

Stock Code: 3189

*(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)*

# KINSUS INTERCONNECT TECHNOLOGY CORP.

## Handbook for the 2016 Annual Meeting of Shareholders

Meeting Date: May 27, 2016

Place: No. 1245, ZhongHua Rd., XinWu Dist., Taoyuan City (i.e. Kinsus Shih-Lei plant staff canteen)

*(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)*

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## **Kinsus Interconnect Technology Corp.**

### **Procedure for the 2016 Annual Meeting of Shareholders**

- I .Chairperson Declares the Starting of the Meeting
- II .Chairperson’s Opening Statements
- III . Item to Be Discussed and Resolved
- IV .Report Items
- V .Items to Be Approved
- VI .Other Questions and Motions
- VII .Adjournment

## Kinsus Interconnect Technology Corp.

### Agenda for the 2016 of Annual Meeting of Shareholders

Time: 9:00 a.m., May 27 (Friday), 2016

Place: No. 1245, ZhongHua Rd., XinWu Dist., Taoyuan City(Kinsus Shih-Lei plant staff canteen)

#### I. Chairperson Declares the Starting of the Meeting

#### II. Chairperson's Opening Statements

#### III. Item to Be Discussed and Resolved

1. To Amend the Company's Article of Incorporation (Proposed by the Board of Directors)

#### IV. Report Items

1. 2015 Business Report
2. Audit Committee's Review Report on the 2015 Financial Statements.
3. To report 2015 Employees' and directors' Compensation
4. Progress of Execution of Share Buyback Program

#### V. Items to Be Approved

1. To approve 2015 Business Report, Financial Statements and Consolidated Financial Statements (Proposed by the Board of Directors)
2. To approve the proposal for 2015 earnings distribution (Proposed by the Board of Directors)

#### VI. Other Questions and Motions

#### VII. Adjournment

## I. Item to Be Discussed and Resolved

1. Amendment to the Company's Articles of Incorporation (Proposed by the Board of Directors)

Explanatory Notes:

- a. The Amendment is based on amended Article 235 and 235-1 of Company Act and the Company's management need.
- b. The Company proposed to amend the Company's Article of Incorporation, article # 24, regarding employees' and directors' compensation. The proposal has been resolved by the Company's Compensation Committee and the board of directors on December 28, 2015.
- c. For the Company's Article of Incorporation amendment table, please refer to Attachment I (Page 5 to 7).
- d. Please proceed to discuss and resolve it.

## II. Report Items

1. The 2015 Business Report

Explanatory Notes:

Please refer to Attachment II. (Page 8 to 11)

2. Audit Committee's Review Report on the 2015 Financial Statements

Explanatory Notes:

Please refer to Attachment III. (Page 12)

3. To report the 2015 employees' and directors' compensation

Explanatory Notes:

- a. Base on the Company's the Article of Incorporation, article #24, proposed to be amended by the Board of Directors on December 28, 2015, the Company's employees' and directors' compensation shall be at no less than 10% and no more than 1% of the "income before tax and employees' and directors' compensation", respectively, if profits in current year is made.
- b. The Company's board of directors has resolved to pay out 2015 directors' and employees' compensation in amount of NT\$26,026,111 and NT\$442,443,907, respectively, representing 0.68% and 11.59% of the "income before tax and employees' and directors' compensation". All the payments were in cash.
- c. These compensations have been reviewed by the Company's Compensation Committee and approved by the Board of Directors.

4. Progress of execution of Share Buyback Program

Explanatory Notes:

The Company had executed the second Share Buyback Program as below table.

Resolution	Date of resolution	2015/7/27
	Type of shares to be bought back	Common stock
	Purpose	To be transferred to employees
	Buyback period	2015/7/28~2015/9/27
	Buy price interval (NT\$)	NT\$50 to NT\$100 per share
	Projected quantity to be brought	5,000,000 shares
Execution	Number of shares bought back	550,000 shares
	Total value of shares bought back	NT\$32,884,993

The reason for not being fully implemented.	For protecting shareholders' equity, the Company strategically executed the program in a batch basis and considering the fluctuation of share price.
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### III. Items to Be Approved

1. To approve 2015 Business Report, Parent-Company-Only Financial Statements and Consolidated Financial Statements (Proposed by the Board of Directors)

Explanatory Notes:

The Company's Business Report (as shown in Attachment II to the Meeting Handbook, Page 8 to 11), Parent- Company-Only Financial Statements and Consolidated Financial Statements (as shown in Attachment IV to the Meeting Handbook, Page 13 to 25) have been reviewed by Audit Committee and proposed for the shareholders' approval by the Board and Directors. Among these documentations, the Parent-Company-Only Financial Statements and Consolidated Financial Statements have been audited by Ernst & Young.

2. To approve the proposal for 2015 earnings distribution (Proposed by the Board of Directors)

Explanatory Notes:

- a.** The Company's 2015 net profits after tax are NT\$2,903,952,243. After adding beginning retained earnings of NT\$11,884,863,961 but deducting other comprehensive income (actuarial gains or losses on defined benefits plan) of NT\$(8,721,698), the retained earnings available for distribution total to NT\$14,780,094,506. For earnings distribution purpose, legal reserve of NT\$290,395,224 shall be set aside and cash dividends of NT\$1,559,075,000 are hereby proposed for shareholders. Dividend per share (all in cash) is accounted for NT\$3.5 per share.
- b.** Earnings distribution table has been reviewed and agreed by the Board and Directors and is shown in Attachment V to the Meeting Handbook, Page 26.
- c.** Please authorize the Board of Directors to execute the earnings distribution process in good faith as deemed necessary after the shareholders' approval on the earnings distribution. Also please authorize the Chairman to adjust the cash dividend, if too trivial to one NT dollar, to specific shareholders.
- d.** Please authorize the Board of Directors to adjust, in good faith, the ratio of dividend per share, based on the shares outstanding on the record date for distribution, to the extent of no change in the resolved total amount to be distributed to shareholders.

### IV. Other Questions and Motions

### V. Adjournment

# ATTACHMENT I

(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)

## KINSUS INTERCONNECT TECHNOLOGY CORP.

### Articles of Incorporation amendment table

After amendment	Before amendment	Explanation
<p>Article 2: The Company which run as follows 1.CC01080 Electronic Components Manufacturing 2.F119010 Electronic materials wholesale trade 3.F219010 Electronic Materials Retail 4.I103060 <u>Management consultation</u> 5.CQ01010 Mold Manufacturing 6.CC01990 Other electrical machinery and electronic equipment manufacturing 7.CB01990 Machinery Manufacturing 8.F401010 International trade 9.ZZ99999 In addition to the license business, an operating non decree prohibiting or restricting the business.</p>	<p>Article 2: The Company which run as follows 1.CC01080 Electronic Components Manufacturing 2.F119010 Electronic materials wholesale trade 3.F219010 Electronic Materials Retail 4.I103010 <u>Business operation and management consultation</u> 5.CQ01010 Mold Manufacturing 6.CC01990 Other electrical machinery and electronic equipment manufacturing 7.CB01990 Machinery Manufacturing 8.F401010 International trade 9.ZZ99999 In addition to the license business, an operating non decree prohibiting or restricting the business.</p>	<p>Ministry of Economic Affairs with the code changes.</p>
<p>Article 3: The Company head office is located in <u>Taoyuan City</u>, if necessary, may establish branches at home and abroad by resolution of the Board of Directors.</p>	<p>Article 3: The Company head office is located in <u>Taoyuan County</u>, if necessary, may establish branches at home and abroad by resolution of the Board of Directors.</p>	<p>In response to "Taoyuan County" upgraded to "Taoyuan City".</p>
<p>Article 15: The Company set up five to nine directors with three-year term <u>in adopting the system of nominating candidates</u>. The shareholders elect the directors from <u>the list of candidates</u> and the directors can be re-elected for next term. <u>During the directors' term, the Company shall buy sufficient insurance for all its directors to cover the legal liability that might incur in mal-practice of its Company's business.</u></p>	<p>Article 15: The Company set up five to nine directors with three-year term. <u>The shareholders elect the directors from the people who have the capacity and the directors can be re-elected for next term. After the public offering of shares of the Company, the ratio of the shares owned by its directors and supervisors to all total shares shall be in compliance with the provisions set by the securities regulatory authorities.</u></p>	<p>In order to conform to the needs of commercial practice</p>
<p>Article 24: <u>The Company, if making profits in current year, shall provide the ratio of employee compensation to "income before tax and the</u></p>	<p>Article 24: <u>The Company, if making profits in current year, shall distribute the earnings in the following order:</u> 1. <u>Payment of all taxes and dues;</u></p>	<p>It is amended in accordance with Article 235-1 of Company Act amended at May</p>

