

KINSUS INTERCONNECT TECHNOLOGY CORP. Minutes for the 2017 of Annual Meeting of Shareholders

- | Time: 9:00 a.m., May 26th (Friday), 2017
- | Place: No. 1245, ZhongHua Rd., XinWu Dist., Taoyuan City
(Kinsus Shih-Lei plant, staff canteen)
- | Total outstanding Kinsus shares: 446,000,000 shares. Total Kinsus shares with voting rights: 445,450,000 shares
- | Total shares held by shareholders presented in person or by proxy: 340,102,737 shares (including electronic votes (“e-votes”) of 332,136,388 shares.)
- | Percentage of shares held by shareholders presented in person or by proxy: 76.35%
- | Chairman: Guo, Ming-Dong, the Chairman
- | Attending Directors:
 - Mr. Guo, Ming-Dong,
 - Mr. Tong, Zi-Xian,
 - Ms. Wu, Shiang-Siang,
 - Ms. Su, Yan-Xue,
 - Mr. Cheng, Zhong-Ren,
 - Mr. Chen, Jin-Cai,
 - Mr. Huang, Chuan-Bao,
 - Mr. Wu, Hui-Huang,
- | Other attendants:
 - Mr. Hong, Mao-Yi, CPA, Ernst & Young
 - Mr. Huang, Yi-Hui, CPA, Ernst & Young
 - Ms. Yang, Shiou-Yuan, Lawyer
- | Meeting Recorder: Ms. Liu, Su-Zhen

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting ot order.

- | Chairman’s Opening Statement (omitted)

I. Items To Be Reported

1. The 2016 Business Report

Explanatory Notes: Please refer to Attachment I.

2. Audit Committee's Review Report on the 2016 Financial Statements

Explanatory Notes: Please refer to Attachment II.

3. To report the 2016 employees' and directors' compensation

Explanatory Notes:

- a. Based on the Company's Article of Incorporation, article#24, 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 2016 directors' and employees' compensation in amount of NT\$20,910,710 and NT\$343,533,107, respectively. All the payments will be in cash.
- c. These compensations have been reviewed by the Company's Compensation Committee and approved by the Board of Directors.

II. Items To Be Approved

1. To approve 2016 Business Report, Consolidated Financial Statements and Parent-Company-Only Financial Statements (Proposed by the Board of Directors)

Explanatory Notes:

The Company's Business Report (as shown in Attachment I to the Meeting Handbook), Consolidated Financial Statements and Parent-Company-Only Financial Statements (as shown in Attachment III to the Meeting Handbook) have been reviewed by Audit Committee and hereby proposed for the shareholders' approval. Among these documentations, the Parent-Company-Only Financial Statements and Consolidated Financial Statements have been audited by Ernst & Young.

Voting Results:

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
340,102,737 votes* (332,136,388 votes)	314,800,806 votes* (311,814,051 votes)	38,817 votes* (38,817 votes)	25,263,114 votes* (20,283,520 votes)	0 votes*
100.00%	92.56%	0.01%	7.43%	0.00%

*including e-votes (number in brackets)

2. To approve the proposal for 2016 earnings distribution (Proposed by the Board of Directors)

Explanatory Notes:

- a. The Company's retained earnings available for distribution total to NT\$15,163,370,576, which are calculated by adding 2016 net profits after tax of NT\$2,233,704,590 plus beginning retained earnings of NT\$12,930,624,282 but minus other comprehensive income (actuarial gains or losses on defined benefits plan) of NT\$(958,296). For earnings distribution purpose, legal reserve of NT\$223,370,459 and special reserve of NT\$613,195 shall be set aside. Total cash dividends of NT\$1,336,350,000 are hereby proposed for distributed to shareholders. Dividend per share (all in cash) is accounted for at NT\$3 per share.
- b. Earnings distribution schedule has been reviewed and agreed by the Board and Directors and is shown in Attachment IV to the Meeting Handbook.
- 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.

Voting Results:

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
340,102,737 votes* (332,136,388 votes)	315,287,806 votes* (312,301,051 votes)	39,822 votes* (39,822 votes)	24,775,109 votes* (19,795,515 votes)	0 votes*
100.00%	92.70%	0.01%	7.29%	0.00%

*including e-votes (number in brackets)

III. Items To Be Discussed and Resolved and The Election

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

Explanatory Notes:

- a. The Amendment is based on the Company's operating need.
- b. For comparison for amendment to the Article of Incorporation, please refer to Attachment V.
- c. Please proceed to discuss and resolve it.

Voting Results:

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
340,102,737 votes* (332,136,388 votes)	299,612,806 votes* (296,626,051 votes)	40,817 votes* (40,817 votes)	40,449,114 votes* (35,469,520 votes)	0 votes*
100.00%	88.10%	0.01%	11.89%	0.00%

*including e-votes (number in brackets)

2. Amendment to the Company's Practice Guidance for Loaning to Others (Proposed by the Board of Directors)

Explanatory Notes:

- The Amendment is based on amended Article 14 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.
- The amendment has been reviewed by the Company's Audit Committee.
- For comparison for amendment to the Company's Practice Guidance for Loaning to Others, please refer to Attachment VI.
- Please proceed to discuss and resolve it.

Voting Results:

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
340,102,737 votes* (332,136,388 votes)	298,323,536 votes* (295,336,781 votes)	48,092 votes* (48,092 votes)	41,731,109 votes* (36,751,515 votes)	0 votes*
100.00%	87.72%	0.01%	12.27%	0.00%

*including e-votes (number in brackets)

3. Amendment to the Company's Practice Guidance for Providing Endorsement / Guarantee (Proposed by the Board of Directors)

Explanatory Notes:

- The Amendment is based on amended Article 5 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.
- The amendment has been reviewed by the Company's Audit Committee.
- For comparison for amendment to the Company's Practice Guidance for Providing Endorsement /Guarantee, please refer to Attachment VII.
- Please proceed to discuss and resolve it.

Voting Results:

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
340,102,737 votes* (332,136,388 votes)	298,332,811 votes* (295,346,056 votes)	40,817 votes* (40,817 votes)	41,729,109 votes* (36,749,515 votes)	0 votes*
100.00%	87.72%	0.01%	12.27%	0.00%

*including e-votes (number in brackets)

4. Amendment to the Company's Procedures for Acquisition or Disposal of Assets
(Proposed by the Board of Directors)

Explanatory Notes:

- a. 1. The Amendment is based on FSC's Order #1060001296 announced on Feb. 9, 2017 and the Company's practical need.
- b. The amendment has been reviewed by the Company's Audit Committee.
- c. For comparison for amendment to the Company's Procedures for Acquisition or Disposal of Assets, please refer to Attachment VIII.
- d. Please proceed to discuss and resolve it.

Voting Results:

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
340,102,737 votes* (332,136,388 votes)	298,331,806 votes* (295,345,051 votes)	41,822 votes* (41,822 votes)	41,729,109 votes* (36,749,515 votes)	0 votes*
100.00%	87.72%	0.01%	12.27%	0.00%

*including e-votes (number in brackets)

5. By-electing the Company's Director (Proposed by the Board of Directors)

Explanatory Notes:

- a. The 2017 annual shareholders' meeting is to conduct the by-election due to a resignation of one of the Company's directors. The newly elected director will be engaged immediately after the completion of by-election with a term from May 26, 2017 to June 10, 2018, the same expiration date for other existing directors.
- b. The election shall adopt the candidate nomination system in accordance with the Articles of Incorporation. The Company has examined and approved the qualification of candidates in the board meeting held on March 30, 2017. The related information of candidate is specified hereunder.

Candidate's Name: Mr. Ho-Shu Chen

Education: Physics/Qinghua University

Experiences: General Manager of Kinsus Interconnect Technology and
Production Manager of Motorola

Current Positions: The general manager of Kinsus Interconnect Technology,
director of Pegavision Corporation and director of FuYang
Technology Corp.

Current Shareholding: 361,002 shares

Voting Results:

Position	Shareholder Account No.	Shareholder Name	Votes
Director	17	Mr. Ho-Shu Chen	253,678,616 votes

6. To release the newly by-elected director from prohibition of non-compete (Proposed by the Board of Directors)

Explanatory Notes:

- Pursuant to Article#209 of the Company Act, a director engaging either for himself or on behalf of another person, in the activities that are within the scope of the Company's business shall report to and acquire an approval from the shareholders' meeting.
- In the presumption that the newly-elected director's behavior will not cause any harm to the Company, it is hereby proposed to release him from the prohibition of non-complete.

Voting Results:

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
340,102,737 votes* (332,136,388 votes)	239,248,597 votes* (236,259,842 votes)	50,400,067 votes* (50,400,067 votes)	50,454,073 votes* (45,476,479 votes)	0 votes*
100.00%	83.87%	0.00%	16.13%	0.00%

*including e-votes(number in brackets)

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.)

