale financial assets	(48,335)	-	(\$ 31,783)	-
Income tax on other comprehensive income	5,708	-	(15,805)	-
Total Comprehensive Income	<u>\$ 3,143,417</u>	<u>13</u>	<u>\$ 3,780,499</u>	<u>14</u>
Earnings Per Share				
Basic earnings per share	<u>\$ 7.48</u>		<u>\$ 8.67</u>	
	<u>\$ 7.47</u>		<u>\$ 8.66</u>	

TRANSCEND INFORMATION, INC.
SEPARATE STATEMENTS OF CHANGES IN EQUITY
(Expressed in New Taiwan thousand Dollar)

	<u>Capital Reserves</u>				<u>Retained Earnings</u>		<u>Other equity interest</u>		<u>Total equity</u>
	<u>Common stock</u>	<u>Additional paid-in capital</u>	<u>Capital surplus, donated assets received</u>	<u>Capital surplus, net assets from merger</u>	<u>Legal reserve</u>	<u>Unappropriated retained earnings</u>	<u>Currency translation differences of foreign operations</u>	<u>Unrealized gain or loss on available-for-sale financial assets</u>	
<u>For the year ended December 31, 2014</u>									
Balance at January 1, 2014	\$ 4,307,617	\$ 4,759,841	\$ 4,106	\$ 35,128	\$ 2,733,339	\$ 7,975,047	\$ 27,764	(\$ 18,633)	\$ 19,824,209
Appropriations of 2013 earnings: (Note 1)									
Legal reserve	-	-	-	-	319,896	(319,896)	-	-	-
Cash dividends	-	-	-	-	-	(2,886,103)	-	-	(2,886,103)
Net income for the year	-	-	-	-	-	3,735,205	-	-	3,735,205
Other comprehensive income for the year	-	-	-	-	-	(86)	77,163	(31,783)	45,294
Balance at December 31, 2014	<u>\$ 4,307,617</u>	<u>\$ 4,759,841</u>	<u>\$ 4,106</u>	<u>\$ 35,128</u>	<u>\$ 3,053,235</u>	<u>\$ 8,504,167</u>	<u>\$ 104,927</u>	<u>(\$ 50,416)</u>	<u>\$ 20,718,605</u>
<u>For the year ended December 31, 2015</u>									
Balance at January 1, 2015	\$ 4,307,617	\$ 4,759,841	\$ 4,106	\$ 35,128	\$ 3,053,235	\$ 8,504,167	\$ 104,927	(\$ 50,416)	\$ 20,718,605
Appropriations of 2014 earnings: (Note 2)									
Legal reserve	-	-	-	-	373,521	(373,521)	-	-	-
Cash dividends	-	-	-	-	-	(3,359,941)	-	-	(3,359,941)
Net income for the year	-	-	-	-	-	3,221,902	-	-	3,221,902
Other comprehensive income (loss) for the year	-	-	-	-	-	(2,283)	(27,867)	(48,335)	(78,485)
Balance at December 31, 2015	<u>\$ 4,307,617</u>	<u>\$ 4,759,841</u>	<u>\$ 4,106</u>	<u>\$ 35,128</u>	<u>\$ 3,426,756</u>	<u>\$ 7,990,324</u>	<u>\$ 77,060</u>	<u>(\$ 98,751)</u>	<u>\$ 20,502,081</u>

Note 1: Directors' remuneration amounting to \$5,192 and employees' remuneration (bonus) amounting to \$25,962 had been deducted from the separate statement of income in 2013.

Note 2: Directors' remuneration amounting to \$6,049 and employees' remuneration (bonus) amounting to \$30,243 had been deducted from the separate statement of income in 2014.