After amendment	Before amendment	Explanation
<p><u>employee and directors' compensation to be provided" at less than 10% and the ratio of directors' compensation to "income before tax and the employee and directors' compensation to be provided" at be more than 1%, provided that all accumulated deficits, if any, are fully offset. The employees' compensation can be distributed in cash or stocks. The employees receiving the stock dividends may include employees in affiliated companies who met certain conditions stipulated by the Board of Directors.</u></p> <p><u>Employee and directors' compensation is to report in the shareholders' meeting.</u></p>	<p><u>2. Offset prior years' operation losses;</u></p> <p><u>3.Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;</u></p> <p><u>4.Set aside or reverse special reserve in accordance with law and regulations;</u></p> <p><u>5. directors' compensation after deduct 1 to 4,aside 1%</u></p> <p><u>6.Bonus to employees not less than total employees and shareholders dividend's 1%</u></p> <p><u>Bonus to employees can be distributed in cash or stocks. The parties receiving the stock dividends shall include employees in affiliated companies who met certain conditions stipulated by the Board of Directors.</u></p> <p><u>7.The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.</u></p> <p><u>The Company is in an industry with versatile environment. For long-term finance planning requirements and to meet the shareholders' demand for cash, dividend policy aims for a steady balance. Cash dividends distributed each year cannot be less than 10% of the total dividends paid. The Company hereby authorizes its board of directors to propose the directors' remuneration in considering the directors' involvement and contribution in the Company's operations.in addition, During the directors' term, the Company shall buy sufficient insurance for all its directors to cover the legal liability that might incur in mal-practice of its Company's business.</u></p>	<p>20, 2015 and Ministry of Economic Affairs, No. 10402413890 announced at June 11, 2015.</p>
<p>Article 24-1: <u>The Company, if making profits in current year, shall distribute the earnings in the following order:</u></p> <p><u>1. Payment of all taxes and dues;</u></p> <p><u>2. Offset prior years' operation losses;</u></p>		<p>Add this article. Based on Article 235 and 235-1 and 240 of Company Act amended, we need to revise the</p>

After amendment	Before amendment	Explanation
<p><u>3. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;</u></p> <p><u>4. Set aside or reverse special reserve in accordance with law and regulations;</u></p> <p><u>5. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.</u></p> <p><u>The Company is in an industry with versatile environment. For long-term finance planning requirements and to meet the shareholders' demand for cash, dividend policy aims for a steady balance. Cash dividends distributed each year cannot be less than 10% of the total dividends paid.</u></p>		Company's Article.
<p>Article 28: The Article was agreed by all the promoters in founder's meeting in September 1, 2000. The first revised was June 28, 2003. The second revised was August 26, 2003. The third revised was April 16, 2004. The fourth time revised was April 16, 2004. The fifth time revised was June 14, 2005. The sixth time revised was June 14, 2005. The seventh revised was June 19, 2006. The eighth revised was May 30, 2007. The ninth revised was May 30, 2008. The tenth revised was June 18, 2010. The eleventh revised was June 22, 2011. The twelfth revised was May 18, 2012. <u>The thirteenth revised was May 27, 2016.</u></p>	<p>Article 28: The Article was agreed by all the promoters in founder's meeting in September 1, 2000. The first revised was June 28, 2003. The second revised was August 26, 2003. The third revised was April 16, 2004. The fourth time revised was April 16, 2004. The fifth time revised was June 14, 2005. The sixth time revised was June 14, 2005. The seventh revised was June 19, 2006. The eighth revised was May 30, 2007. The ninth revised was May 30, 2008. The tenth revised was June 18, 2010. The eleventh revised was June 22, 2011. The twelfth revised was May 18, 2012.</p>	Additional revision date.

## Attachment II

*(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)*

### 2015 Business Report

#### 1. 2015 Business Report

For the global economic depression in 2015, international crude oil prices kept going down and national currencies depreciating except U.S., and the semiconductor market is affected, too. The research firm, Gartner, released that worldwide semiconductor revenue declined by 1.9% in 2015 compared with 2014. Technology companies, including Intel, Qualcomm and Micron, were all in recession.

Among the development of the global semiconductor industry, China market grew slowly. Due to FED in U.S. increased the interest rate in fourth quarter, US dollar continuously appreciated and increased the cost of computers and other electronic devices in Western Europe and Japan. In order to save costs, consumers and businesses deferred to update or changed to purchase lower-cost devices. This trend impacts on shipment of PC, tablet and smartphone. The significant decline in computer system industry and slowing growth in smartphone and other factors resulted in a slight decline in global semiconductor industry in 2015, approximately 333.7 billion US dollars.

Parent-company-only revenue totaled to NT\$17,827,251 thousand in 2015, decreased by 7.58% compared to 2014's NT\$19,290,237 thousand. Parent-company-only net income was NT\$2,903,952 thousand, decreased by 19.72% compared to 2014's NT\$3,617,327 thousand. Consolidated revenue totaled to NT\$23,061,311 thousand in 2015, decreased by 7.55% compared to 2014's NT\$24,943,834 thousand. Consolidated net income was NT\$2,729,526 thousand, decreased by 21.80% compared to 2014's NT\$3,490,233 thousand. Fortunately, single-quarter revenue in the 2015 fourth quarter of the parent-company-only revenue was recovered back to over NT\$5 billion, close to a record-high point and could be expected to be on the tracks of growing.

(In Thousands of New Taiwan Dollars)

<b>Parent-company-only Report Item</b>	2015	2014	Growth Rate %
Operating revenues	17,827,251	19,290,237	-7.58%
Gross profit	5,313,503	6,273,087	-15.30%
Operating income	3,509,636	4,300,134	-18.38%
Pre-tax income	3,347,502	4,149,704	-19.33%
Net income	2,903,952	3,617,327	-19.72%
Earnings per share	\$6.51	\$8.11	

(In Thousands of New Taiwan Dollars)

<b>Consolidated Report Item</b>	2015	2014	Growth Rate %
Operating revenues	23,061,311	24,943,834	-7.55%
Gross profit	5,961,602	6,946,880	-14.18%
Operating income	3,063,724	4,009,159	-23.58%
Pre-tax income	3,205,248	4,151,072	-22.79%
Net income	2,729,526	3,490,233	-21.80%
Net income (loss) attributable to:			
Shareholders of the parent	2,903,952	3,617,327	-19.72%
Non-controlling interests	-174,426	-127,094	37.24%
Earnings per share	\$6.51	\$8.11	

## 2. Summary of the business plan in 2016:

### (1) Business Policy

Since the Company's establishment, we have been upholding the principle of "Satisfying Customers, Pursuing for Excellence" as our business policy, developing leadership in technique to meet market demand, mastering new generation product demands, investing engineering resources to stay ahead, and striving for better profit under competition for the purpose of greater profit.

### (2) Expected Sales and the Bases

Looking ahead to 2016, applications such as Internet of things, Automobile Electronics and the Cloud will continue to flourish and are expected to drive the semiconductor business. In addition, the upgrading of intelligent device specifications will continue to drive the demand for higher-end processes, including wafer foundry and testing & assembling. It is estimated that, in 2016, Taiwan's semiconductor industry output value will increase at a positive annual rate.