2016 Business Report

1. 2016 Business Report

The Company's business performance was not good as prior year for the first half of 2016 due to the overall atmosphere of semi-conductor industry mainly focusing merely on disposing the existing inventory. While the level of stock has been reduced and needed to be replenished, the sale revenue of semi-conductor industry was enhanced for the second half of 2016 because of the improvement in products demand and sale price. Overall, worldwide 2016 semi-conductor revenue totaled to US\$339.684 billion, which was about flat compared to US\$334.768 billion, according to a result of research conducted by Gartner.

The growth from telecommunication market in 2016 has been offset by the recession from PC market. Revenue of wireless telecommunication grew 9.6%, mainly driven by the growth of smartphones and memory products. However, the semi-conductor market related to PC and Tablet was suffering a recession at a rate of 8.3%. Many countries have been taking actions to maintain economy development by adopting the "easymoney policy" to build up an easy financial environment and conducting finance restructures. However, these actions seem to come to an end when FED decides to raise the interest rates starting the end of 2016 and expects to raise them 3 times during 2017. Moreover, although the remaining problems from global financial crisis have been resolved, certain structure problems, including aging population, long-term insufficient investment in capital, low-speedy technology innovation, and decline in ambition and enthusiasm, still exist and reduce the potential of global economy growth by influencing consumption and investment.

The Company's revenue in parent-company-only basis totaled to NT\$17,931,850 thousand in 2016, increased by 0.59% compared to NT\$17,827,251 thousand in 2015. Net income in parent-company-only basis was NT\$2,233,705 thousand in 2016, decreased by 23.08% compared to NT\$2,903,952 thousand in 2015. The Company's consolidated revenue totaled to NT\$23,165,066 thousand in 2016, increased by 0.45% compared to NT\$23,061,311 thousand in 2015. The consolidated net income was NT\$2,073,028 thousand in 2016, decreased by 24.05% compared to NT\$2,729,526 thousand in 2015. The Company expects to re-catch the growth in light of increasing significant investments in Shin-Fon Factory for capital expenditures and initial investment after organizational adjustments.

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

Account (In parent-company-only basis)	2016	2015	Growth Rate (%)
Operating revenues	17,931,850	17,827,251	0.59%
Gross profit	4,709,722	5,313,503	-11.36%
Operating income	2,691,712	3,509,636	-23.31%
Pre-tax income	2,627,932	3,347,502	-21.50%
Net income	2,233,705	2,903,952	-23.08%
Earnings per share (in NT\$)	5.01	6.51	

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

Account (In consolidated basis)	2016	2015	Growth Rate (%)
Operating revenues	23,165,066	23,061,311	0.45%
Gross profit	5,750,545	5,961,602	-3.54%
Operating income	2,589,772	3,063,724	-15.47%
Pre-tax income	2,569,458	3,205,248	-19.84%
Net income	2,073,028	2,729,526	-24.05%
Net income/loss attributable to:			
Shareholders of the parent	2,233,705	2,903,952	
Non-controlling interests	-160,677	-174,426	
Earnings per share (In NT\$)	5.01	6.51	

2. Summary of 2017 business plan:

(1) Business Policy

Since the Company's establishment, we have been upholding the principle of "Satisfying Customers and 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 to benefit our shareholders under the intense competition.

(2) 2017 Expected Sales and Its Sources

For 2017, Deutsche Bank expects that there will be 10% growth in the Data Center market, 9% in automotive, 7% in communications, and 4% in consumer and industrial markets. WSTS highlights that memory and sensor products would be the major chip products to bring semiconductor industry for growing. While, International Business Strategies expect that Data Center and automotive will be the major strengths for growth in 2017.

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, the compound annual growth rate of IOT appliance will be up to 30%. The future business opportunity is infinitive. Kinsus' fastest-growing products such as SiP substrates, FCCSP substrates, embedded high-density substrates are exactly the well-preparation for the industrial trend.

However, we have to be cautious that the variety of handheld devices. The market of semiconductor remains stable due to speedy shift to smartphone and 4G LTE. However, the yearly sale growth probably slows down due to the trend of high-end but low-price of products.

(3) Significant Production and Marketing Policy

- A. 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.
- B. 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.
- C. We will maintain the partnerships with the advanced wafer 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. Company development strategy

The components of portable and wearable devices miniature trend will continue. The demand on related SiP substrate, FCCSP substrates and 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

CEO:Chen, Ho-Shu

Chief Accountant:Liu, Su-Zhen

Attachment II

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

Kinsus Interconnect Technology Corp.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2016 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 the audit reports relating to the Financial Statements have been granted. The Business Report, Financial Statements, and earnings distribution proposal have been reviewed 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 the review report to the Company's shareholders.

Kinsus Interconnect Technology Corp.

Chairman of the Audit Committee: Jin-Cai Chen

March 30th, 2017

Attachment III

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.

Opinion

We have audited the accompanying parent-company-only balance sheets of Kinsus Interconnect Technology Corp. (the “Company”) as of December 31, 2016 and 2015, and the related parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including the summary of significant accounting policies (together “the parent-company-only financial statements”).

In our opinion, based on the results of our audits and the report of other auditors (please refer to the Other Matter—Making Reference to the Audit of a Component Auditor section of our report), the parent-company-only financial statements referred to above present fairly, in all material respects, the parent-company-only financial position of the Company as of December 31, 2016 and 2015, and their parent-company-only financial performance 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.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Parent-Company-Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of parent-company-only financial statements for the year ended December 31, 2016. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's revenue amounting to NT\$17,931,850 thousand for the year ended December 31, 2016 is a significant account to the Company's financial statements. The Company has conducted these sale activities in multi-marketplace, including Taiwan, China, USA, etc. Among these locations, it has established hub-warehouse for certain foreign customers' convenience. Furthermore, variety of sale terms and conditions enacted in its main sale contracts or sale orders contributed to the complexity for the Company to decide the appropriate timing of transfer the risk of ownership and return of goods to the buyers. We therefore conclude that there are significant risks with respect to the topic of revenue recognition.

Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition, particularly those controls for shipment to or from foreign warehouses, obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the accounting for revenue recognition with sale agreement or orders, performing analytical review procedures on monthly sale revenues, and executing sale cut-off tests, etc.

We have also evaluated the appropriateness of the related disclosure in Note 6 to the financial statements.

Related Party Transactions

The Company, to implement a plan of group operation, sold part of its operating equipment and machinery to FuYang Technology Corp., an associate investee accounted for under equity method indirectly, in amount of NT\$241,776 thousand. This transaction was accounted for as a significant, non-routine related party transaction during the year ended December 31, 2016. We therefore conclude that the transaction is one of the key audit matters.

Our audit procedures therefore include, but not limit to, obtaining the related mutual agreements in order to clarify the purpose, pricing and collection term of the transaction, evaluating and testing the effectiveness of the internal controls related to related party transactions established by the Company's management, including the approval flow authorized by board of directors or proper management and examination on the Company's compliance with the "Process Guidance for Acquiring or Disposing Assets".

We have also evaluated the appropriateness of the related disclosure in Note 7 to the financial statements.

Other Matter – Making Reference to the Audit of a Component Auditor

We did not audit the financial statements of FuYang Technology Corp., an indirectly invested associate accounted for under the equity method by the Company. The financial statements of FuYang Technology Corp. as of December 31, 2016 and for the year then ended were audited by other auditors, whose report thereon has been furnished to us. Our audit, insofar as it related to the investment in the associate accounted for under the equity method amounting to NT\$432,689 thousand as of December 31, 2016 representing 1.22% of the Company's total assets, the related shares of income before tax from the associate under the equity method for the year then ended amounting to NT\$(12,783) thousand representing (0.49)% of the Company's income before tax, and the related shares of other comprehensive income from the associate under the equity method for the year then ended amounting to NT\$(4,528) thousand representing 2.31% of the other comprehensive income, are based solely on the audit reports of other auditors.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent-company-only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent-Company-Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent-company-only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the accompanying notes, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2016 parent-company-only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young
February 8, 2017
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, 2016 and 2015
(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			2016		2015	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$9,833,450	28	\$10,998,903	30
1110	Financial assets at fair value through profit or loss	4, 6(2)	2,839,333	8	3,524,742	10
1147	Bond investments with no active market	4, 6(3)	423,057	1	423,057	1
1150	Notes receivable, net	4, 6(4)	3,030	-	1,835	-
1170	Accounts receivable, net	4, 6(5)	2,513,446	7	2,920,639	8
1180	Accounts receivable - related parties, net	4, 6(5), 7	33,730	-	21,759	-
1200	Other receivables		243,431	1	281,480	1
1210	Other receivables - related parties	7	314,027	1	7,489	-
1310	Inventories, net	4, 6(6)	1,318,258	4	1,317,749	4
1410	Prepayments		73,942	-	115,144	-
1470	Other current assets		29,811	-	72,238	-
11XX	Total current assets		<u>17,625,515</u>	<u>50</u>	<u>19,685,035</u>	<u>54</u>
	Non-current assets					
1550	Investment accounted for under equity method	4, 6(7)	3,778,285	10	3,610,796	10
1600	Property, plant and equipment, net	4, 6(8), 8, 9	11,947,782	34	10,309,220	29
1780	Intangible assets, net	4, 6(9)	5,208	-	9,869	-
1840	Deferred tax assets	4, 6(22)	9,593	-	9,593	-
1915	Prepayment for equipment	4, 6(8), 9	2,133,188	6	2,452,423	7
1995	Other non-current assets	6(10)	3,838	-	2,202	-
15XX	Total non-current assets		<u>17,877,894</u>	<u>50</u>	<u>16,394,103</u>	<u>46</u>
1XXX	Total Assets		<u>\$35,503,409</u>	<u>100</u>	<u>\$36,079,138</u>	<u>100</u>