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TRANSCEND INFORMATION, INC.
SEPARATE STATEMENTS OF CASH FLOWS
(Expressed in New Taiwan thousand Dollar)

	Year ended December 31	
	2015	2014
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax for the year	\$ 3,529,138	\$ 4,304,758
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Income and expenses having no effect on cash flows		
Unrealized gain from intercompany transaction	34,559	70,857
Realized gain from intercompany transaction	(70,857)	(87,889)
Net gains on financial assets at fair value through profit or loss	37,777	(53,545)
Gain on disposal of financial assets	(343)	(10,804)
Share of gain of associates and joint ventures accounted for using equity method	2,415	(151,325)
Provision for bad debt expense	3,550	12,463
Depreciation expense	133,619	126,323
Net loss on financial liabilities at fair value through profit or loss	13	-
Interest expense	1,657	-
Interest income	(136,145)	(164,053)
Dividend income	(11,016)	(13,781)
Gain on disposal of property, plant and equipment	-	(525)
Changes in assets/liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Notes and accounts receivable	(40,750)	(137,464)
Other receivables	118,351	(11,555)
Inventories	1,822,485	(1,378,460)
Other current assets	(1,393)	(1,048)
Net changes in liabilities relating to operating activities		
Notes and accounts payable	(2,707,842)	863,255
Other payables	(52,229)	73,637
Other payables to related parties	(902)	988
Other current liabilities	(1,308)	(1,173)
Other non-current liabilities	759	22,888
Cash generated from operations	2,661,538	3,513,542
Cash dividends received	1,170,843	13,781
Interest received	143,085	159,087
Interest paid	(1,657)	(6,248)
Income tax paid	(508,078)	(448,865)
Net cash provided by operating activities	<u>3,465,731</u>	<u>3,231,297</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of bond investments without active markets	(751,339)	(765,473)
Disposal of bond investments without active markets	729,290	265,265
Acquisition of property, plant and equipment (including investment property)	(51,853)	(64,341)
Proceeds from disposal of property, plant and equipment	-	695
Increase in investments accounted for using equity method	-	(103,008)
(Increase) decrease in other non-current assets	42,349	(70,564)
Net cash used in investing activities	<u>(31,553)</u>	<u>(737,426)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term borrowings	(14,025)	211,260
Payment of cash dividends (including cash distribution of capital reserve)	(3,359,941)	(2,886,103)
Net cash used in financing activities	<u>(3,373,966)</u>	<u>(2,674,843)</u>
(Decrease) increase in cash and cash equivalents	60,212	(180,972)
Cash and cash equivalents at beginning of year	10,807,417	10,988,389
Cash and cash equivalents at end of year	<u>\$ 10,867,629</u>	<u>\$ 10,807,417</u>

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in New Taiwan thousand Dollar)

Attachment V

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

PWCR15000292

To the Board of Directors and Stockholders of Transcend Information, Inc.

We have audited the accompanying consolidated balance sheets of Transcend Information, Inc. and its subsidiaries as of December 31, 2015 and 2014 and the related consolidated statements of comprehensive income, of changes in equity, and of cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Transcend Information, Inc. and its subsidiaries as of December 31, 2015 and 2014, and their financial performance and cash flows for the years then ended in conformity with the "Rules Governing the Preparations of Financial Statements by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in New Taiwan thousand Dollar)

We have also audited the parent company only financial statements of Transcend Information, Inc. (not presented herein) as of and for the years ended December 31, 2015 and 2014, and have expressed an unqualified opinion on such financial statements, respectively.

March 10, 2016

Taipei, Taiwan

Republic of China

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in New Taiwan thousand Dollar)

Assets	December 31, 2015		December 31, 2014	
	AMOUNT	%	AMOUNT	%
Current assets				
Cash and cash equivalents	\$ 11,195,368	46	\$ 11,565,344	44
Current financial assets at fair value				
through profit or loss	15,768	-	53,545	-
Current bond investments without active				
market	897,180	4	637,025	3
Notes receivable, net	959	-	-	-
Accounts receivable, net	3,203,340	13	2,993,131	11
Accounts receivable- related parties, net	9,347	-	-	-
Other receivables	129,031	1	283,316	1
Inventories, net	4,513,756	19	6,364,987	24
Other current assets	52,486	-	44,515	-
Current Assets	20,017,235	83	21,941,863	83
Non-current assets				
Available-for-sale financial				
assets-non-current	184,304	1	232,639	1
Investments accounted for using equity				
method	317,555	1	332,593	1
Property, plant and equipment, net	2,995,091	13	3,160,974	12
Investment property, net	290,581	1	298,614	1
Deferred tax assets	72,777	-	92,319	1
Other non-current assets	185,706	1	234,238	1
Non-current Assets	4,046,014	17	4,351,377	17
Total Assets	\$ 24,063,249	100	\$ 26,293,240	100