New developments in electronics/semiconductor industry include the applications of autonomous driving services, virtual reality, cloud IOT, etc. Although the related technology is not yet mature, the market size is huge and prospective. According to Gartner, a market survey institution, only IOT appliance will cover 6.4 billion units of market size in 2016 and the compound annual growth rate will be up to 30% each year. The future business opportunity is infinite. Kinsus's fastest-growing product such as SiP substrates, FCCSP substrates, embedded high-density substrates are exactly the well-preparation for the industrial trends.

However, we have to be cautious that the average selling prices of a variety of handheld devices and IOT device are going down year by year. In 2015, a 3% drop in the average price of such devices and at least 5% decline in 2016. The market of semiconductor remains stable due to speedy shift to smartphone and 4G LTE. However, the yearly sale growth probably slow down due to the trend of high-end but low-price of products.

### (3) Significant Production and Marketing Policy

- 1) We will continuously invest research and development resources to support the diversified needs of consuming products and expand micro fine circuit manufacturing process production line. Also we will invest to meet the need of Fab 10 nm product process in order to obtain the market opportunities.
- 2) As the expanding scale in operation, we will continuously recruit the professional talent, import high quality systems and technology, and invest in automated production equipment to improve production yields in order to achieve the Company's high-profit target.
- 3) We will maintain the partnerships with the advanced wefer design companies, timely grasp the most updated market information, and complete process technology and product capacity preparation as early as possible in order to maintain the long-term competitiveness of the Company.

### 3. development strategy

The components of portable and wearable devices miniature trend will continue. The demand on related SiP substrate, FCCSP substrates, embedded high-density substrates will remain strong. These are the substrate products applied on current products and for the transition to the future of virtual reality and cloud IOT terminal devices. Kinsus will do whatever we can to seize key opportunities in market and continue to adjust the layout for market changes. We hope to win in market and to share the growing performance results with our shareholders.

Chairman: Guo, Ming-Dong    General Manager: Chen, He-Xu    Chief Accountant: Liu, Su-Zhen

### **Attachment III**

*(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)*

Kinsus Interconnect Technology Corp.

Audit Committees' Examination Report

The Board of Directors has prepared the Company's 2015 Business Report, Consolidated Financial Statements, Parent-company-only Financial Statements and the proposal for distribution of earnings. Among these documentation, the financial statements have been audited by the auditors, Ernst & Young, and an audit report relating to the Financial Statements has been granted. The Business Report, Financial Statements, and earnings distribution proposal have been examined and determined to be fairly presented by the Audit Committee members of Kinsus Interconnect Technology Corp. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this examination report.

Kinsus Interconnect Technology Corp.

Chairman of the Audit Committee: Chen , Jin-Cxi

February 1, 2016

## Attachment IV

### English Translation of an Audit Report Originally Issued in Chinese

#### REPORT OF INDEPENDENT AUDITORS

To: the Board of Directors and Shareholders of  
Kinsus Interconnect Technology Corp.

We have audited the accompanying parent-company-only balance sheets of Kinsus Interconnect Technology Corp. as of December 31, 2015 and 2014, the related statements of comprehensive incomes, changes in equity, and cash flows for the years then ended. These parent-company-only financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these parent-company-only financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the Republic of China and "Guidelines for Certified Public Accountants' Examination and Reports on Financial Statements", which 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, based on our audits, the parent-company-only financial statements referred to above present fairly, in all material respects, the financial position of Kinsus Interconnect Technology Corp. as of December 31, 2015 and 2014 and the results of its operations and cash flows for the years then ended in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Ernst & Young  
February 1, 2016  
Taipei, Taiwan,  
Republic of China

#### Notice to Readers

*The accompanying parent-company-only financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China on Taiwan and not those of any other jurisdictions. The standards, procedures and practice to audit such financial statements are those generally accepted and applied in the Republic of China on Taiwan.*

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

PARENT-COMPANY-ONLY BALANCE SHEETS

As of December 31, 2015 and 2014

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			As of December 31, 2015		As of December 31, 2014	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$10,998,903	30	\$10,082,304	30
1110	Financial assets at fair value through profit or loss	4, 6(2)	3,524,742	10	5,081,578	15
1125	Available-for-sale financial assets	4, 6(3)	-	-	40,369	-
1147	Bond investments with no active market	4, 6(4)	423,057	1	420,000	1
1150	Notes receivable, net	4, 6(5)	1,835	-	4,358	-
1170	Accounts receivable, net	4, 6(6)	2,920,639	8	2,403,669	7
1180	Accounts receivable - related parties, net	4, 6(6), 7	21,759	-	1,008	-
1200	Other receivables		281,480	1	392,702	1
1210	Other receivables - related parties	7	7,489	-	9,197	-
1310	Inventories, net	4, 6(7)	1,317,749	4	1,321,824	4
1410	Prepayments		115,144	-	76,320	-
1470	Other current assets		72,238	-	47,558	-
11XX	Total current assets		<u>19,685,035</u>	<u>54</u>	<u>19,880,887</u>	<u>58</u>
	Non-current assets					
1550	Investment accounted for under equity method	4, 6(8)	3,610,796	10	4,009,504	12
1600	Property, plant and equipment, net	4, 6(9), 8, 9	10,309,220	29	8,914,836	26
1780	Intangible assets, net	4, 6(10)	9,869	-	11,927	-
1840	Deferred tax assets	4, 6(23)	9,593	-	-	-
1915	Prepayment for equipment	4, 6(9), 9	2,452,423	7	1,438,282	4
1995	Other non-current assets	6(11), 8	2,202	-	5,347	-
15XX	Total non-current assets		<u>16,394,103</u>	<u>46</u>	<u>14,379,896</u>	<u>42</u>
1XXX	Total Assets		<u>\$36,079,138</u>	<u>100</u>	<u>\$34,260,783</u>	<u>100</u>

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese  
Kinsus Interconnect Technology Corp.  
PARENT-COMPANY-ONLY BALANCE SHEETS-(Continued)  
As of December 31, 2015 and 2014  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2015		As of December 31, 2014	
Code	Accounts	Notes	Amount	%	Amount	%
	<b>Current liabilities</b>					
2100	Short-term loans	6(12)	\$1,831,266	5	\$730,798	2
2150	Notes payable		49,834	-	39,864	-
2170	Accounts payable		1,049,302	3	927,069	3
2180	Accounts payable - related parties	7	428,877	1	247,315	1
2200	Other payables	6(13), 7	3,094,451	9	2,981,520	9
2230	Current income tax liabilities	4, 6(23)	541,841	2	893,791	3
2300	Other current liabilities	6(14)	329,589	1	491,418	1
21XX	Total current liabilities		<u>7,325,160</u>	<u>21</u>	<u>6,311,775</u>	<u>19</u>
	<b>Non-current liabilities</b>					
2540	Long-term loans	6(15), 8	288,860	1	467,335	1
2570	Deferred tax liabilities	4, 6(23)	39,834	-	53,996	-
2600	Other non-current liabilities	4, 6(16), 6(17)	34,148	-	29,668	-
25XX	Total non-current liabilities		<u>362,842</u>	<u>1</u>	<u>550,999</u>	<u>1</u>
2XXX	Total liabilities		<u>7,688,002</u>	<u>22</u>	<u>6,862,774</u>	<u>20</u>
	<b>Equity</b>					
3100	Capital	6(18)				
3110	Common stock		4,460,000	12	4,460,000	13
3200	Capital surplus	6(18)	5,939,819	16	5,939,819	17
3300	Retained earnings	6(18)				
3310	Legal capital reserve		3,049,623	8	2,687,890	8
3350	Unappropriated earnings		14,780,095	41	14,030,597	41
3400	Other components of equity		194,484	1	279,703	1
3500	Treasury Stock	6(18)	(32,885)	-	-	-
3XXX	Total equity		<u>28,391,136</u>	<u>78</u>	<u>27,398,009</u>	<u>80</u>
	Total liabilities and equity		<u>\$36,079,138</u>	<u>100</u>	<u>\$34,260,783</u>	<u>100</u>

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

PARENT-COMPANY-ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2015 and 2014