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

Chairman: Ming-Dong Guo

CEO: Ho-Shu Chen

Head of Accounting: Su-Zhen Liu

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, 2016 and 2015
(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			2016		2015	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(11)	\$1,277,100	4	\$1,831,266	5
2150	Notes payable		43,498	-	49,834	-
2170	Accounts payable		1,074,861	3	1,049,302	3
2180	Accounts payable - related parties	7	207,877	1	428,877	1
2200	Other payables	6(12), 7	2,414,819	7	3,094,451	9
2230	Current income tax liabilities	4, 6(22)	469,126	1	541,841	2
2300	Other current liabilities	6(13)	324,358	1	329,589	1
21XX	Total current liabilities		<u>5,811,639</u>	<u>17</u>	<u>7,325,160</u>	<u>21</u>
	Non-current liabilities					
2540	Long-term loans	6(14), 8	788,700	2	288,860	1
2570	Deferred tax liabilities	4, 6(22)	351	-	39,834	-
2600	Other non-current liabilities	4, 6(15), 6(16)	33,009	-	34,148	-
25XX	Total non-current liabilities		<u>822,060</u>	<u>2</u>	<u>362,842</u>	<u>1</u>
2XXX	Total liabilities		<u>6,633,699</u>	<u>19</u>	<u>7,688,002</u>	<u>22</u>
	Equity					
3100	Capital	6(17)				
3110	Common stock		4,460,000	12	4,460,000	12
3200	Capital surplus	6(17)	5,939,819	17	5,939,819	16
3300	Retained earnings	6(17)				
3310	Legal capital reserve		3,340,018	9	3,049,623	8
3350	Unappropriated earnings		15,163,371	43	14,780,095	41
3400	Other components of equity		(613)	-	194,484	1
3500	Treasury Stock	6(17)	(32,885)	-	(32,885)	-
3XXX	Total equity		<u>28,869,710</u>	<u>81</u>	<u>28,391,136</u>	<u>78</u>
	Total liabilities and equity		<u>\$35,503,409</u>	<u>100</u>	<u>\$36,079,138</u>	<u>100</u>

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

Chairman: Ming-Dong Guo

CEO: Ho-Shu Chen

Head of Accounting: Su-Zhen Liu

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, 2016 and 2015

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

Code	Accounts	Notes	2016		2015	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(18), 7	\$17,931,850	100	\$17,827,251	100
5000	Operating costs	7	(13,222,128)	(74)	(12,513,748)	(70)
5900	Gross profit		4,709,722	26	5,313,503	30
6000	Operating expenses	7				
6100	Selling		(204,559)	(1)	(170,374)	(1)
6200	General and administrative		(859,383)	(5)	(620,887)	(3)
6300	Research and development		(954,068)	(5)	(1,012,606)	(6)
	Operating expenses total		(2,018,010)	(11)	(1,803,867)	(10)
6900	Operating income		2,691,712	15	3,509,636	20
7000	Non-operating income and expenses					
7010	Other income	6(20), 7	155,185	1	118,580	1
7020	Other gains and losses	6(20), 7	8,391	-	66,432	-
7050	Finance costs	6(20)	(27,776)	-	(21,360)	-
7070	Share of profit or loss of subsidiaries, associates and joint ventures		(199,580)	(1)	(325,786)	(2)
	Non-operating income and expense total		(63,780)	-	(162,134)	(1)
7900	Income from continuing operations before income tax		2,627,932	15	3,347,502	19
7950	Income tax	4, 6(22)	(394,227)	(3)	(443,550)	(3)
8200	Net income		2,233,705	12	2,903,952	16
8300	Other comprehensive income (loss)	6(21)				
8310	Item that may not be reclassified subsequently to profit or loss					
8311	Actuarial gain (loss) on defined benefit plans		(959)	-	(8,721)	-
8360	Items that may be reclassified subsequently to profit or loss					
8362	Unrealized gain (loss) on available-for-sale security		-	-	(24,694)	-
8370	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		(234,931)	(1)	(72,922)	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss		39,834	-	12,397	-
	Total other comprehensive income, net of tax		(196,056)	(1)	(93,940)	-
8500	Total comprehensive income		\$2,037,649	11	\$2,810,012	16
9750	Earnings per share - basic (in NT\$)	6(23)	\$5.01		\$6.51	
9850	Earnings per share - diluted (in NT\$)	6(23)	\$4.95		\$6.38	

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

Chairman: Ming-Dong Guo

CEO: Ho-Shu Chen

Head of Accounting: Su-Zhen Liu

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, 2016 and 2015
(Amounts Expressed in Thousands of New Taiwan Dollars)

	Items	Capital	Capital Surplus	Retained Earnings		Other Components of equity		Treasury Stock	
				Legal Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unrealized valuation gain (loss) on available-for-sale financial assets		
Code		3100	3200	3310	3350	3410	3425	3500	3XXX
A1	Balance as of January 1, 2015	\$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:								
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				(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 repurchased							(32,885)	(32,885)
A1	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
	Appropriation and distribution of 2015 earnings:								
B1	Legal reserve			290,395	(290,395)				-
B5	Cash dividends - common shares				(1,559,075)				(1,559,075)
D1	Net income (loss) for 2016				2,233,705				2,233,705
D3	Other comprehensive income (loss) for 2016				(959)	(195,097)	-		(196,056)
D5	Total comprehensive income	-	-	-	2,232,746	(195,097)	-	-	2,037,649
Z1	Balance as of December 31, 2016	\$4,460,000	\$5,939,819	\$3,340,018	\$15,163,371	\$(613)	\$-	\$(32,885)	\$28,869,710

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

NOTE: The employees' bonuses of NT\$343,533 and the directors' and supervisors' remuneration of NT\$20,911 thousand for the year ended December 31, 2016 had been deducted from comprehensive income for the year ended December 31, 2016.
The employees' bonuses of NT\$442,444 and the directors' and supervisors' remuneration of NT\$26,026 thousand for the year ended December 31, 2015 had been deducted from comprehensive income for the year ended December 31, 2015.