(Continued)

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in New Taiwan thousand Dollar)

Liabilities and Equity	December 31, 2015		December 31, 2014	
	AMOUNT	%	AMOUNT	%
Current liabilities				
Short-term borrowings	\$ 901,425	4	\$ 903,300	4
Financial liabilities at fair value through profit or loss - current	13	-	-	-
Notes payable	-	-	8	-
Accounts payable	1,589,112	7	3,202,531	12
Accounts payable to related parties	58,560	-	74,185	-
Other payables	366,932	2	475,052	2
Current tax liabilities	280,861	1	319,927	1
Other current liabilities	36,092	-	60,063	-
Current Liabilities	3,232,995	14	5,035,066	19
Non-current liabilities				
Deferred tax liabilities	259,348	1	485,378	2
Other non-current liabilities	68,825	-	54,191	-
Non-current Liabilities	328,173	1	539,569	2
Total Liabilities	3,561,168	15	5,574,635	21
Share capital				
Common stock	4,307,617	18	4,307,617	16
Capital surplus				
Capital surplus	4,799,075	20	4,799,075	18
Retained earnings				
Legal reserve	3,426,756	14	3,053,235	12
Unappropriated retained earnings	7,990,324	33	8,504,167	32
Other equity interest				
Other equity interest	(21,691)	-	54,511	1
Total equity attributable to owners of parent	20,502,081	85	20,718,605	79
Total Equity	20,502,081	85	20,718,605	79
Significant contingent liabilities and unrecognized contract commitments				
Significant subsequent event				
Total Liabilities and Equity	\$ 24,063,249	100	\$ 26,293,240	100

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Expressed in New Taiwan thousand Dollar, except Earnings Per Share)

Items	Year ended December 31			
	2015		2014 (Restated)	
	AMOUNT	%	AMOUNT	%
Operating Revenue	\$ 24,913,287	100	\$ 27,219,495	100
Operating Costs	(20,211,736)	(81)	(21,678,630)	(80)
Gross Profit	4,701,551	19	5,540,865	20
Operating Expenses				
Sales and marketing expenses	(1,096,006)	(4)	(1,180,034)	(4)
General and administrative expenses	(419,887)	(2)	(439,532)	(1)
Research and development expenses	(134,062)	(1)	(174,011)	(1)
Total operating expenses	(1,649,955)	(7)	(1,793,577)	(6)
Operating Profit	3,051,596	12	3,747,288	14
Non-operating Income and Expenses				
Other income	162,637	1	193,524	1
Other gains and losses	517,669	2	460,021	1
Finance costs	(3,636)	-	(8,209)	-
Share of (loss) gain of associates and joint ventures accounted for under equity method	(15,038)	-	8,330	-
Total non-operating income and expenses	661,632	3	653,666	2
Profit before Income Tax	3,713,228	15	4,400,954	16
Income tax expense	(491,326)	(2)	(665,749)	(2)
Profit for the Year	\$ 3,221,902	13	\$ 3,735,205	14
Other Comprehensive Income				
Components of other comprehensive income that will not be reclassified to profit or loss				
Losses on remeasurements of defined benefit plans	(\$ 2,283)	-	(\$ 86)	-
Components of other comprehensive income that will be reclassified to profit or loss				
Cumulative translation differences for foreign operations	(33,575)	-	92,968	-
Unrealized loss on available-for-sale financial assets	(48,335)	-	(31,783)	-
Income tax on other comprehensive income	5,708	-	(15,805)	-
Total Comprehensive Income	\$ 3,143,417	13	\$ 3,780,499	14
Net Profit attributable to:				
Owners of parent	\$ 3,221,902	13	\$ 3,735,205	14
Comprehensive Income attributable to:				
Owners of parent	\$ 3,143,417	13	\$ 3,780,499	14
Earnings Per Share				
Basic earnings per share	\$ 7.48		\$ 8.67	
Diluted earnings per share	\$ 7.47		\$ 8.66	