(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2015		2014	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(19), 7	\$17,827,251	100	\$19,290,237	100
5000	Operating costs	7	<u>(12,513,748)</u>	<u>(70)</u>	<u>(13,017,150)</u>	<u>(68)</u>
5900	Gross profit		<u>5,313,503</u>	<u>30</u>	<u>6,273,087</u>	<u>32</u>
6000	Operating expenses	7				
6100	Selling		(170,374)	(1)	(376,656)	(2)
6200	General and administrative		(620,887)	(3)	(624,714)	(3)
6300	Research and development		<u>(1,012,606)</u>	<u>(6)</u>	<u>(971,583)</u>	<u>(5)</u>
	Operating expenses total		<u>(1,803,867)</u>	<u>(10)</u>	<u>(1,972,953)</u>	<u>(10)</u>
6900	Operating income		<u>3,509,636</u>	<u>20</u>	<u>4,300,134</u>	<u>22</u>
7000	Non-operating income and expenses					
7010	Other income	6(21), 7	118,580	1	113,102	1
7020	Other gains and losses	6(21), 7	66,432	-	75,770	-
7050	Finance costs	6(21)	(21,360)	-	(19,712)	-
7070	Share of profit or loss of subsidiaries, associates and joint ventures		<u>(325,786)</u>	<u>(2)</u>	<u>(319,590)</u>	<u>(2)</u>
	Non-operating income and expense total		<u>(162,134)</u>	<u>(1)</u>	<u>(150,430)</u>	<u>(1)</u>
7900	Income expense from continuing operations before income tax		3,347,502	19	4,149,704	21
7950	Income tax	4, 6(23)	<u>(443,550)</u>	<u>(3)</u>	<u>(532,377)</u>	<u>(2)</u>
8200	Net income		<u>2,903,952</u>	<u>16</u>	<u>3,617,327</u>	<u>19</u>
8300	Other comprehensive income (loss)	6(22)				
8310	Item that may not be reclassified to profit or loss					
8311	Actuarial gain (loss) on defined benefit plans		(8,721)	-	15,710	-
8360	Items that may be reclassified subsequently to profit or loss					
8362	Unrealized gain (loss) on available-for-sale security		(24,694)	-	9,583	-
8370	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		(72,922)	-	194,267	1
8399	Income tax related to items that may be reclassified subsequently to profit or loss		12,397	-	(33,026)	-
	Total other comprehensive income, net of tax		<u>(93,940)</u>	<u>-</u>	<u>186,534</u>	<u>1</u>
8500	Total comprehensive income		<u>\$2,810,012</u>	<u>16</u>	<u>\$3,803,861</u>	<u>20</u>
9750	Earnings per share - basic (in NT\$)	6(24)	<u>\$6.51</u>		<u>\$8.11</u>	
9850	Earnings per share - diluted (in NT\$)	6(24)	<u>\$6.38</u>		<u>\$7.98</u>	

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

PARENT-COMPANY-ONLY STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2015 and 2014

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Notes	Capital 3100	Capital Surplus 3200	Retained Earnings			Other Components of equity		Treasury Stock 3500	3XXX
					Legal Reserve 3310	Special Reserve 3320	Unappropriated Earnings 3350	Exchange differences arising on translation of foreign operations 3410	Unrealized valuation gain (loss) on available- for-sale financial assets 3425		
A1	Balance as of January 1, 2014		\$4,460,000	\$5,863,612	\$2,365,481	\$74,424	\$12,206,545	\$93,768	\$15,111	\$-	\$25,078,941
	Appropriation and distribution of 2013 earnings:	6(18)									
B1	Legal reserve				322,409		(322,409)				-
B5	Cash dividends - common shares						(1,561,000)				(1,561,000)
B17	Reversal of special reserve					(74,424)	74,424				-
D1	Net income (loss) for 2014						3,617,327				3,617,327
D3	Other comprehensive income (loss) for 2014	6(22)					15,710	161,241	9,583		186,534
D5	Total comprehensive income		-	-	-	-	3,633,037	161,241	9,583	-	3,803,861
M5	Differences between equity purchase price and carrying amount arising from acquisition or disposal of subsidiaries			50,925							50,925
M7	Changes in equities of subsidiaries			25,282							25,282
A1	Balance as of December 31, 2014		4,460,000	5,939,819	2,687,890	-	14,030,597	255,009	24,694	-	27,398,009
	Appropriation and distribution of 2014 earnings:	6(18)									
B1	Legal reserve				361,733		(361,733)				-
B5	Cash dividends - common shares						(1,784,000)				(1,784,000)
D1	Net income (loss) for 2015						2,903,952				2,903,952
D3	Other comprehensive income (loss) for 2015	6(22)					(8,721)	(60,525)	(24,694)		(93,940)
D5	Total comprehensive income		-	-	-	-	2,895,231	(60,525)	(24,694)	-	2,810,012
L1	Treasury stock repurchase									(32,885)	(32,885)
Z1	Balance as of December 31, 2015		\$4,460,000	\$5,939,819	\$3,049,623	\$-	\$14,780,095	\$194,484	\$-	\$(32,885)	\$28,391,136

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

PARENT-COMPANY-ONLY STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2015 and 2014

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2015	2014	Code	Items	2015	2014
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$3,347,502	\$4,149,704	B00400	Disposal of available-for-sale financial assets	46,520	51,620
A20000	Adjustments:			B00600	Acquisition of bond investments for which no active market exists	(3,057)	-
A20010	Profit or loss not effecting cash flows:			B02700	Acquisition of property, plant and equipment	(4,172,476)	(2,636,178)
A20100	Depreciation	1,953,230	1,911,643	B02800	Proceeds from disposal of property, plant and equipment	5	6,635
A20200	Amortization	26,086	20,712	B03800	Decrease (increase) in refundable deposits	3,145	(845)
A20300	Bad debt expense (gain on recovery)	(17,179)	5,418	B04500	Acquisition of intangible assets	(24,028)	(25,231)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(24,447)	(27,787)	BBBB	Net cash provided by (used in) investing activities	(4,149,891)	(2,603,999)
A20900	Interest expense	21,360	19,712	CCCC	Cash flows from financing activities:		
A21200	Interest income	(76,970)	(71,135)	C00100	Increase in (repayment of) short-term loans	1,100,468	(135,335)
A22300	Share of profit or loss of subsidiaries, associates and joint ventures	325,786	319,590	C01600	Increase in long-term loans	-	474,750
A22500	Gain on disposal of property, plant and equipment	(5)	(602)	C01700	Repayment of long-term loans	(339,432)	(267,000)
A22500	Loss on disposal of property, plant and equipment	725	1,231	C04500	Payment of cash dividends	(1,784,000)	(1,561,000)
A23100	Gain on disposal of investment	(30,845)	(24,691)	C04900	Treasury stock purchased	(32,885)	-
A30000	Changes in operating assets and liabilities:			CCCC	Net cash provided by (used in) financing activities	(1,055,849)	(1,488,585)
A31110	Financial Assets at fair value through profit or loss	1,581,283	-	EEEE	Net Increase (decrease) in cash and cash equivalents	916,599	1,984,469
A31130	Notes receivable	2,523	65,025	E00100	Cash and cash equivalents at beginning of period	10,082,304	8,097,835
A31150	Accounts receivable	(499,791)	38,216	E00200	Cash and cash equivalents at end of period	\$10,998,903	\$10,082,304
A31160	Accounts receivable - related parties	(20,751)	28,369				
A31180	Other receivable	110,843	2,968				
A31190	Other receivable - related parties	1,708	3,305				
A31200	Inventories	4,075	(141,939)				
A31230	Prepayment	(38,824)	845				
A31240	Other current assets	(24,680)	(8,323)				
A32130	Notes payable	9,970	270				
A32150	Accounts payable	122,233	156,275				
A32160	Accounts payable - related parties	181,562	64,213				
A32180	Other payable	(77,360)	284,537				
A32210	Advance receipts	(1,126)	(4,638)				
A32230	Other current liabilities	254	(52,241)				
A32240	Net pension liability under defined benefit plan	(4,241)	(3,973)				
A33000	Cash generated from operations	6,872,921	6,736,704				
A33100	Interest received	77,349	70,627				
A33300	Interest paid	(21,073)	(19,435)				
A33500	Income tax paid	(806,858)	(710,843)				
AAAA	Net cash provided by (used in) operating activities	6,122,339	6,077,053				

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Financial Statements and a Report Originally Issued in Chinese

**MANAGEMENT REPRESENTATION LETTER**

The entities that are required to be included in the combined financial statements of Kinsus Interconnect Technology Corp. as of December 31, 2015 and for the year then ended under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Accounting Standard No. 27, “Consolidated and Separate Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Kinsus Interconnect Technology Corp. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Kinsus Interconnect Technology Corp.