Chairman: Ming-Dong Guo

CEO: Ho-Shu Chen

Head of Accounting: Su-Zhen Liu

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, 2016 and 2015

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2016	2015	Code	Items	2016	2015
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$2,627,932	\$3,347,502	B00400	Disposal of available-for-sale financial assets	-	46,520
A20000	Adjustments:			B00600	Acquisition of bond investments for which no active market exists	-	(3,057)
A20010	Profit or loss not effecting cash flows:			B01800	Acquisition of investment accounted for under equity method	(602,000)	-
A20100	Depreciation	2,259,944	1,953,230	B02700	Acquisition of property, plant and equipment	(4,255,307)	(4,172,476)
A20200	Amortization	19,197	26,086	B02800	Proceeds from disposal of property, plant and equipment	241,776	5
A20300	Bad debt expense (gain on recovery)	4,289	(17,179)	B03800	Decrease (increase) in refundable deposits	(1,636)	3,145
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(10,159)	(24,447)	B04500	Acquisition of intangible assets	(14,536)	(24,028)
A20900	Interest expense	27,776	21,360	BBBB	Net cash provided by (used in) investing activities	(4,631,703)	(4,149,891)
A21200	Interest income	(62,885)	(76,970)				
A22300	Share of profit or loss of subsidiaries, associates and joint ventures	199,580	325,786	CCCC	Cash flows from financing activities:		
A22500	Gain on disposal of property, plant and equipment	451	(5)	C00100	Increase in (repayment of) short-term loans	(554,166)	1,100,468
A22500	Loss on disposal of property, plant and equipment	-	725	C01600	Increase in long-term loans	800,000	-
A23100	Gain on disposal of investment	-	(30,845)	C01700	Repayment of long-term loans	(303,111)	(339,432)
A23700	Impairment loss of non-financial asset	17,100	-	C03000	Increase in guarantee deposits received	2,000	-
A30000	Changes in operating assets and liabilities:			C04500	Payment of cash dividends	(1,559,075)	(1,784,000)
A31110	Financial Assets at fair value through profit or loss	695,568	1,581,283	C04900	Treasury stock purchased	-	(32,885)
A31130	Notes receivable	(1,195)	2,523	CCCC	Net cash provided by (used in) financing activities	(1,614,352)	(1,055,849)
A31150	Accounts receivable	402,904	(499,791)				
A31160	Accounts receivable - related parties	(11,971)	(20,751)	EEEE	Net Increase (decrease) in cash and cash equivalents	(1,165,453)	916,599
A31180	Other receivable	37,350	110,843	E00100	Cash and cash equivalents at beginning of period	10,998,903	10,082,304
A31190	Other receivable - related parties	(306,538)	1,708	E00200	Cash and cash equivalents at end of period	\$9,833,450	\$10,998,903
A31200	Inventories	(509)	4,075				
A31230	Prepayment	41,202	(38,824)				
A31240	Other current assets	42,427	(24,680)				
A32130	Notes payable	(6,336)	9,970				
A32150	Accounts payable	25,559	122,233				
A32160	Accounts payable - related parties	(221,000)	181,562				
A32180	Other payable	(262,715)	(77,360)				
A32210	Advance receipts	760	(1,126)				
A32230	Other current liabilities	(3,040)	254				
A32240	Net pension liability under defined benefit plan	(4,098)	(4,241)				
A33000	Cash generated from operations	5,511,593	6,872,921				
A33100	Interest received	63,584	77,349				
A33300	Interest paid	(27,984)	(21,073)				
A33500	Income tax paid	(466,591)	(806,858)				
AAAA	Net cash provided by (used in) operating activities	5,080,602	6,122,339				

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

Chairman: Ming-Dong Guo

CEO: Ho-Shu Chen

Head of Accounting: Su-Zhen Liu

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, 2016 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 Financial Reporting Standard No. 10, “Consolidated 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 8th, 2017

English Translation of Financial Statements and a Report Originally Issued in Chinese
REPORT OF INDEPENDENT AUDITORS

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

Opinion

We have audited the accompanying consolidated balance sheets of Kinsus Interconnect Technology Corp. (the “Company”) and its subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditor (please refer to the Other Matter – Making Reference to the Audit of a Component Auditor section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2016 and 2015, and their consolidated financial performance 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 and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2016 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's consolidated revenue amounting to NT\$23,165,066 thousand for the year ended December 31, 2016 is a significant account to the Company's consolidated financial statements. The Company and its subsidiaries have conducted these sale activities in multi-marketplace, including Taiwan, China, USA, etc. Among these locations, the Company and its subsidiaries have established hub-warehouse for certain foreign customers' convenience. Furthermore, variety of sale terms and conditions enacted in the main sale contracts or sale orders contributed to the complexity for the Company and its subsidiaries to decide the appropriate timing of transfer the risk of ownership and return of goods to the buyers. We therefore conclude that there are significant risks with respect to the topic of revenue recognition.

Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition, particularly those controls for shipment to or from foreign warehouses, obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the accounting for revenue recognition with sale agreement or orders, performing analytical review procedures on monthly sale revenues, and executing sale cut-off tests, etc.

We have also evaluated the appropriateness of the related disclosure in Note 6 to the consolidated financial statements.

Related Party Transactions

The Company and its subsidiaries, to implement a plan of group operation, sold part of its operating equipment and machinery to FuYang Technology Corp., an associate investee accounted for under equity method, in amount of NT\$241,776 thousand. This transaction was accounted for as a significant, non-routine related party transaction during the year ended December 31, 2016. We therefore conclude that the transaction is one of the key audit matters.

Our audit procedures therefore include, but not limit to, obtaining the related mutual agreements in order to clarify the purpose, pricing and collection term of the transaction, evaluating and testing the effectiveness of the internal controls related to related party transactions established by the Company's management, including the approval flow authorized by board of directors or proper management and examination on the Company and its subsidiaries' compliance with the "Process Guidance for Acquiring or Disposing Assets".

We have also evaluated the appropriateness of the related disclosure in Note 7 to the consolidated financial statements.

Other Matter – Making Reference to the Audit of a Component Auditor

We did not audit the financial statements of FuYang Technology Corp., an invested associate accounted for under the equity method. The financial statements of FuYang Technology Corp. as of December 31, 2016 and for the year then ended were audited by other auditors, whose report thereon has been furnished to us. Our audit, insofar as it related to the investment in the associate accounted for under the equity method amounting to NT\$432,689 thousand as of December 31, 2016 representing 1.05% of the Company's consolidated total assets, the related shares of income before tax from the associate under the equity method for the year then ended amounting to NT\$(12,783) thousand representing (0.50)% of the Company's consolidated income before tax, and the related shares of other comprehensive income from the associate under the equity method for the year then ended amounting to NT\$(4,528) thousand representing 1.38% of the consolidated other comprehensive income, are based solely on the audit reports of other auditors.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance 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 or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2016 consolidated financial statements and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young
February 8, 2017
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, 2016 and 2015

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			2016		2015	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$11,212,646	27	\$12,746,307	30
1110	Financial assets at fair value through profit or loss	4, 6(2)	3,268,435	8	3,536,370	8
1147	Bond investments with no active market	4, 6(3), 8	423,057	1	428,112	1
1150	Notes receivable, net	4, 6(5)	3,030	-	1,835	-
1170	Accounts receivable, net	4, 6(6)	3,197,829	8	3,590,193	8
1180	Accounts receivable - related parties	4, 6(6), 7	399,736	1	248,909	1
1200	Other receivables		289,514	1	336,543	1
1210	Other receivables - related parties	7	307,646	1	2,081	-
1310	Inventories, net	4, 6(7)	2,258,244	5	2,285,436	5
1410	Prepayments		134,676	-	159,205	1
1470	Other current assets		120,742	-	136,377	-
11XX	Total current assets		<u>21,615,555</u>	<u>52</u>	<u>23,471,368</u>	<u>55</u>
	Non-current assets					
1543	Financial assets carried at cost	4, 6(4)	50,000	-	50,000	-
1550	Investment accounted for under equity method	4, 6(8)	432,689	1	-	-
1600	Property, plant and equipment, net	4, 6(9), 8	16,578,663	40	16,150,904	38
1780	Intangible assets	4, 6(10)	18,820	-	30,280	-
1840	Deferred income tax assets	4, 6(25)	9,882	-	9,880	-
1900	Other non-current assets	6(11), 7	295,385	1	318,785	1
1915	Prepayment for equipment	4, 6(9), 9	2,252,721	6	2,607,515	6
15XX	Total non-current assets		<u>19,638,160</u>	<u>48</u>	<u>19,167,364</u>	<u>45</u>
1XXX	Total Assets		<u>\$41,253,715</u>	<u>100</u>	<u>\$42,638,732</u>	<u>100</u>

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

Chairman: Ming-Dong Guo

CEO: Ho-Shu Chen

Head of Accounting: Su-Zhen Liu

Kinsus Interconnect Technology Corp. and Subsidiaries
Consolidated Balance Sheets-(Continued)
As of December 31, 2016 and 2015
(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			2016		2015	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(12)	\$2,228,478	6	\$3,095,030	7
2150	Notes payable		48,092	-	55,484	-
2170	Accounts payable		2,126,485	5	1,996,799	5
2180	Accounts payable - related parties	7	16,059	-	-	-
2200	Other payables	6(13), 7	3,021,801	7	3,932,762	9
2230	Current income tax liabilities	4, 6(25)	510,591	1	569,378	1
2250	Provisions	4, 6(14)	-	-	294	-
2300	Other current liabilities	6(15)	688,291	2	668,701	2
21XX	Total current liabilities		<u>8,639,797</u>	<u>21</u>	<u>10,318,448</u>	<u>24</u>
	Non-current liabilities					
2540	Long-term loans	6(16), 8	1,508,390	4	1,366,299	4
2570	Deferred income tax liabilities	4, 6(25)	631	-	40,190	-
2600	Other non-current liabilities	4, 6(17), 6(18)	90,128	-	85,994	-
25XX	Total non-current liabilities		<u>1,599,149</u>	<u>4</u>	<u>1,492,483</u>	<u>4</u>
2XXX	Total liabilities		<u>10,238,946</u>	<u>25</u>	<u>11,810,931</u>	<u>28</u>
31XX	Equity attributable to shareholders of the parent					
3100	Capital	6(19)				
3110	Common stock		4,460,000	11	4,460,000	10
3200	Capital surplus	6(19)	5,939,819	14	5,939,819	14
3300	Retained earnings	6(19)				
3310	Legal reserve		3,340,018	8	3,049,623	7
3350	Unappropriated earnings		15,163,371	37	14,780,095	35
3400	Other components of equity		(613)	-	194,484	-
3500	Treasury Stock	6(19)	(32,885)	-	(32,885)	-
36XX	Non-controlling interests	6(19)	2,145,059	5	2,436,665	6
3XXX	Total equity		<u>31,014,769</u>	<u>75</u>	<u>30,827,801</u>	<u>72</u>
	Total liabilities and equity		<u>\$41,253,715</u>	<u>100</u>	<u>\$42,638,732</u>	<u>100</u>