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in New Taiwan thousand Dollar)

	Equity attributable to owners of the parent								Total equity
	Capital Reserves				Retained Earnings		Other equity interest		
	Common stock	Additional paid-in capital	Capital surplus, donated assets received	Capital surplus, net assets from merger	Legal reserve	Unappropriated retained earnings	Currency translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	
<u>Year ended December 31, 2014</u>									
Balance at January 1, 2014	\$ 4,307,617	\$ 4,759,841	\$ 4,106	\$ 35,128	\$ 2,733,339	\$ 7,975,047	\$ 27,764	(\$ 18,633)	\$ 19,824,209
Appropriation of 2013 earnings									
Legal reserve	-	-	-	-	319,896	(319,896)	-	-	-
Cash dividends	-	-	-	-	-	(2,886,103)	-	-	(2,886,103)
Net income for the year	-	-	-	-	-	3,735,205	-	-	3,735,205
Other comprehensive income (loss) for the year	-	-	-	-	-	(86)	77,163	(31,783)	45,294
Balance at December 31, 2014	<u>\$ 4,307,617</u>	<u>\$ 4,759,841</u>	<u>\$ 4,106</u>	<u>\$ 35,128</u>	<u>\$ 3,053,235</u>	<u>\$ 8,504,167</u>	<u>\$ 104,927</u>	<u>(\$ 50,416)</u>	<u>\$ 20,718,605</u>
<u>Year ended December 31, 2015</u>									
Balance at January 1, 2015	\$ 4,307,617	\$ 4,759,841	\$ 4,106	\$ 35,128	\$ 3,053,235	\$ 8,504,167	\$ 104,927	(\$ 50,416)	\$ 20,718,605
Appropriations of 2014 earnings									
Legal reserve	-	-	-	-	373,521	(373,521)	-	-	-
Cash dividends	-	-	-	-	-	(3,359,941)	-	-	(3,359,941)
Net income for the year	-	-	-	-	-	3,221,902	-	-	3,221,902
Other comprehensive loss for the year	-	-	-	-	-	(2,283)	(27,867)	(48,335)	(78,485)
Balance at December 31, 2015	<u>\$ 4,307,617</u>	<u>\$ 4,759,841</u>	<u>\$ 4,106</u>	<u>\$ 35,128</u>	<u>\$ 3,426,756</u>	<u>\$ 7,990,324</u>	<u>\$ 77,060</u>	<u>(\$ 98,751)</u>	<u>\$ 20,502,081</u>

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in New Taiwan thousand Dollar)