By

Guo, Ming-Dong

Chairman

February 1, 2016

English Translation of an Audit Report Originally Issued in Chinese

REPORT OF INDEPENDENT AUDITORS

To: the Board of Directors and Shareholders of  
Kinsus Interconnect Technology Corp.

We have audited the accompanying consolidated balance sheets of Kinsus Interconnect Technology Corp. and Subsidiaries as of December 31, 2015 and 2014, the related consolidated statements of comprehensive income, changes in stockholders' equity, and 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 auditing standards generally accepted in the Republic of China and "Guidelines for Certified Public Accountants' Examination and Reports on Financial Statements", which 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, based on our audits, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Kinsus Interconnect Technology Corp. and Subsidiaries as of December 31, 2015 and 2014, and the consolidated results of their operations and their cash flows for the years then ended in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee which are endorsed by Financial Supervisory Commission of the Republic of China.

We have audited and expressed an unqualified opinion on the parent-company-only financial statements of Kinsus Interconnect Technology Corp. as of December 31, 2015 and 2014 and for the years then ended.

Ernst & Young  
February 1, 2016  
Taipei, Taiwan,  
Republic of China

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China on Taiwan and not those of any other jurisdictions. The standards, procedures and practice to audit such consolidated financial statements are those generally accepted and applied in the Republic of China on Taiwan.*

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2015 and 2014

(In Thousands of New Taiwan Dollars)

Assets			2015		2014	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$12,746,307	30	\$11,541,615	28
1110	Financial assets at fair value through profit or loss	4, 6(2)	3,536,370	8	5,135,434	13
1125	Available-for-sale financial assets	4, 6(3)	-	-	40,369	-
1147	Bond investments with no active market	4, 6(4), 8	428,112	1	463,827	1
1150	Notes receivable, net	4, 6(6)	1,835	-	6,252	-
1170	Accounts receivable, net	4, 6(7)	3,590,193	8	3,040,343	8
1180	Accounts receivable - related parties	4, 6(7), 7	248,909	1	436,406	1
1200	Other receivables		336,543	1	452,265	1
1210	Other receivables - related parties	7	2,081	-	1,307	-
1310	Inventories, net	4, 6(8)	2,285,436	5	2,162,969	5
1410	Prepayments		159,205	1	98,501	-
1470	Other current assets		136,377	-	91,980	-
11XX	Total current assets		<u>23,471,368</u>	<u>55</u>	<u>23,471,268</u>	<u>57</u>
	Non-current assets					
1544	Financial assets carried at cost	4, 6(5)	50,000	-	50,000	-
1600	Property, plant and equipment, net	4, 6(9), 8	16,150,904	38	15,429,778	38
1780	Intangible assets	4, 6(10)	30,280	-	19,982	-
1840	Deferred income tax assets	4, 6(25)	9,880	-	276	-
1915	Prepaid equipment	4, 6(9), 9	2,607,515	6	1,748,657	4
1995	Other non-current assets	6(11), 7, 8	318,785	1	331,713	1
15XX	Total non-current assets		<u>19,167,364</u>	<u>45</u>	<u>17,580,406</u>	<u>43</u>
1XXX	Total Assets		<u>\$42,638,732</u>	<u>100</u>	<u>\$41,051,674</u>	<u>100</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
Kinsus Interconnect Technology Corp. and Subsidiaries  
Consolidated Balance Sheets-(Continued)  
As of December 31, 2015 and 2014  
(In Thousands of New Taiwan Dollars)

Liabilities and Equity			2015		2014	
Code	Accounts	Notes	Amount	%	Amount	%
	<b>Current liabilities</b>					
2100	Short-term loans	6(12)	\$3,095,030	7	\$1,806,896	4
2150	Notes payable		55,484	-	41,011	-
2170	Accounts payable		1,996,799	5	1,986,749	5
2200	Other payables	6(13), 7	3,932,762	9	3,828,752	9
2230	Current income tax liabilities	4, 6(25)	569,378	1	896,540	2
2250	Provisions	4, 6(14)	294	-	302	-
2300	Other current liabilities	6(15)	668,701	2	1,542,931	4
21XX	Total current liabilities		<u>10,318,448</u>	<u>24</u>	<u>10,103,181</u>	<u>24</u>
	<b>Non-current liabilities</b>					
2540	Long-term loans	6(16), 8	1,366,299	4	730,722	2
2570	Deferred income tax liabilities	4, 6(25)	40,190	-	54,377	-
2600	Other non-current liabilities	4, 6(17), 6(18)	85,994	-	110,620	-
25XX	Total non-current liabilities		<u>1,492,483</u>	<u>4</u>	<u>895,719</u>	<u>2</u>
2XXX	Total liabilities		<u>11,810,931</u>	<u>28</u>	<u>10,998,900</u>	<u>26</u>
31XX	Equity attributable to shareholders of the parent					
3100	Capital	6(19)				
3110	Common stock		4,460,000	10	4,460,000	11
3200	Capital surplus	6(19)	5,939,819	14	5,939,819	14
3300	Retained earnings	6(19)				
3310	Legal reserve		3,049,623	7	2,687,890	7
3350	Unappropriated earnings		14,780,095	35	14,030,597	34
3400	Other components of equity		194,484	-	279,703	1
3500	Treasury Stock	6(19)	(32,885)	-	-	-
36XX	Non-controlling interests	6(19)	2,436,665	6	2,654,765	7
3XXX	Total equity		<u>30,827,801</u>	<u>72</u>	<u>30,052,774</u>	<u>74</u>
	Total liabilities and equity		<u>\$42,638,732</u>	<u>100</u>	<u>\$41,051,674</u>	<u>100</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2015 and 2014

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2015		2014	
			Amount	%	Amount	%
4000	Net revenue	4, 6(20), 7	\$23,061,311	100	\$24,943,834	100
5000	Cost of sale		(17,099,709)	(74)	(17,996,954)	(72)
5900	Gross profit		5,961,602	26	6,946,880	28
6000	Operating expenses	7				
6100	Sales and marketing		(437,849)	(2)	(593,616)	(2)
6200	General and administrative		(975,409)	(4)	(973,136)	(4)
6300	Research and development		(1,484,620)	(7)	(1,370,969)	(6)
	Total operating expenses		(2,897,878)	(13)	(2,937,721)	(12)
6900	Operating income		3,063,724	13	4,009,159	16
7000	Non-operating incomes and expenses					
7010	Other incomes	6(23), 7	309,476	1	133,961	1
7020	Other gains and losses	6(23), 7	(110,984)	-	64,434	-
7050	Finance costs	6(23)	(56,968)	-	(56,482)	-
	Total non-operating incomes and expenses		141,524	1	141,913	1
7900	Income before income tax		3,205,248	14	4,151,072	17
7950	Income tax expense	4, 6(25)	(475,722)	(2)	(660,839)	(3)
8200	Net income		2,729,526	12	3,490,233	14
8300	Other comprehensive income (loss)	6(24)				
8310	Item that may not be reclassified to profit or loss					
8311	Actuarial gain (loss) from defined benefit plans		(8,721)	-	15,710	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences arising on translation of foreign operations		(116,596)	(1)	309,597	1
8362	Unrealized valuation gain (loss) on available-for-sale financial assets		(24,694)	-	9,583	-
8399	Income tax related to items that may be reclassified subsequently to P/L		12,397	-	(33,026)	-
	Total other comprehensive income, net of tax		(137,614)	(1)	301,864	1
8500	Total comprehensive income		\$2,591,912	11	\$3,792,097	15
8600	Net income (loss) attributable to:					
8610	Shareholders of the parent		\$2,903,952	13	\$3,617,327	15
8620	Non-controlling interests		(174,426)	(1)	(127,094)	(1)
			\$2,729,526	12	\$3,490,233	14
8700	Total comprehensive income (loss) attributable to:					
8710	Shareholders of the parent		\$2,810,012	12	\$3,803,861	15
8720	Non-controlling interests		(218,100)	(1)	(11,764)	-
			\$2,591,912	11	\$3,792,097	15
9750	Earnings per share - basic (In NT\$)	6(26)	\$6.51		\$8.11	
9850	Earnings per share - diluted (In NT\$)	6(26)	\$6.38		\$7.98	