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

Chairman: Ming-Dong Guo

CEO: Ho-Shu Chen

Head of Accounting: Su-Zhen Liu

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, 2016 and 2015
(Amounts Expressed In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2016		2015	
			Amount	%	Amount	%
4000	Net revenue	4, 6(20), 7	\$23,165,066	100	\$23,061,311	100
5000	Cost of sale	7	(17,414,521)	(75)	(17,099,709)	(74)
5900	Gross profit		5,750,545	25	5,961,602	26
6000	Operating expenses	7				
6100	Sales and marketing		(509,185)	(2)	(437,849)	(2)
6200	General and administrative		(1,213,506)	(5)	(975,409)	(4)
6300	Research and development		(1,438,082)	(7)	(1,484,620)	(7)
	Total operating expenses		(3,160,773)	(14)	(2,897,878)	(13)
6900	Operating income		2,589,772	11	3,063,724	13
1310						
7000	Non-operating incomes and expenses					
7010	Other incomes	6(23), 7	195,672	1	309,476	1
7020	Other gains and losses	6(23)	(131,897)	(1)	(110,984)	-
7050	Finance costs	6(23)	(71,306)	-	(56,968)	-
7060	Share of profit or loss of associates and joint ventures	4, 6(8)	(12,783)	-	-	-
	Total non-operating incomes and expenses		(20,314)	-	141,524	1
7900	Income before income tax		2,569,458	11	3,205,248	14
7950	Income tax expense	4, 6(25)	(496,430)	(2)	(475,722)	(2)
8200	Net income		2,073,028	9	2,729,526	12
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		(959)	-	(8,721)	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences arising on translation of foreign operations		(361,332)	(1)	(116,596)	(1)
8362	Unrealized valuation gain (loss) on available-for-sale financial assets		-	-	(24,694)	-
8370	Share of profit or loss of associates and joint ventures		(4,528)	-	-	-
8399	Income tax related to items that may be reclassified subsequently to P/L		39,834	-	12,397	-
	Total other comprehensive income, net of tax		(326,985)	(1)	(137,614)	(1)
8500	Total comprehensive income		\$1,746,043	8	\$2,591,912	11
8600	Net income (loss) attributable to:					
8610	Shareholders of the parent		\$2,233,705	10	\$2,903,952	13
8620	Non-controlling interests		(160,677)	(1)	(174,426)	(1)
			\$2,073,028	9	\$2,729,526	12
8700	Total comprehensive income (loss) attributable to:					
8710	Shareholders of the parent		\$2,037,649	9	\$2,810,012	12
8720	Non-controlling interests		(291,606)	(1)	(218,100)	(1)
			\$1,746,043	8	\$2,591,912	11
9750	Earnings per share - basic (In NT\$)	6(26)	\$5.01		\$6.51	
9850	Earnings per share - diluted (In NT\$)	6(26)	\$4.95		\$6.38	

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

Chairman: Ming-Dong Guo

CEO: Ho-Shu Chen

Head of Accounting: Su-Zhen Liu

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, 2016 and 2015

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent								Non-controlling Interests	Total Equity
		Capital	Capital Surplus	Retained Earnings		Others		Treasury Stock	Total		
				Legal Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unrealized valuation gain (loss) on available-for-sale financial assets				
		3100	3200	3310	3350	3410	3425	3500	31XX	36XX	3XXX
A1	Balance as of January 1, 2015	\$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:										
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				(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)
A1	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
	Appropriation and distribution of 2015 earnings:										
B1	Legal reserve			290,395	(290,395)				-		-
B5	Cash dividends - common shares				(1,559,075)				(1,559,075)		(1,559,075)
D1	Net income (loss) for 2016				2,233,705				2,233,705	(160,677)	2,073,028
D3	Other comprehensive income (loss) for 2016				(959)	(195,097)			(196,056)	(130,929)	(326,985)
D5	Total comprehensive income	-	-	-	2,232,746	(195,097)	-	-	2,037,649	(291,606)	1,746,043
Z1	Balance as of December 31, 2016	\$4,460,000	\$5,939,819	\$3,340,018	\$15,163,371	\$(613)	\$-	\$(32,885)	\$28,869,710	\$2,145,059	\$31,014,769

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

Chairman: Ming-Dong Guo

CEO: Ho-Shu Chen

Head of Accounting: Su-Zhen Liu

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, 2016 and 2015

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	2016	2015	Code	Items	2016	2015
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$2,569,458	\$3,205,248	B00400	Disposal of available-for-sale financial assets	-	46,520
A20000	Adjustments:			B00700	Disposal of bond investments with no active market	5,055	35,715
A20010	Income and expense adjustments:			B01800	Acquisition of Investment accounted for under equity method	(450,000)	-
A20100	Depreciation	3,464,017	3,196,903	B02700	Acquisition of property, plant and equipment	(4,761,567)	(5,000,206)
A20200	Amortization	31,215	34,432	B02800	Disposal of property, plant and equipment	260,601	1,680
A20300	Bad debt expense (gain on recovery)	6,531	(19,603)	B03800	Decrease (increase) in refundable deposits	(4,813)	(363)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(10,653)	(55,431)	B04500	Acquisition of intangible assets	(20,457)	(44,806)
A20900	Interest expense	71,306	56,968	BBBB	Net cash provided by (used in) investing activities	(4,971,181)	(4,961,460)
A21200	Interest income	(72,471)	(86,116)				
A22300	Share of profit or loss of associates and joint ventures	12,783	-	CCCC	Cash flows from financing activities:		
A22500	Loss (gain) on disposal of property, plant and equipment	43,555	108,807	C00100	Increase in (repayment of) short-term loans	(866,552)	1,288,134
A23700	Impairment loss on non-financial assets	21,126	14,211	C01600	Increase in long-term loans	800,000	1,084,751
A30000	Changes in operating assets and liabilities:			C01700	Repayment of long-term loans	(694,292)	(1,310,123)
A31110	Financial assets at fair value through profit or loss	278,588	1,623,650	C03000	Increase (decrease) in deposits received	7,273	(29,106)
A31130	Notes receivable	(1,195)	4,417	C04500	Payment of cash dividends	(1,559,075)	(1,784,000)
A31150	Accounts receivable	386,860	(529,703)	C04900	Treasury stock purchased	-	(32,885)
A31160	Accounts receivable - related parties	(150,827)	187,497	CCCC	Net cash provided by (used in) financing activities	(2,312,646)	(783,229)
A31180	Other receivables	47,292	111,215				
A31190	Other receivables - related parties	(305,565)	(774)	DDDD	Effect of exchange rate changes	(2,510)	10,806
A31200	Inventories	27,192	(122,467)				
A31230	Prepayments	24,529	(60,704)	EEEE	Increase (decrease) in cash and cash equivalents	(1,533,661)	1,204,692
A31240	Other current assets	15,635	(44,397)	E00100	Cash and cash equivalents at beginning of period	12,746,307	11,541,615
A31990	Long-term prepaid rents	28,213	13,291	E00200	Cash and cash equivalents at end of period	\$11,212,646	\$12,746,307
A32130	Notes payable	(7,392)	14,473				
A32150	Accounts payable	129,686	10,050				
A32160	Accounts payable - related parties	16,059	-				
A32180	Other payables	(369,201)	73,374				
A32200	Provisions	(294)	(8)				
A32210	Unearned sales revenue	59,442	(11,246)				
A32230	Other current liabilities	(3,469)	(2,035)				
A32240	Accrued pension liabilities	(4,098)	(4,241)				
A33000	Cash generated from (used in) operations	6,308,322	7,717,811				
A33100	Interest received	72,140	90,561				
A33300	Interest paid	(72,842)	(55,519)				
A33500	Income tax paid	(554,944)	(814,278)				
AAAA	Net cash provided by (used in) operating activities	5,752,676	6,938,575				

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

Chairman: Ming-Dong Guo

CEO: Ho-Shu Chen

Head of Accounting: Su-Zhen Liu

Attachment IV

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

Kinsus Interconnect Technology Corp.
Earnings Distribution Proposal
For The Year Ended December 31, 2016

Item	Amount (In: NT\$)
Beginning retained earnings	\$12,930,624,282
Add: Other comprehensive income (loss) in 2016	
-Actuarial gain/loss of defined benefit	(958,296)
Add: Net profit after tax in 2016	<u>2,233,704,590</u>
Distributable earnings	15,163,370,576
Less: 10% legal reserve	(223,370,459)
Special reserve	(613,195)
Cash dividend to shareholders (NT\$3 per share)	<u>(1,336,350,000)</u>
Subtotal	<u>(1,560,333,654)</u>
Unappropriated retained earnings	<u><u>\$13,603,036,922</u></u>
 Total shares for dividend to be distributed	 445,450,000
<u>Calculation:</u>	
Paid-in capital: NT\$4,460,000,000, divided into 446,000,000 shares	
Minus: 550,000 shares (treasury stocks)	
Shares outstanding: 445,450,000 shares	

Chairman:Guo, Ming-Dong CEO:Chen, Ho-Shu Chief Accountant:Liu, Su-Zhen

ATTACHMENT V

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

Kinsus Interconnect Technology Corp.