	Year ended December 31	
	2015	2014
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Consolidated profit before tax for the year	\$ 3,713,228	\$ 4,400,954
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Income and expenses having no effect on cash flows		
Net loss (gain) on financial assets at fair value through profit or loss	37,778	(53,545)
Gain on disposal of financial assets	(4,888)	(13,023)
Share of loss (gain) of associates and joint ventures accounted for using equity method	15,038	(8,330)
Provision for bad debt expense	2,549	13,200
Net loss on financial liabilities at fair value through profit or loss	13	-
Depreciation	243,897	236,547
Interest income	(143,861)	(176,359)
Interest expense	3,636	8,209
Dividend income	(11,016)	(13,781)
Loss on disposal of property, plant and equipment	960	1,800
Changes in assets/liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Notes receivable	(959)	4,158
Accounts receivable	(213,426)	(274,609)
Accounts receivable - related parties	(9,347)	-
Other receivables	118,240	(23,247)
Inventories	1,851,231	(1,289,048)
Other current assets	(7,971)	(8,204)
Net changes in liabilities relating to operating activities		
Notes payable	(8)	(1,207)
Accounts payable	(1,613,419)	532,947
Accounts payable - related parties	(15,625)	28,384
Other payables	(108,120)	81,242
Other current liabilities	(23,971)	10,050
Other non-current liabilities	12,351	4,756
Cash generated from operations	3,846,310	3,460,894
Cash dividends received	11,016	13,781
Interest received	179,906	170,818
Interest paid	(3,636)	(8,209)
Income tax paid	(731,172)	(525,162)
Net cash provided by operating activities	3,302,424	3,112,122
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from disposal of bond investments without active markets	1,463,601	364,425
Acquisition of bond investments without active markets	(1,722,585)	(862,978)
Acquisition of property, plant and equipment (including investment property)	(87,083)	(23,399)
Proceeds from disposal of property, plant and equipment	381	9,939
Increase in investments accounted for using equity method	-	(103,008)
Decrease (increase) in other non-current assets	48,532	(70,658)
Net cash used in investing activities	(297,154)	(685,679)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
(Decrease) increase in short-term borrowings	(14,025)	343,560
Payment of cash dividends	(3,359,941)	(2,886,103)
Net cash used in financing activities	(3,373,966)	(2,542,543)
Effect of foreign exchange rate changes	(1,280)	41,939
Decrease in cash and cash equivalents	(369,976)	(74,161)
Cash and cash equivalents at beginning of year	11,565,344	11,639,505
Cash and cash equivalents at end of year	\$ 11,195,368	\$ 11,565,344

TRANSCEND INFORMATION INC.
RULES AND PROCEDURES OF SHAREHOLDERS' MEETING

Article 1 : Except for the regulation, regular Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures.

Article 2 : An attendance book shall be prepared for signing in of the attended shareholders in the Shareholders' Meeting, or attended shareholders shall submit the attendance card for the purpose of signing in. The number of shares represented by attended shareholders shall be calculated in accordance with the attendance book signing by the shareholders and the attendance cards submitted by the shareholders.

Article 3 : The attendance and voting of Shareholders' Meeting shall be calculated based on the shares.

Article 4 : The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.

Article 5 : The Chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. If, for any reason, the Chairman of the Board of Directors cannot preside at the Meeting, the Vice Chairman of the Board of Directors shall preside at the Meeting. If, no Vice Chairman or for any reason, the Vice Chairman of the Board of Directors cannot preside at the Meeting, the chairman may designate one managing director to do so on the chairman's behalf. If there is no managing director, the chairman may designate one director to preside at the Meeting. If the chairman does not designate a representative, the managing directors or directors shall mutually select a chair from among themselves..

If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the chairman to preside at the Meeting. When two or more parties meet this description, they shall mutually select a chair from among themselves.

Article 6 : The Company may appoint designated counsel, CPA or other related persons to attend the Meeting. Persons handling affairs of the Meeting shall wear identification cards or badges.

Article 7 : The process of the Meeting shall be tape-recorded or videotaped and these tapes shall be preserved for at least one year.

Article 8 : Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one - third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Law of the Republic of China.

If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Law of the Republic of China.

Article 9 : The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved.

The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned. However, in the event that the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by attended shareholders, one person as chairman to continue the Meeting.

Article 10 : When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman.

If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.

Article 11 : Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes). In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.

Article 12 : Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting.

If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

Article 13 : After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.

Article 14 : The chairman may announce to end the discussion of any resolution and go into voting if the Chairman deems it

appropriate.

Article 15 : The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s).

The result of voting shall be announced at the Meeting and placed on record.

Article 16 : During the Meeting, the chairman may, at his discretion, set time for intermission.

Article 17 : Except otherwise specified in the Company Law or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chairman.

Article 18 : If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

Article 19 : The chairman may conduct the disciplinary officers or the security guard to assist in keeping order of the Meeting place. Such disciplinary officers or security guards shall wear badges marked "Disciplinary Officers" for identification purpose.