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2015 and 2014

(In Thousands of New Taiwan Dollars)

Code	Items	Notes	Equity Attributable to Shareholders of the Parent								Non-controlling Interests	Total Equity	
			Capital	Capital Surplus	Retained Earnings			Others		Treasury Stock			Total
					Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unrealized valuation gain (loss) on available-for-sale financial assets				
			3100	3200	3310	3320	3350	3410	3425	3500	31XX	36XX	3XXX
A1	Balance as of January 1, 2014		\$4,460,000	\$5,863,612	\$2,365,481	\$74,424	\$12,206,545	\$93,768	\$15,111	\$-	\$25,078,941	\$2,450,199	\$27,529,140
	Appropriation and distribution of 2013 earnings:	6(19)											
B1	Legal reserve				322,409		(322,409)				-		-
B5	Cash dividends - common shares						(1,561,000)				(1,561,000)		(1,561,000)
B17	Reversal of special reserve					(74,424)	74,424				-		-
D1	Net income (loss) for 2014						3,617,327				3,617,327	(127,094)	3,490,233
D3	Other comprehensive income (loss) for 2014	6(24)					15,710	161,241	9,583		186,534	115,330	301,864
D5	Total comprehensive income		-	-	-	-	3,633,037	161,241	9,583	-	3,803,861	(11,764)	3,792,097
M5	Differences between equity purchase price and carrying			50,925							50,925	(50,925)	-
M7	Changes in equities of subsidiaries			25,282							25,282	(25,282)	-
O1	Changes in non-controlling Interests											292,537	292,537
A1	Balance as of December 31, 2014		4,460,000	5,939,819	2,687,890	-	14,030,597	255,009	24,694	-	27,398,009	2,654,765	30,052,774
	Appropriation and distribution of 2014 earnings:	6(19)											
B1	Legal reserve				361,733		(361,733)				-		-
B5	Cash dividends - common shares						(1,784,000)				(1,784,000)		(1,784,000)
D1	Net income (loss) for 2015						2,903,952				2,903,952	(174,426)	2,729,526
D3	Other comprehensive income (loss) for 2015	6(24)					(8,721)	(60,525)	(24,694)		(93,940)	(43,674)	(137,614)
D5	Total comprehensive income		-	-	-	-	2,895,231	(60,525)	(24,694)	-	2,810,012	(218,100)	2,591,912
L1	Treasury stock repurchased									(32,885)	(32,885)		(32,885)
Z1	Balance as of December 31, 2015		\$4,460,000	\$5,939,819	\$3,049,623	\$-	\$14,780,095	\$194,484	\$-	\$(32,885)	\$28,391,136	\$2,436,665	\$30,827,801

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2015 and 2014  
(In Thousands of New Taiwan Dollars)

Code	Items	2015	2014	Code	Items	2015	2014
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$3,205,248	\$4,151,072	B00400	Disposal of available-for-sale financial assets	46,520	51,620
A20000	Adjustments:			B00700	Disposal of bond investments with no active market	35,715	43,601
A20010	Income and expense adjustments:			B01200	Acquisition of financial assets carried at cost	-	(50,000)
A20100	Depreciation	3,196,903	3,018,003	B02700	Acquisition of property, plant and equipment	(5,000,206)	(3,348,791)
A20200	Amortization	34,432	26,567	B02800	Disposal of property, plant and equipment	1,680	8,113
A20300	Bad debt expense (gain on recovery)	(19,603)	5,876	B03800	Decrease (increase) in refundable deposits	(363)	(3,661)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(24,586)	(26,895)	B04500	Acquisition of intangible assets	(44,806)	(32,271)
A20900	Interest expense	56,968	56,482	BBBB	Net cash provided by (used in) investing activities	(4,961,460)	(3,331,389)
A21200	Interest income	(86,116)	(96,170)				
A22500	Loss (gain) on disposal of property, plant and equipment	108,807	724	CCCC	Cash flows from financing activities:		
A23100	Gain on disposal of investment	(30,845)	(26,135)	C00100	Increase in (repayment of) short-term loans	1,288,134	225,442
A23700	Impairment loss on non-financial assets	14,211	-	C01600	Increase in long-term loans	1,084,751	524,402
A30000	Changes in operating assets and liabilities:			C01700	Repayment of long-term loans	(1,310,123)	(1,238,051)
A31110	Financial assets at fair value through profit or loss	1,623,650	28,033	C04500	Payment of cash dividends	(1,784,000)	(1,561,000)
A31130	Notes receivable	4,417	63,131	C03000	Increase (decrease) in deposits received	(29,106)	(33,678)
A31150	Accounts receivable	(529,703)	(32,739)	C04900	Treasury stock purchased	(32,885)	-
A31160	Accounts receivable - related parties	187,497	124,063	C05800	Increase (decrease) in non-controlling interests	-	292,537
A31180	Other receivables	111,215	45,116	CCCC	Net cash provided by (used in) financing activities	(783,229)	(1,790,348)
A31190	Other receivables - related parties	(774)	622				
A31200	Inventories	(122,467)	(157,472)	DDDD	Effect of exchange rate changes	10,806	(11,563)
A31230	Prepayments	(60,704)	14,168				
A31240	Other current assets	(44,397)	(26,170)	EEEE	Increase (decrease) in cash and cash equivalents	1,204,692	1,753,788
A31990	Long-term prepaid rents	13,291	(9,195)	E00100	Cash and cash equivalents at beginning of period	11,541,615	9,787,827
A32130	Notes payable	14,473	942	E00200	Cash and cash equivalents at end of period	\$12,746,307	\$11,541,615
A32150	Accounts payable	10,050	101,197				
A32160	Accounts payable - related parties	-	(163)				
A32180	Other payables	73,374	411,866				
A32200	Provisions	(8)	302				
A32210	Unearned sales revenue	(11,246)	21,638				
A32230	Other current liabilities	(2,035)	(2,478)				
A32240	Accrued pension liabilities	(4,241)	(3,973)				
A33000	Cash generated from (used in) operations	7,717,811	7,688,412				
A33100	Interest received	90,561	93,723				
A33300	Interest paid	(55,519)	(57,162)				
A33500	Income tax paid	(814,278)	(837,885)				
AAAA	Net cash provided by (used in) operating activities	6,938,575	6,887,088				

(The accompanying notes are an integral part of the consolidated financial statements.)

## Attachment V

*(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)*

### Kinsus Interconnect Technology Corp.

#### Earnings Distribution Proposal

Year 2015

	(Unit: NTD\$)
Item	Amount
Beginning retained earnings	\$11,884,863,961
Add: Other comprehensive income (loss) in 2015	
-Actuarial gain/loss of defined benefit	(8,721,698)
Add: Net profit after tax in 2015	<u>2,903,952,243</u>
Distributable earnings	14,780,094,506
Less: 10% legal reserve	(290,395,224)
Dividend to shareholders (Cash\$3.5/Stock)	<u>(1,559,075,000)</u>
Subtotal	<u>(1,849,470,224)</u>
Unappropriated retained earnings	<u><u>\$12,930,624,282</u></u>

Chairman: Guo, Ming-Dong

General Manager: Chen, He-Xu

Chief Accountant: Liu, Su-Zhen

## **APPENDIX I**

*(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)*

### **Kinsus Interconnect Technology Corp. Rules of Procedure for Shareholder Meetings**

#### **Article 1**

Unless otherwise required by laws and regulations, the shareholders meeting of the Company shall be held in accordance with these Rules.

