

KMC (Kuei Meng) International Inc. (“the Company”)  
Operational Procedures for Applying for Halt and Resumption of Dealings

Article 1 Basis of Adoption

The Operational Procedure is established for the Company to comply with pursuant to paragraph 1 of Article 13-4 of “Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities” (the Procedures) which is adopted by the Taipei Exchange (TPEX).

Article 2 Purpose of the Operational Procedures

In order to put confidentiality of material information and mechanism of timely disclosure into practice and have sufficient time for material information to be circulated among the public, the Company shall apply for halt of dealings actively when it plans to do publicly disclose or convene a board meeting for resolutions on material issues before 5pm on a business day. To reduce information asymmetry, the Company shall apply for resumption of dealings after the information has been fully disclosed and explained and enough time has been given to the investors for evaluating the information.

Article 3 Legal Compliance

The Company shall comply with relevant laws and regulations adopted by the Taipei Exchange and the Operational Procedures when applying for halt and resumption of dealing.

Article 4 Dedicated Unit for Handling Halt and Resumption of Dealings

The Company shall appoint President Office as dedicated unit to handle halt and resumption of dealings and the dedicated unit is composed by suitable and appropriate number of personnel according to the Company size, business situation and management needs.

The President Office shall always pay attention to whether there is any matter happened that shall apply for dealing halt and resumption in Article 5. If so, the Company shall do the applications actively. And to facilitate the process of application, the Company shall keep the two-way communication between employee of TPEX.

Article 5 Applications for Halt or Resumption of Dealings

The Company shall apply to TPEX for halt of dealings actively one day before disclose or convene a board meeting for resolutions on any item listed in paragraph 1 of Article 13-1 of the Procedure before 5pm on a business day.

Once a full explanation of the information relevant to the cause for the halt has been provided or the halt is no longer necessary due to a change of circumstances, the Company shall apply to the TPEX for resumption of dealings on its own initiative.

#### Article 6 Procedures for Halt of Dealings and Final Decision-making Authority

Before the Company prepares resolutions in board meeting or does publicly disclose of material information, President Office shall check and evaluate whether there is any items met the provisions in the preceding article that shall apply for dealing halt. If so, it shall apply to the TPEX for a halt of dealings with a "Halt Application" and relevant documentation faxed and both email and call to inform TPEX of name and number of the contact person of the Company simultaneously one business day before the publicly disclosure or meeting. A "Halt Application" and relevant documentation shall be approved by Chairman or President then apply the Company's official seal and authorized signatory's seal.

The Company may submit the application before 7:30am on the business day of the publicly disclosure or board meeting provided that there is an emergency situation (it means special case and is unpredictable by the Company. For example: natural disaster, bomb, strike or insurrection in late-night.) preventing timely application. Documentation regards to the emergency situation shall also be submitted to TPEX for verification.

#### Article 7 Procedures for Resumption of Dealings and Final Decision-making Authority

The Company shall disclose information publicly according to the Operational Procedures on the basis of the board meeting or actual situations then provide relevant documentation and fill out "Resumption Application" faxed and both email and call to inform TPEX of name and number of the contact person of the Company simultaneously. A "Resumption Application" and relevant documentation shall be approved by Chairman or President then applies the Company's official seal and authorized signatory's seal.

#### Article 8 Principles for Announcement and Publicly Disclosure

During the time of dealing halt and before material information publicly disclosed, directors, supervisors, managerial officers, and employees of the Company with knowledge of material inside information shall comply with "Procedures for Handling Material inside Information and Regulations on Insider Trading" adopted by the Company and put confidential mechanisms into practice. Also the Company shall comply with the following principles when making publicly disclose of material information:

1. The information disclosed shall be accurate, complete, and timely.
2. There shall be a well-founded basis for the information disclosure.
3. The information shall be disclosed fairly.

#### Article 9 The Timing of Announcement and Publicly Disclosure

The Company shall announce the material information of halt or resumption of dealings to the public within one hour after TPEX informs or publishes information

regarding halt or resumption on website (<http://www.tpex.com.tw>).

Article 10 Approval and Amendment by Board Resolutions

The Operational Procedures and any amendments hereto shall enforce after approval by the board of directors.

The Operational Procedures is adopted on 2015/11/10.