Article 20 : These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

TRANSCEND INFORMATION INC.
ARTICLES OF INCORPORATION (prior to the revision)

Section I - General Provisions

Article 1 : The Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 創見資訊股份有限公司 in the Chinese language, and Transcend Information, Inc. in the English language.

Article 2 : The scope of business of the Corporation shall be as follows:

1. CC01110 Computers and Computing Peripheral Equipments Manufacturing
2. CC01120 Data Storage Media Manufacturing and Duplicating
3. F113050 Wholesale of Computing and Business Machinery Equipment
4. F118010 Wholesale of Computer Software
5. F119010 Wholesale of Electronic Materials
6. F401010 International Trade
7. I301010 Software Design Services
8. CC01080 Electronic Parts and Components Manufacturing
9. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
10. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
11. ZZ99999 In addition to licensing business, business law may prohibit or restrict non-business.

Article 3 : The Corporation shall have its head office in Taipei City, Taiwan, Republic of China, and shall be free, upon the resolutions of Board of Directors to set up branch offices in Republic of China and abroad wherever and whenever the Corporation deems it necessary or advisable to carry out any or all of its activities.

Article 4 : The total amount of the Corporation's reinvestment shall not be subject to the restriction of not more than forty percent of the Corporation's paid-up capital as provided in the Company Law but shall not be more than the Corporation's paid-up capital. The Corporation may provide endorsement and guarantee and act as a guarantor. Any matters regarding the reinvestment shall be resolved in accordance with the resolutions of the Board of Directors.

Article 5 : Public announcements of the Corporation shall be made in accordance with the Article 28 of the Company Act.

Section II - Capital Stock

Article 6 : The total capital stock of the Corporation shall be in the amount of 5,000,000,000 New Taiwan Dollars, divided into 500,000,000 shares, at ten New Taiwan Dollars each. The Board of directors is authorized to issue the shares in separate installments as required. A total of 25,000,000 shares among the above total capital stock should be reserved for issuing employee stock options. The Board of directors is authorized to issue employee stock options from time to time.

Article 6-1 : If the Corporation issue employee stock options on the exercise price under the market price, it shall be issued after the resolution of the Shareholders' meetings in accordance with relevant rules and regulations of the Republic of China.

Article 6-2 : The Corporation may issue shares without printing share certificate(s), but shares issued shall be registered with a securities depository enterprise.

Article 7 : All stock transaction conducted by shareholders of the Corporation shall follow the "Guidelines for Stock Operations for Public Companies".

Article 8 : Registration for transfer of shares shall be suspended 60 days immediately before the date of regular meeting of shareholders, and 30 days immediately before the date of any special meeting of shareholders, or within 5 days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Corporation.

Section III - Shareholders' meetings

Article 9 : Shareholders' meetings of the Corporation are of two types, namely: (1) regular meetings and (2) special meetings.

Regular meetings shall be convened within 6 months after the close of each fiscal year. special meetings may be convened in accordance with applicable laws and regulations whenever necessary. Written notices shall be sent to all shareholders for the convening of shareholders' meetings, at least 30 days in advance, in case of regular meetings; and at least 15 days in advance, in case of special meetings.

Article 10 : If a shareholder is unable to attend a meeting, he/she may appoint a proxy to attend it by using the proxy form issued by the Company and specifying the scope of proxy. Shareholder attendance by proxy shall be subject to the Company Law and also to the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies issued by the competent authority.

Article 11 : Each share of stock shall be entitled to one vote.

Article 12 : Except as provided in the Company Law of the Republic of China, shareholders' meetings may be held if attended by shareholders more than one half of the total issued and outstanding capital stock of the Corporation, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting. Pursuant to Article 177-1 of the Company Act, the shareholders may vote via written form or an electronic voting system, and the manner or voting shall be clearly stated in each meeting notice.