#### **Article 2**

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares present shall be calculated based on the attendance sheet or the attendance cards delivered.

#### **Article 3**

The attendance and voting at the shareholders meeting shall be calculated based on the shares.

#### **Article 4**

The place of the shareholders meeting shall be at the office of the Company or at a location convenient to the shareholders and suitable for convening a shareholders meeting. The time of the meeting may not be earlier than 9 a.m or later than 3 p.m.

#### **Article 4-1**

This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting

proxy forms shall also bring identification documents for verification.

#### **Article 5**

When the shareholders meeting was convened by the Board of Directors, the shareholders' meeting shall be presided by the Chairman of the Board of Directors. If the Chairman is absent or is unable to exercise the duties for certain reasons, the vice-Chairman shall act on his/her behalf. If the vice-Chairman is absent or is unable to exercise the duties for certain reasons, the Chairman may designate the managing director to act on his/her behalf; if there is no managing director, one of the directors may be designated to act on his/her behalf. Where the Chairman does not designate a proxy, the managing director or directors may elect a person among themselves to act on behalf of the Chairman. When the shareholders meeting was convened by other persons who have the convening right, the shareholders' meeting shall be presided by the convener. When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

#### **Article 6**

The Company may designate the attorneys, accountants or relevant personnel engaged to present in the shareholders meeting. The staffs handling the shareholders meeting shall wear identification cards or arm-band.

#### **Article 7**

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

## **Article 8**

Upon the starting time of the meeting, the chairman shall order the meeting to begin. However, where the shareholders present represent half or less than half of the total outstanding shares, the chairman may postpone the meeting for a total of two times. The postponed time may not in total exceed one hour. Where after two postponements, the shareholders present still do not meet the quorum but represent one-third or more of the total outstanding shares, a tentative resolution may be passed in accordance with Paragraph 1, Article 175 of the Company Act. If the shares present represent more than half of the total outstanding shares before the end of the meeting, the chairman may propose the tentative resolution to the shareholders meeting for voting in accordance with Article 174 of the Company Act.

## **Article 9**

If the shareholders meeting is convened by the Board of Directors, its agenda shall be stipulated by the Board of Directors, and the meeting shall be held in accordance with the agenda and may not be changed without the resolution of the shareholders meeting. When the shareholders meeting was convened by other persons who have the convening right, the above paragraph shall apply mutatis mutandis. Before the closing of the discussions (including provisional motions) stipulated in the agenda under the above two paragraphs, the chairman may not announce the adjournment of the meeting without resolution. After the adjournment of the meeting, the shareholders may not elect a chairman to continue the meeting at the original address or at another location.

## **Article 10**

Before a shareholder makes a statement, he/she must complete a statement slip stating the subject of the statement, the shareholder number (or attendance card number) and shareholder name, and the chairman shall determine the order of his/her statement. Where a shareholder present only completed a statement slip but did not make a statement, he/she will be deemed to not have made a statement. Where the statement made is inconsistent with that stated on the statement slip, the statement made will prevail. When a shareholder present makes a statement, the other shareholders may not make a statement and interfere, unless consent is obtained from the chairman and the shareholder making the statement. The chairman shall restrain such interfering shareholder.

**Article 11**

For each proposal, a shareholder may not make more than two statements, unless consent is obtained from the chairman. Each statement may not exceed five minutes. The chairman may restrain the shareholder from making the statement if he/she violates the above provisions or has exceeded the scope of the proposal.

**Article 12**

Where an institution is delegated to attend the shareholders meeting, it may only appoint one representative to attend.

Where the institution appoints two or more representatives to attend the shareholders meeting, only one person may make a statement for each proposal.

**Article 13**

After a shareholder makes a statement, the chairman may respond him/herself or designate a relevant person to respond.

**Article 14**

Where the chairman believes that the proposal discussed may be resolved, he/she may announce the ending of the discussion and propose that votes be made.

**Article 15**

If the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

**Article 16**

The personnel supervising and calculating the votes for the proposals shall be designated by the chairman, but the supervising personnel shall be a shareholder. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes and the numbers of votes with which they were

elected., shall be announced on-site at the meeting, and a record made of the vote.

#### **Article 17**

During the meeting, the chairman may announce recesses at his/her own discretion.

#### **Article 18**

Unless otherwise specified in the Company Act and the Articles of Incorporation, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present.

#### **Article 19**

When a proposal has an amendment or a replacement, the chairman may combine it with the original proposal and determine the order of resolution. If one of the proposals is resolved, the other proposals will be deemed as rejected and there is no need to make another resolution.

#### **Article 20**

The chairman may instruct the security officer to assist in maintaining the order of the meeting. The security officer shall wear an arm-band with the word "Security" when assisting in the maintenance of the order of the meeting.

#### **Article 21**

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

#### **Article 22**

These Rules and Procedures of Shareholders' Meeting were made on June 28, 2003. The first amendment was on June 17, 2013.

## **Appendix I I**

*(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)*

### **Articles of Incorporation of KINSUS INTERCONNECT TECHNOLOGY CORP.**

#### **CHAPTER 1 GENERAL PROVISIONS**

Article 1: This Company is incorporated under the Company Act, with the name of KINSUS INTERCONNECT TECHNOLOGY CORP, and the English name of KINSUS INTERCONNECT TECHNOLOGY CORP.

Article 2: The business scope of the Company is as following:

1. CC01080 Electronic Parts and Components Manufacturing
2. F119010 Wholesale of Electronic Materials
3. F219010 Retail Sale of Electronic Materials
4. I103010 Business operation and management consultation
5. CQ01010 Die Manufacturing
6. CC01990 Electrical Machinery, Supplies Manufacturing
7. CB01990 Other Machinery Manufacturing Not Elsewhere Classified
8. F401010 International Trade
9. ZZ99999 All business items that are not prohibited or restricted by laws and regulations, except for those subject to special approval.

Article 3: The Company has its head office in Taoyuan County, and the Company may establish branches in and out of this country.

Article 4: The method of the public announcement of the Company shall be made in accordance with Article 28 of the Company Act.

#### **CHAPTER II SHARES**

Article 5: The authorized capital of the Company is NTD 5,500,000,000, divided into 550,000,000 shares, at a par value of NTD 10 per share. The shares may be issued in installments, and the shares which have not been issued would be issued in installments pursuant to the resolution of board of directors.

Article 6: Share certificates of the Company shall be in registered form, signed or sealed by at least three directors, and issued after the authentication in accordance with laws. The issued shares may be exempted from printing any share certificate, provided that such issuance shall be duly registered or kept with the securities depository and clearing agent.

Article 7: The shareholders of the Company shall conduct shares related affairs or exercise other relevant rights in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies unless the laws, regulations or securities regulation rules provide otherwise.

Article 8: The shareholders' register shall be closed during 60 days prior to the date of an ordinary shareholders' meeting, 30 days prior to the date of an extraordinary shareholders' meeting, or five days period prior to the record dates for distribution of dividends, bonuses or other benefits of the Company.

### **CHAPTER III SHAREHOLDER'S MEETING**

Article 9: The shareholders' meeting of the Company is as following : Ordinary shareholders' meeting shall be convened within six months after close of each fiscal year by the branches. Extraordinary shareholders' meeting shall be convened when necessary in accordance with the relevant laws and regulations.

Article 10: When the shareholders meeting was convened by the Board of Directors, the shareholders' meeting shall be presided by the Chairman of the Board of Directors. If the Chairman is absent, the Chairman may designate one of the directors to act on his/her behalf. Where the Chairman does not designate a proxy, the directors may elect a person among themselves to act as the chairman of the meeting. When the shareholders meeting was convened by other persons who has the convening right, the shareholders' meeting shall be presided by the convener. When there are two or more conveners, the conveners shall elect among themselves to act as the chairman of the meeting.