Comparison for amendment to Articles of Incorporation

After amendment	Before amendment	Explanation
<p>Article 2: The Company which run as follows</p> <ol style="list-style-type: none"> 1. CC01080 Electronic Components Manufacturing 2. F119010 Electronic materials wholesale trade 3. F219010 Electronic Materials Retail 4. I103060 Management consultation 5. CQ01010 Mold Manufacturing 6. CC01990 Other electrical machinery and electronic equipment manufacturing 7. CB01990 Machinery Manufacturing 8. F401010 International trade <u>9. C801010 Chemical industry</u> <u>10. ZZ99999 In addition to the license business, an operating non decree prohibiting or restricting the business.</u> 	<p>Article 2: The Company which run as follows</p> <ol style="list-style-type: none"> 1. CC01080 Electronic Components Manufacturing 2. F119010 Electronic materials wholesale trade 3. F219010 Electronic Materials Retail 4. I103010 Business operation and management consultation 5. CQ01010 Mold Manufacturing 6. CC01990 Other electrical machinery and electronic equipment manufacturing 7. CB01990 Machinery Manufacturing 8. F401010 International trade <u>9. ZZ99999 In addition to the license business, an operating non decree prohibiting or restricting the business.</u> 	<p>In order to conform to the needs of commercial practice</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 June 18, 2012. The thirteenth revised was May 27, 2016. <u>The fourteenth revised was May 26, 2017.</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 June 18, 2012. The thirteenth revised was May 27, 2016.</p>	<p>Additional revision date.</p>

ATTACHMENT VI

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

Kinsus Interconnect Technology Corp.

Comparison amendment to

Practical Gridance for Lending to Others amendment table

After amendment	Before amendment	Explanation
<p>Article 4:</p> <p>The ceiling for agreegate and individual amount available for lending</p> <p>The ceiling for the aggregate amount for the Company to lending to others is 20% of the equity except otherwise regulated by authority. While, that for individual amount if for affiliates or subsidiaries is <u>10% of the equity based on the most recent financial statements</u> and the lower of the business transaction amount and 10% of the aggregate amount if for non-related parties with business transactions. The business transactions amount refers to the purchase amount or the sales amount of the goods between the parties, whichever is higher. When there is a lending for funding needs between offshore subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company, the ceilings for aggregate and individual amounts are 20% and 10% of the Company's equity, respectively, and leding period shall not exceed one year.</p>	<p>Article 4:</p> <p>The ceiling for agreegate and individual amount available for lending</p> <p>The ceiling for the aggregate amount for the Company to lending to others is 20% of the equity except otherwise regulated by authority. While, that for individual amount if for affiliates or subsidiaries is <u>50% of the Company's aggregate amount available for lending out</u> and the lower of the business transaction amount and 10% of the aggregate amount if for non-related parties with business transactions. The business transactions amount refers to the purchase amount or the sales amount of the goods between the parties, whichever is higher. When there is a lending for funding needs between offshore subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company, the ceilings for aggregate and individual amounts are 20% and 10% of the Company's equity, respectively, and leding period shall not exceed one year.</p>	<p>To be revised according to Article #14 of the "Practical Guidance for Public Company's Lending to Others and Endorsement/Guarantee" and practice needs.</p>
<p>Article 12:</p> <p>The practical guidance should be agreed by the audit committee, resolved by the meeting of Board of Directors and implemented after being proposed to shareholders for final approval. The procedures for amendment are the same. The enacted date was at May 15, 2002. The first revised was January 30, 2003. The second revised was June 16, 2009. The third</p>	<p>Article 12:</p> <p>The practical guidance should be agreed by the audit committee, resolved by the meeting of Board of Directors and implemented after being proposed to shareholders for final approval. The procedures for amendment are the same. The enacted date was at May 15, 2002. The first revised was January 30, 2003. The second revised was June 16, 2009. The third</p>	<p>Additional revision date.</p>

After amendment	Before amendment	Explanation
revised was June 18, 2010. The fourth time revised was June 18, 2012. The fifth time revised was June 17, 2013. The sixth time revised was June 19, 2014. <u>The seventh revised was May 26, 2017.</u>	revised was June 18, 2010. The fourth time revised was June 18, 2012. The fifth time revised was June 17, 2013. The sixth time revised was June 19, 2014.	

ATTACHMENT VII

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

Kinsus Interconnect Technology Corp. **Comparison for amendment to** **Practical Guidance for Endorsement & Guarantee**

After amendment	Before amendment	Explanation
<p>Article 4: Ceiling for Endorsement and Guarantee The aggregate amount of endorsement and guarantee provided by the Company shall not exceed 50% of the net worth of the Company's most recent financial statements. The total amount of the endorsement and guarantee provided to any individual company shall not exceed 20% of the net worth of the Company's most recent financial statements. <u>The endorsement and guarantee made between the subsidiaries, whose voting shares are at least 90% owned, directly or indirectly, by the Company, shall not exceed 10% of the net worth of the Company's most recent financial statements. However, this limitation shall not apply to the endorsement or guarantee made between subsidiaries in which the Company holds, directly or indirectly, 100% of the voting shares.</u></p> <p>The aggregate amount of endorsement and guarantee and the total amount to each individual company provided by the Company and/or its subsidiaries shall not exceed 60% and 30%, respectively, of the net worth of the Company's most recent financial statements.</p> <p>While, the endorsement or guarantee made for an entity with business transactions shall not exceed the lower of the business transactions amount or 10% of the total endorsement and guarantee amount that the Company makes for others.</p>	<p>Article4: Ceiling for Endorsement and Guarantee The aggregate amount of endorsement and guarantee provided by the Company shall not exceed 50% of the net worth of the Company's most recent financial statements. The total amount of the endorsement and guarantee provided to any individual company shall not exceed 20% of the net worth of the Company's most recent financial statements.</p> <p>The aggregate amount of endorsement and guarantee and the total amount to each individual company provided by the Company and/or its subsidiaries shall not exceed 60% and 30%, respectively, of the net worth of the Company's most recent financial statements.</p> <p>While, the endorsement or guarantee made for an entity with business transactions shall not exceed the lower of the business transactions amount or 10% of the total endorsement and guarantee amount that the Company makes for others.</p> <p>The business transaction amount refers to the purchase amount or sales amount of the goods between the parties, whichever is higher.</p> <p>The Company and subsidiaries shall report the necessity and reasonableness to the shareholders when the total endorsement and guarantee amount reaches 50% of the equity of the most recent financial statements.</p>	<p>To be revised according to Article #5 of the "Practical Guidance for Public Company's Lending to Others and Endorsement/ Guarantee".</p>

After amendment	Before amendment	Explanation
<p>The business transaction amount refers to the purchase amount or sales amount of the goods between the parties, whichever is higher.</p> <p>The Company and subsidiaries shall report the necessity and reasonableness to the shareholders when the total endorsement and guarantee amount reaches 50% of the equity of the most recent financial statements.</p>		
<p>Article 11: The practical guidance should be agreed by the audit committee, resolved by the meeting of Board of Directors and implemented after being proposed to shareholders for final approval. The procedures for amendment are the same. The enacted date was at May 15, 2002. The first revised was June 28, 2003. The second revised was June 19, 2006. The third revised was June 16, 2009. The fourth time revised was June 18, 2010. The fifth time revised was June 18, 2012. The sixth time revised was June 17, 2013. The seventh revised was June 19, 2014. <u>The eighth revised was May 26, 2017.</u></p>	<p>Article 11: The practical guidance should be agreed by the audit committee, resolved by the meeting of Board of Directors and implemented after being proposed to shareholders for final approval. The procedures for amendment are the same. The enacted date was at May 15, 2002. The first revised was June 28, 2003. The second revised was June 19, 2006. The third revised was June 16, 2009. The fourth time revised was June 18, 2010. The fifth time revised was June 18, 2012. The sixth time revised was June 17, 2013. The seventh revised was June 19, 2014.</p>	<p>Additional revision date.</p>