Section IV - Directors

Article 13 : The Corporation shall have seven to eleven Directors. The Board of Directors is authorized to determine the number of Directors, to be elected by the shareholders meeting from among candidates with legal capacity. The term of office for Directors shall be 3 years, and all Directors shall be eligible for re-election. Once the term of office is expired and it can't elect directors immediately, directors can extend and continue the performance of their duties until the election of directors to take office. The aggregate shareholding percentages of the entire bodies of directors shall comply with the

regulations prescribed by the securities supervisory authorities. The board of directors is authorized to resolve the rates of directors' remuneration based on the extent of their participation in the Company's business operations or value of their contribution, at a level consistent with general practices in the industry. The company may acquire liability insurance for all directors within their term of office, and the board of directors is authorized to resolve the scope of insurance.

Article 13-1 : To harmonize with Article 14-2 of the Securities and Exchange Act, there shall be at least three independent directors among the Company's directors. A candidate nomination system shall be adopted, and the shareholders meeting shall elect all directors (including independent directors) from among those listed on the slate of director candidates. The relevant regulations of the competent securities authority shall be followed regarding the professional qualifications, shareholding, moonlighting restrictions, nomination and election, and other compliance requirements regarding independent directors.

Article 13-2 : In compliance with Articles 14-4 of the ROC Securities and Exchange Law, the Corporation shall establish an Audit Committee, which shall consist of all independent directors. The Audit Committee shall exercise their functions in accordance with the ROC Company Law, Securities and Exchange Law, other relevant regulations and the procedure of corporation.

Article 13-3 : (Deleted)

Article 14 : The board of directors shall consist of the directors of the company, and the chairman of the board of directors shall be elected from among the directors by a majority of directors in attendance at a meeting attended by at least two-thirds of the directors. The chairman of the board of directors shall represent the Company in external matters. The board of director may set up any functional committee.

Article 15 : Board of Directors Meetings shall be convened by the Chairman of the Board of Directors. Except as otherwise provided in the Company Law of the Republic of China, a meeting of the Board of Directors may be held if attended by a majority of total Directors and resolutions shall be adopted with the concurrence of the majority of the Directors present at the meeting.

Article 15-1 : Each director shall be given at least 7 days advance notice of the convening of a board of directors meeting of the Corporation. In emergency circumstances, however, a meeting may be convened on shorter notice. The meeting notice referred to in the preceding paragraph shall specify the reasons for convening the meeting, and shall be made in writing, by e-mail, or by facsimile.

Article 16 : The Chairman of the Board of Directors shall preside over all meetings of the Board of Directors. If the Chairman of the Board of Directors is on leave or cannot exercise powers or perform duties for any reason, an acting chairman shall be designated in accordance with Article 208 of the Company Act. Directors shall attend meetings of the board of directors in person. If a director is unavailable to attend a meeting in person, the director may appoint a proxy for the given meeting specifying the scope of the authorized powers to authorize another director to attend the meeting on the director's behalf, provided that a director may represent only one other director at a meeting.

Article 17 : The Board of the Directors is organized by directors, the duties are as follows:

1. To propose concerning appropriation of net profits or covering of losses.
2. To propose increasing or decreasing capital
3. To establish or dissolve branches
4. To approve budget and final reports
5. Other duties in accordance with Company Act or given by the resolution of shareholders' meeting

Article 18 : (Deleted)

Article 19 : (Deleted)

Section V - Managerial Officers

Article 20 : The Company may have managerial officers, whose appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

Section VI - Accounting

Article 21 : After the close of each fiscal year, the Board of Directors shall prepare 1. Business Report 2. Financial Statements and 3. Proposal Concerning Appropriation of Net Profits or Covering of Losses, and submitted to the regular shareholders' meeting for acceptance:

Article 22 : If the Company has earnings after the annual final accounting, it shall be allocated in the following order:

1. To pay taxes.
2. To cover accumulated losses, if any.
3. To appropriate 10% legal reserve unless the total legal reserve accumulated has already reached the amount of the Company's authorized capital.
4. To set aside special reserve in accordance with the regulations
5. To reserve certain amount, on the premise that there is no effect on the Company's normal operations and no violation of regulations, for maintaining stability of dividends.
6. To pay remuneration to directors and supervisors at 0.2% of the balance after withholding the amounts under subparagraphs 1 to 5.
7. To pay bonus to employees at 1% minimum of the balance after withholding the amounts under subparagraphs 1 to 5. (The employees to receive stock bonus may include Transcend's employees and employees serving with affiliates who meet specific requirements. Such specific requirements shall be prescribed by the board of directors.)
8. For any remainder, the board of directors shall propose allocation ratios and propose them at the shareholders' meeting.

Regarding the special reserve under subparagraphs 4, the Company shall set aside special reserve, equal to the debit

balance which happen at the current year on other equity items (including Unrealized loss on financial instrument, cumulative translation adjustment, and unrecognized pension cost, which can be combined if there are unrealized gain.), from the current earnings after tax and unappropriated retained earnings prior year. If the debit balance is cumulative before, the Company shall set aside special reserve not to distribute it from the unappropriated retained earnings prior year. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

Article 22-1 : The Company distributes dividends taking into consideration the Company's economic environment and growth phases, future demands of funds, long-term financial planning, and the cash flows that the stockholders desire. Cash dividends shall account for at least 5% of the total dividend distributed.

Section VII - Supplementary Provisions

Article 23 : In regard to all matters not provided for in these Articles of Incorporation, the Company Act of the Republic of China shall govern.

Article 24 : These Articles of Incorporation were adopted on August 23, 1989.

The first amendment was made on January 28, 1991.

The second amendment was made on May 25, 1992.

The third amendment was made on September 1, 1992.

The fourth amendment was made on July 30, 1994.

The fifth amendment was made on June 8, 1995.

The sixth amendment was made on July 8, 1997.

The seventh amendment was made on August 15, 1997.

The eighth amendment was made on September 12, 1997.

The ninth amendment was made on June 20, 1998.

The 10th amendment was made on September 15, 1998.

The 11th amendment was made on June 12, 1999.

The 12th amendment was made on April 15, 2000.

The 13th amendment was made on April 9, 2001.

The 14th amendment was made on June 10, 2002.

The 15th amendment was made on June 3, 2003.

The 16th amendment was made on June 11, 2004.

The 17th amendment was made on June 13, 2005.

The 18th amendment was made on June 14, 2006.

The 19th amendment was made on June 11, 2007.

The 20th amendment was made on June 13, 2008.

The 21th amendment was made on June 16, 2009.

The 22th amendment was made on June 17, 2010.

The 23th amendment was made on June 10, 2011.

The 24th amendment was made on January 5, 2012.

The 25th amendment was made on June 13, 2013.

The 26th amendment was made on June 12, 2014.

Transcend Information Inc.
Chairman: Shu, Chung-Wan

TRANSCEND INFORMATION INC.
SHAREHOLDINGS OF ALL DIRECTORS

1. Minimum Required Shareholding and Shareholding of all Directors:

Title	Minimum Required Shareholding by all Directors	Current Shareholding (Shares)
Directors	16,000,000	16,133,367

Note 1: The period of Book closure is from April 16, 2016 to June 14, 2016.

Note 2: The Company has three independent directors, and the minimum required shareholding by all Directors except for independent directors is downsized to 80% of the minimum required based on Article 2, paragraph 2 of “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”.

2. Company’s current Directors’ shareholding are as follows on April 16, 2016:

Title	Name	Current Shareholding (Shares)
Chairman	SHU,CHUNG-WAN	8,892,453
Director	SHU,CHUNG-CHENG	6,244,098
Director	TSENG, CHUNG-HO	0
Director	CHUI, LI-CHU	0
Director	HSU, CHIA-HSIAN	834,244
Director	CHIU, CHIH-HENG	162,572
Independent Director	CHEN, YI-LIANG	0
Independent Director	CHEN, LO-MIN	0
Independent Director	WANG, YI-HSIN	0
	Total	16,133,367