Article 11: A notice to convene an ordinary meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date, and a notice to convene an extraordinary meeting of shareholders shall be given to each shareholder no later than 15 days prior to the scheduled meeting date. Such notice shall specify the meeting date, meeting venue, and proposed matters and be sent to the shareholders in writing.

Article 12: When a shareholder for any reasons cannot attend the shareholders' meeting in person, he/she/it may attend the meeting by proxy by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy.

Article 13: Except in the circumstances set forth in the Company Act where there is no voting right for a share, each shareholder of the Company shall have one vote for each share held.

Article 14: Unless otherwise specified in the Company Act, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present in person or through proxy, who represent more than one-half of the total number of voting shares. When the shareholders meeting was convened by the Board of Directors, it shall be handled in accordance with Article 183 of the Company Act.

### **CHAPTER IV DIRECTORS, AUDIT COMMITTEE AND MANAGERS**

Article 15: The Company set up five to nine directors with three-year term. The shareholders elect the directors from the people who have the capacity and the directors can be re-elected for next term. After the public offering of shares of the Company, the ratio of the shares owned by its directors and supervisors to all total shares shall be in compliance with the provisions set by the securities regulatory authorities.

Article 15-1: The Company may have independent directors within the aforementioned number of directors and the number of independent directors shall be no less than one-fifth of the total number of directors and shall not be less than two(2). The election of independent directors shall adopt the candidate nomination system, and the shareholders shall elect the independent directors from the list of the candidates of the independent directors. The professional qualifications, shareholdings, restrictions on concurrent position, nomination, and other compliance matters shall be handled in accordance with relevant regulations of the securities authorities.

Article 15-2: Pursuant to Article 14 -4 of the Securities and Exchange Act, the Company shall establish an Audit Committee. The Audit Committee shall be composed of the entire number of Independent Directors.

Article 16: The board of directors is composed of directors. The functions and responsibilities of the board of directors shall be as follows:

1. To determine the business plans and financial statements,
2. To propose distribution of profit or appropriation of losses,
3. To propose capital increase or decrease,
4. To enact important rules and organizational regulations of the Company,
5. To engage and terminate the general manager and principal manager of the Company,
6. To determine the establishment and winding-up of branches,
7. To produce the budget and the final accounts, and
8. To perform other duties authorized by the Company Act or the resolution of the shareholders' meeting(s).

Article 17: The Chairman will be elected from among directors by a majority vote at a board meeting at which at least two-thirds (2/3) of directors are present. The Chairman shall be the representative of the Company externally.

Article 18: Convening the board meeting shall be handled in accordance with Article 204 of the Company Act. In order to convene the board meeting, notice may be made by written notice, e-mail or fax. Unless otherwise provided for in the Company Act, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

Article 19: The Chairman will preside at the board meetings. If the Chairman is on leave or unable to perform his/her duties, the Chairman may designate one of the directors to act on his/her behalf. Where the Chairman does not designate a proxy, the directors may elect a person among themselves to act as the chairman of the meeting. The directors shall personally attend the board meeting, and if the directors cannot attend the board meeting for certain reasons, he/she may appoint another director as his/her proxy. The board meeting may be convened via video conference, and the directors who attend the board meeting via video conference shall be deemed to have attended the meeting in person. The Chairman appoint another director as his/her proxy each time with a power of attorney stating the scope of authority with reference to the subjects to be discussed at the meeting and powers granted; provided that a director may act as the proxy for only one another director.

Article 20: The authority of the Audit Committee and the other compliance issues shall be made according to the Securities and Exchange Act and other relevant laws and regulations.

Article 21; The Company may have various managers. The appointment, discharge and the remuneration of the managers shall be handled in accordance with Article 29 of the Company Act.

## **CHAPTER V ACCOUNTING**

Article 22: The fiscal year of the Company commences from January 1 to December Final accounts shall be handled at the end of each fiscal year.

Article 23: After the end of each fiscal year, the following documents and statements should be approved by the board of directors, and then submit the same to the ordinary shareholders' meeting for recognition:

1. Business Report,
2. Financial Statements, and
3. Proposal for distribution of profit or appropriation of losses

Article 24: The Company, if making profits in current year, shall distribute the earnings in the following order:

1. Payment of all taxes and dues;
2. Offset prior years' operation losses;
3. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
4. Set aside or reverse special reserve in accordance with law and regulations;
5. Directors' compensation after deduct 1 to 4, aside 1%
6. Bonus to employees not less than total employees and shareholders dividend's 1%.  
Bonus to employees can be distributed in cash or stocks. The parties receiving the stock dividends shall include employees in affiliated companies who met certain conditions stipulated by the Board of Directors.
7. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The Company is in an industry with versatile environment. For long-term finance planning requirements and to meet the shareholders' demand for cash, dividend policy aims for a steady balance. Cash dividends distributed each year cannot be less than 10% of the total dividends paid.

The Company hereby authorizes its board of directors to propose the directors' remuneration in considering the directors' involvement and contribution in the Company's operations. In addition, During the directors' term, the Company shall buy sufficient insurance for all its directors to cover the legal liability that might incur in mal-practice of its Company's business.

## **ARTICLE VI SUPPLEMENTARY PROVISIONS**

Article 25: The Company is allowed to make investment in an amount exceeding 40% of its paid-in capital and authorizes the Board of directors to execute the investment.

Article 25-1: The Company may provide guarantee as necessary for the business.

Article 26: The organizational rules and operating rules of the Company shall be enacted separately by the Board of Directors remuneration.

Article 27: If there is any matter not covered herein, the Company Act and the relevant laws and regulations shall govern.

Article 28: The Article was agreed by all the promoters in founder's meeting in September 1, 2000. The first revised was June 28, 2003. The second revised was August 26, 2003. The third revised was April 16, 2004. The fourth time revised was April 16, 2004. The fifth time revised was June 14, 2005. The sixth time revised was June 14, 2005. The seventh revised was June 19, 2006. The eighth revised was May 30, 2007. The ninth revised was May 30, 2008. The tenth revised was June 18, 2010. The eleventh revised was June 22, 2011. The twelfth revised was May 18, 2012.

### **Appendix III**

*(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)*

## **Shareholding of Directors and Supervisors**

1. The paid-in capital of the Company is NTD\$ 4,460,000,000, with a total of 446,000,000 outstanding shares.
2. According to Article 26 of the Securities and Exchange Act, the minimum number of shares to be held by the entire directors is 16,000,000 shares.
3. As of the date for suspending the share transfer for this shareholders meeting, the shareholding of each individual and entire directors stipulated in the shareholders roster is as follows:

Book closure date: March 29, 2016

Position	Name	Shareholding while elected		Current shareholding	
		Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)
Chairman	Guo, Ming-Dong	1,179,795	0.26%	1,169,795	0.26%
Director	Tong, Zi-Xian	200,000	0.04%	200,000	0.04%
Director	LU, JING	1,151,607	0.26%	1,141,607	0.26%
Director	Asustek Investment Co. Ltd. Representative: Su, Shanon	58,233,091	13.06%	58,233,091	13.06%
Director	Asuspover Investment Co. Ltd. Representative: Wu, Shaing	55,556,221	12.46%	55,556,221	12.46%
Director	Cheng, Zhong-Ren	-	-	-	-
Independent Director	Chen, Jin-Cxi	-	-	-	-
Independent Director	Huang, Chuan-Bao	-	-	-	-
Independent Director	Wu, Hui-Huang	-	-	-	-
Total		116,320,714	26.08%	116,300,714	26.08%

Remark; The Company has set up Audit Committee and, accordingly, no supervisor is needed.

## **Appendix IV**

*(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)*

### **Other Explanation Item**

1. The acceptance of the shareholders' proposals for the shareholders meeting this year:
  - (a) According to Article 172-1 of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a shareholders' general meeting.
  - (b) The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and more than one proposal or any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting.
  - (c) The period for acceptance of shareholders' proposal: From March 22, 2016 to March 31, 2016; the information has been announced on the Market Observation Post System.
  - (d) The Company did not receive any shareholders' proposal during the aforesaid period.