ATTACHMENT VIII

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

Kinsus Interconnect Technology Corp. Acquisition and disposal of assets amendment table

After amendment	Before amendment	Explanation
<p>Article 3:</p> <p>1. Investments in stocks, government bonds, corporate bonds, financial bonds, <u>securities representing interest in a fund</u>, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.</p> <p>2. ~8: Omit.</p>	<p>Article 3:</p> <p>1. Investments in stocks, government bonds, corporate bonds, financial bonds, <u>domestic beneficiary certificate, foreign mutual fund</u>, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.</p> <p>2. ~8: Omit.</p>	<p>According to “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, it is amended in accordance with Article #3-1.</p>
<p>Article 4:</p> <p>1. Omit.</p> <p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, paragraph 8 of the Company Act.</p> <p>3. Omit.</p> <p>4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.</p> <p>5. ~7: Omit.</p>	<p>Article 4:</p> <p>1. Omit.</p> <p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, paragraph 8 of the Company Act.</p> <p>3. Omit.</p> <p>4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.</p> <p>5. ~7: Omit.</p>	<p>Revised words.</p>

<p>Article 7: Procedures for acquisition or disposal of real estate or equipment.</p> <ol style="list-style-type: none"> 1. Omit. 2. Terms and conditions of the transaction and level of authorization <ol style="list-style-type: none"> (1) The transaction price of acquisition or disposal of real estate shall reference the publicly announced value, appraised price, and actual transaction price in neighboring area to determine conditions and price. Final transaction price shall be approved in accordance with the level of authorization. Where each transaction price exceeds 10% of the Company's net worth, <u>approval from the Audit Committee and a resolution of the Board of Directors.</u> (2) The transaction price of acquisition or disposal of equipment shall be determined either by price quotation, price comparison, price negotiation or tender. Final transaction price shall be approved in accordance with the level of authorization. Where each transaction price exceeds 10% of the Company's net worth, <u>an approval from Audit Committee and a resolution of the Board of Directors shall be obtained.</u> (3) <u>The chairman is authorized to review and approve any above-mentioned proposed agreement that needs resolution from the board meeting for sake of business need or efficiency. Such agreement shall also be proposed to the following board meeting for final adoption in</u> 	<p>Article 7: Procedures for acquisition or disposal of real estate or equipment.</p> <ol style="list-style-type: none"> 1. Omit. 2. Terms and conditions of the transaction and level of authorization <ol style="list-style-type: none"> (1) The transaction price of acquisition or disposal of real estate shall reference the publicly announced value, appraised price, and actual transaction price in neighboring area to determine conditions and price. Final transaction price shall be approved in accordance with the level of authorization. Where each transaction price exceeds 10% of the Company's net worth, <u>approval from board of directors shall be obtained.</u> (2) The transaction price of acquisition or disposal of equipment shall bedetermined either by price quotation, price comparison, price negotiation or tender. Final transaction price shall be approved in accordance with the level of authorization. Where each transaction price exceeds 10% of the Company's net worth, <u>approval from board of directors shall be obtained.</u> (3) <u>Any acquisition or disposal of assets mad according to the Procedures or the regaulations shall be agreed by a majority votes from audit committee and proposed to the board meeting for final approval. While two-thirds of votes from board meeting be needed if no majority vote from audit committee is obtained. Such resolution of audit committee shall be specified in the meeting minutes of board.</u> 	<ol style="list-style-type: none"> 1. To be revised based on practice needs. 2. Words to be moved.
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<p><u>a retroactive basis.</u></p> <p>3. Omit.</p> <p>4. (One word in Chinese changed.)</p>	<p>3. Omit.</p>	
<p>Article 8:</p> <p>Procedures for acquisition or disposal of securities investment</p> <p>1. Omit.</p> <p>2. Terms and conditions of the transaction and level of authorization</p> <p>(1) Where the securities are traded in the centralized exchanged markets, the trading price shall be approved in accordance with the level of authorization. If each transaction price exceeds 10% of the Company's paid-in capital, approval from the Audit Committee and a resolution of the Board of Directors shall be obtained.</p> <p>(2) Where the securities are traded in the non-centralized markets, the subject matter's most recent financial statements audited by CPA shall be obtained prior to the date of occurrence, and used as the reference of its transaction price for the considerations of its net value per share, profitability and future potential. <u>The transaction price shall be approved in accordance with the level of authorization. If each transaction amount exceeds 10% of the Company's paid-in capital, approval from the Audit Committee and a resolution of the Board of Directors shall be obtained. Financial instruments such as bonds with call and put options, security funds and currency based instruments are not restricted by preceding paragraph and shall be executed in accordance with the</u></p>	<p>Article 8:</p> <p>Procedures for acquisition or disposal of securities Investment</p> <p>1. Omit.</p> <p>2. Terms and conditions of the transaction and level of authorization</p> <p>(1) Where the securities are traded in the centralized exchanged markets, the trading price shall be approved in accordance with the level of authorization. <u>The General Manager is authorized to approve any transaction amounting to NT\$50,000,000 or below while such transaction shall be reported to the following board meeting as to its nature as well as the analysis of unrealized investment gain or loss. For any transaction in amount exceeding NT\$50,000,000, a pre-approval from borad meeting is needed.</u></p> <p>(2) Where the securities are traded in the non-centralized markets, the subject matter's most recent financial statements audited by CPA shall be obtained prior to the date of occurrence, and used as the reference of its transaction price for the considerations of its net value per share, profitability and future potential. <u>The general manager is authorized to approve any transaction amounting to NT\$300,000,000 or below while such transaction shall be reported to the following board meeting and executed in accordance with the level of authorization. For any</u></p>	<p>1. To be revised based on practice needs.</p> <p>2. Words to be moved.</p>

<p><u>level of authorization.</u></p> <p>3. The execution The Company's financial and accounting department is responsible for the execution regarding <u>the acquisition or disposal of marketable security</u> upon completion of procedures mentioned above.</p> <p>4. Omit.</p>	<p><u>transaction in amount exceeding NT\$300,000,000, either a pre-approval or an approval in a retroactive basis from board meeting is needed.</u></p> <p>(3) <u>Any acquisition or disposal of assets made according to the Procedures or the regulations shall be agreed by a majority votes from audit committee and proposed to the board meeting for final approval. While two-thirds of votes from board meeting be needed if no majority vote from audit committee is obtained. Such resolution of audit committee shall be specified in the meeting minutes of board.</u></p> <p>3. The execution The Company's financial and accounting department is responsible for the execution regarding the <u>investment in marketable security</u> upon completion of procedures mentioned above.</p> <p>4. Omit.</p>	
<p>Article 9: Procedures for related parties' transactions</p> <p>1. Omit.</p> <p>2. Evaluation and operating procedures When acquiring or disposing real estate with a related party regardless of its transaction price, or acquiring or disposing assets other than real estate with a related party for the transaction price over 20% of the Company's paid-in capital, 10% of the Company's total assets, NT\$300 million, except for buying/selling government bonds, bonds with call/put option, and money market funds <u>issued by domestic security/investment/trust institutions</u>, the transaction may not be proceeded until the following matters have been</p>	<p>Article 9: Procedures for related parties' transactions</p> <p>1. Omit.</p> <p>2. Evaluation and operating procedures When acquiring or disposing real estate with a related party regardless of its transaction price, or acquiring or disposing assets other than real estate with a related party for the transaction price over 20% of the Company's paid-in capital, 10% of the Company's total assets, NT\$300 million, except for buying/selling government bonds, bonds with call/put option, and <u>domestic</u> money market funds, the transaction may not be proceeded until the following matters have been approved by the Audit Committee and resolved by</p>	<p>To be revised based new definition by FSC.</p>

