

The Company proposes to issue up to 4,000,000 ordinary shares through private placement (the "Proposed Private Placement") as explained below in accordance with Article 43-6 of Securities and Exchange Act:

1. The Pricing Basis and Reasonableness:

The price for issuing ordinary shares in the Proposed Private Placement is set to be the higher reference price determined by either calculation: The simple arithmetical average closing price of the ordinary shares of the Company on any of the first, third or fifth trading day prior to the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction; or the simple arithmetical average closing price of the ordinary shares of the Company for thirty trading days prior to the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. Further, the Board of Directors will be authorized, within the range resolved by the Members in the General Meeting of the Company, to determinate price determination date and actual issue price according to the selected investors qualifications and the market conditions.

2. The Method for Selecting Investors:

(1)The Subscriber of the Proposed Private Placement and its Relationship with the Company:

The securities issued in the Proposed Private Placement will only be sold to investors with qualifications prescribed in Article 43-6 of the Securities and Exchange Act, relevant regulations and rulings. The Company proposes to invite EPISTAR Corporation (the "Subscriber"), a strategic investor who will be able to assist the Company to develop new markets, expand operation scale and strengthen future operations direct or indirectly, to subscribe ordinary shares issued in the Proposed Private Placement. There are no other investor candidates. Further, EPISTAR Corporation is neither an insider nor related party of the Company.

(2)The Purpose, Necessity and Anticipated Benefits of Selecting the Subscriber:

(A) Purpose: The objective of the Proposed Private Placement shall be strategic investors who will be able to assist the Company to develop new markets, expand operation scale and strengthen future operations direct or indirectly.

(B) Necessity: The Proposed Private Placement should be able to enrich operating funds, strengthen capital structure and improve the Company's operating performance.

(C) Expected Benefits: Strategic investors can not only help the Company to expand the operating scale and develop new markets, but create long-term benefits to the development of the Company.

(3) The top 10 shareholders' names and shareholding percentage of the Subscriber, and the shareholders' relationship with the Company:

Top 10 shareholders	Shareholding in percentage	Relationship with the company
野村國際股份有限公司投資專戶	7.34%	No
瑞銀有限公司投資專戶	5.28%	No
美林國際公司投資專戶	2.83%	No
永豐金資本亞洲公司投資專戶	2.58%	No
新制勞工退休基金	2.45%	No
三商美邦人壽保險股份有限公司	1.55%	No
梵加德新興市場股票指數基金專戶	1.35%	No
先進星光先進總合國際股票指數	1.26%	No
泰力實業股份有限公司	1.25%	No
富邦人壽保險股份有限公司	1.15%	No

3. The Justification for the Proposed Private Placement:

(1)The Reasons for not Adopting a Public Offering: To ensure a timely and feasible fund raising while reducing the cost of capital effectively, it is proposed that the Company raises the fund by issuing ordinary shares through a private placement. The Board of Directors of Company, once authorization is granted, aims to increase the flexibility and efficiency of fund raising through the Proposed Private Placement based on market conditions and the needs of the Company. In addition, the securities issued in the Proposed Private Placement are subject to free share transfer restriction for a period of three (3) years, so that a long term partnership between the Company and strategic investors can be secured.

(2)The Issue Amount of the Proposed Private Placement:

The Company proposes to issue up to 4,000,000 ordinary shares in the Proposed Private Placement within one (1) year in two (2) phases starting from the date of approval by Members in the General Meeting of the Company.

(3)The Use of Fund Raised and Anticipated Benefits:

The fund raised from the Proposed Private Placement will be used to fund the Company's working capital, and/or equipment purchasing, and/or reinvestment. The anticipated benefits include expansion of operational scale, enhanced financial structure and strengthened market competitiveness.

4. Whether any independent director raised dissenting or reserved opinion: No.

5. Whether any major management change had occurred within one (1) year from the Board of Directors resolved to carry out the Proposed Private Placement, or any significant change to management after introducing strategic investors will likely to happen: No.

6. Other Explanations:

(1)It is proposed that the Board to be authorized by the Members in the General Meeting of the Company with full power to handle main points of the Proposed

Private Placement, including the actual issued shares, issued prices, selection of subscriber, price determination date, capital increase date, investment items of the plan, progress of fund using, anticipated benefits, anticipated phases and other matters not proscribed herein, which will need to be revised as a result of regulatory amendments or the evaluation of the operation or objective environmental changes.

(2) In addition to the scope of authorization above, it is proposed that the Chairman of the Company be authorized by the Members in the General Meeting of the Company with full power to sign, negotiate, alter all the agreements and/or legal instruments related to the Proposed Private Placement on behalf of the Company, and handle related matters pertaining to the issuance of ordinary shares.

7. Details of the Proposed Private Placement are provided online in accordance with Article 43-6 of the Securities and Exchange Act. Please refer to Private Placement in the website of MOPS (<http://mops.twse.com.tw>) by entering TPEX code 4991 or visit the website of the Company (<http://www.gcsincorp.com>) for further information.