<p>approved by the Audit Committee and resolved by the Board of Directors. Contracts and payments shall only be signed and paid upon the approval from board of directors. When acquiring or disposing equipment for production purpose with a related party, board of directors can authorize the chairman to exercise the duty within the prescribed limit and report to the board of directors upon completion of the transactions.</p> <p>(1)~(7) Omit.</p> <p>3. Omit.</p>	<p>the Board of Directors. Contracts and payments shall only be signed and paid upon the approval from board of directors. When acquiring or disposing equipment for production purpose with a related party, board of directors can authorize the chairman to exercise the duty within the prescribed limit and report to the board of directors upon completion of the transactions.</p> <p>(1)~(7) Omit.</p> <p>3. Omit.</p>	
<p>Article 10: Procedures for acquisition or disposal of membership or intangible assets</p> <p>1. Omit.</p> <p>2. Terms and conditions of the transaction and level of authorization</p> <p>(1)~(2) Omit.</p> <p>3. Omit.</p> <p>4. CPA's opinion is required under the following circumstances</p> <p>(1) Where the transaction price of acquiring or disposing membership or intangible assets reaches 20% of the Company's paid-in capital or exceeds NT\$300 million, except for those transactions dealt with government <u>institutions</u>, CPA's opinion, in compliance with the Provisions of Statement of Auditing Standards No. 20 published by the ARDF, shall be obtained prior to the date of occurrence.</p> <p>(2) Omit</p>	<p>Article 10: Procedures for acquisition or disposal of membership or intangible assets</p> <p>1. Omit.</p> <p>2. Terms and conditions of the transaction and level of authorization</p> <p>(1)~(2) Omit.</p> <p>(3) <u>Any acquisition or disposal of assets made according to the Procedures or the regulations shall be agreed by a majority votes from audit committee and proposed to the board meeting for final approval. While two-thirds of votes from board meeting be needed if no majority vote from audit committee is obtained. Such resolution of audit committee shall be specified in the meeting minutes of board.</u></p> <p>3. Omit.</p> <p>4. CPA's opinion is required under the following circumstances</p> <p>(1) Where the transaction price of acquiring or disposing membership or intangible assets reaches 20% of the Company's paid-in capital or exceeds NT\$300 million, except for those transactions dealt with government, CPA's opinion, in</p>	<p>1. Revised words.</p> <p>2. Words to be moved.</p>

	<p>compliance with the Provisions of Statement of Auditing Standards No. 20 published by the ARDF, shall be obtained prior to the date of occurrence.</p> <p>(2) Omit</p>	
<p>Article 12: Procedures for acquisition or disposal of financial derivatives</p> <p>1. Trading principles and strategies (1)~(2) Omit. (3) Types of instrument A. financial department (a)~(c) omit. (d) Authorization for financial derivatives. a.~b. omit. B. ~D.omit</p> <p>2. ~5. Omit.</p>	<p>Article 12: Procedures for acquisition or disposal of financial derivatives</p> <p>1. Trading principles and strategies. (1)~(2) Omit. (3) Types of instrument A. financial department (a)~(c) omit. (d)Authorization for financial derivatives. a.~b. omit. c. <u>Any acquisition or disposal of assets mad according to the Procedures or the regaulations shall be agreed by a majority votes from audit committee and proposed to the board meeting for final approval. While two-thirds of votes from board meeting be needed if no majority vote from audit committee is obtained. Such resolution of audit committee shall be specified in the meeting minutes of board.</u></p> <p>B. ~D.Omit.</p> <p>2. ~5. Omit.</p>	<p>Words to be moved.</p>
<p>Article 13: Procedures for mergers, spin-off, acquisition and share transfer</p> <p>1. Evaluation and operating procedures (1) CPA, attorney, and securities underwriter shall be engaged to schedule project timetable and a</p>	<p>Article 13: Procedures for mergers, spin-off, acquisition and share transfer</p> <p>1. Evaluation and operating procedures (1) CPA, attorney, and securities underwriter shall be engaged to schedule project timetable and a task</p>	<p>1. To be revised based on consolidati on practical needs.</p> <p>2. Revised</p>

<p>task force shall be formed to execute the project according to statutory rules and regulations. Prior to convening the Board of Directors to resolve on the matter, a CPA, attorney, or securities underwriter shall give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage.</p> <p><u>The requirement for fairness reports from financial experts can be exempted when the acquisition or consolidation is made for the 100%-owned, directly or indirectly, subsidiaries or made between the 100%-owned, directly or indirectly, subsidiaries.</u></p> <p>(2) ~(3)Omit.</p> <p>2. Others</p> <p>(1) ~(5)Omit</p> <p>(6) Where any of the companies participating in a merger, spin-off, acquisition, or share transfer is not a public company, the Company shall sign an agreement with the counterparty whereby the latter is required to abide by the provisions of preceding paragraphs.</p> <p>(7) Omit.</p>	<p>force shall be formed to execute the project according to statutory rules and regulations. Prior to convening the Board of Directors to resolve on the matter, a CPA, attorney, or securities underwriter shall give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage.</p> <p>(2) ~(3)Omit.</p> <p>2. Others</p> <p>(1) ~(5)Omit</p> <p>(6) Where any of the companies participating in a merger, spin-off, acquisition, or share transfer is not a public company, the Company shall sign an agreement with the counterparty whereby the latter is required to abide by the provisions of preceding paragraphs.</p> <p>(7) Omit.</p>	<p>words.</p>
<p>Article 14: Procedures for public disclosure of information</p> <p>1. Disclosure items and standards</p> <p>(1) Acquisition or disposal of real estate with a related party regardless of its transaction price, or of assets other than real estate with a related party for the transaction price over</p>	<p>Article 14: Procedures for public disclosure of information</p> <p>1. Disclosure items and standards</p> <p>(1) Acquisition or disposal of real estate with a related party regardless of its transaction price, or of assets other than real estate with a related party for the transaction price over 20% of</p>	<p>To be revised based on a definition from FSC and practical needs.</p>

<p>20% of the Company's paid-in capital, 10% of the Company's total assets, NT\$300 million. Trading of government bonds or bonds with call or put options are excluded herein.</p> <p>(2) ~ (3) Omit.</p> <p>(4) Any transaction, other than those referred in the preceding three subparagraphs, such as disposal of receivables by a financial institution or investment in mainland China that reaches 20% of the Company's paid-in capital or exceeds NT\$300 million. However, the following circumstances shall not apply:</p> <p>A. Omit.</p> <p>B. Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, general corporate bonds or general financial bonds without equity issued/outstanding in domestic preliminary markets, or marketable securities subscribed by security companies due to the underwriting needs and being designated as underwriters in accordance with related regulations of Taipei Exchange.</p> <p>C. Trading of bonds under repurchase/resale agreements, buying/selling money market funds issued by domestic security/investment/trust institutions.</p> <p>D. ~ F. Omit</p> <p>(5) Omit.</p> <p>2. Omit.</p> <p>3. Disclosure procedures</p> <p>(1) ~ (2) Omit.</p>	<p>the Company's paid-in capital, 10% of the Company's total assets, NT\$300 million. Trading of government bonds or bonds with call or put options are excluded herein.</p> <p>(2) ~ (3) Omit.</p> <p>(4) Any transaction, other than those referred in the preceding three subparagraphs, such as disposal of receivables by a financial institution or investment in mainland China that reaches 20% of the Company's paid-in capital or exceeds NT\$300 million. However, the following circumstances shall not apply:</p> <p>A. Omit.</p> <p>B. Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, general corporate bonds or general financial bonds without equity issued/outstanding in domestic preliminary markets, or marketable securities subscribed by security companies due to the underwriting needs and being designated as underwriters in accordance with related regulations of Taipei Exchange.</p> <p>C. Trading of bonds under repurchase/resale agreements buying/selling money market funds issued by domestic security/investment/trust institutions.</p> <p>D. ~ F. Omit</p> <p>(5) Omit.</p> <p>2. Omit.</p> <p>3. Disclosure procedures</p> <p>(1) ~ (2) Omit</p> <p>(3) Where an error or omission occurs at</p>	
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<p>(3)Where an error or omission occurs at the time of public announcement, it is required to correct the error, and all the items shall be publicly <u>announced again within two days of being informed.</u></p> <p>(4)~(5)Omit.</p>	<p>the time of public announcement, it is required to correct the error, and all the items shall be publicly announced again.</p> <p>(4)~(5)Omit.</p>	
<p>Article 17: Implementation and amendment</p> <p>1. The Procedures for acquiring and disposing assets have been agreed by audit committee, approved by the meeting of board of directors and proposed to the Company’s shareholders’ meeting for final approval. The Company shall follow with the same procedures for any future amendment.</p> <p>2. <u>Any acquisition or disposal of assets made according to item#11 mentioned above and the Procedures or the regulations shall be agreed by a majority votes from audit committee and proposed to the board meeting for final approval. While two-thirds of votes from board meeting be needed if no majority vote from audit committee is obtained. Such resolution of audit committee shall be specified in the meeting minutes of board. The board shall take into considerations of the opinions from independent directors when resolving the Procedures. The board meeting minutes shall be specified of any objection from independent directors if any.</u></p> <p>3. <u>The “all members of audit committee” and “all members of board of directors” mentioned in preceding item and referred in the Procedures are computed based on those currently elected and delegated.</u></p>	<p>Article 17: Implementation and amendment</p> <p>The Procedures for acquiring and disposing assets have been agreed by audit committee, approved by the meeting of board of directors and proposed to the Company’s shareholders’ meeting for final approval. The Company shall follow with the same procedures for any future amendment.</p>	<p>Words to be moved.</p>