

Stock Code: 3189

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

KINSUS INTERCONNECT TECHNOLOGY CORP.

Handbook for the 2018 Annual Meeting of Shareholders

Meeting Date: May 29th, 2018

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

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

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Kinsus Interconnect Technology Corp.

Procedure for the 2018 Annual Meeting of Shareholders

- I. Chairperson Declares the Starting of the Meeting
- II. Chairperson's Opening Statements
- III. Items To Be Reported
- IV. Items To Be Approved
- V. Items To Be Discussed and Resolved and The Election
- VI. Other Questions and Motions
- VII. Adjournment

Kinsus Interconnect Technology Corp. Agenda for the 2018 of Annual Meeting of Shareholders

Time: 9:00 a.m., May 29th (Tuesday), 2018

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

- I. Chairperson Declares the Starting of the Meeting
- II. Chairperson's Opening Statements
- III. Items To Be Reported
 1. 2017 Business Report
 2. Audit Committee's Review Report on the 2017 Financial Statements
 3. To Report 2017 Employees and Directors' Compensation
- IV. Items To be Approved
 1. To approve 2017 Business Report, Consolidated Financial Statements and Parent-company-only Financial Statements (Proposed by the Board of Directors)
 2. To approve the proposal for 2017 earnings distribution (Proposed by the Board of Directors)
- V. Items to Be Discussed and Resolved and The Election
 1. Resolving an issuance of restricted stock awards. (Proposed by the Board of Directors)
 2. Re-election of all directors. (Proposed by the Board of Directors)
 3. Release the newly re-elected directors from prohibition of non-compete (Proposed by the Board of Directors)
- VI. Other Questions and Motions
- VII. Adjournment

I. Items To Be Reported

1. The 2017 Business Report

Explanatory Notes: Please refer to Attachment I. (Page 16 to 18)

2. Audit Committee's Review Report on the 2017 Financial Statements

Explanatory Notes: Please refer to Attachment II. (Page 19)

3. To report the 2017 employees and directors' compensation

Explanatory Notes:

- a. Based on the Company's Article of Incorporation, article#24, the Company's board of directors has resolved to pay out 2017 directors' and employees' compensation in amount of NT\$4,911,769 and NT\$80,693,370, respectively.
- b. The directors' and employees' compensation will be paid in cash and the same as those recognized in 2017 financial statements.

II. Items To Be Approved

1. To approve 2017 Business Report, Consolidated Financial Statements and Parent-Company-Only Financial Statements (Proposed by the Board of Directors)

Explanatory Notes:

- a. The Company's Business Report, Consolidated Financial Statements and Parent-Company-Only Financial Statements 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.
- b. For details, please refer to page 16-18 of Attachment I and page 20-40 of Attachment III to the Meeting Handbook.

Resolution:

2. To approve the proposal for 2017 earnings distribution (Proposed by the Board of Directors)

Explanatory Notes:

- a. The Company makes the earnings distribution in accordance with its Articles of Incorporation based on 2017 net income of NT\$491,676,522 and making legal

reserve and special reserve in compliance with Company Act and the Articles. The 2017 earnings distribution table is shown in Attachment IV (page 41) to the Meeting Handbook for reference.

- b. 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.
- c. 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.

Resolution:

III. Items To Be Discussed and Resolved and The Election

- 1. Resolving an issuance of restricted stock awards (RSA). (Proposed by the Board of Directors)

Explanatory Notes:

- a. The Company would issue restricted stock awards (RSA) for 2018 in accordance with the related regulations from Article 267, Item 8 of the Company Act and the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers".
 - b. The major terms are described below:
 - (1) Issue price: NT\$10 per share
 - (2) Total volume to be issued: 5,500,000 shares. The Company shall ore-file to the authority in one or several times starting one year from the shareholders' meeting resolving the issuance and may fulfill the issuance in one or several times based on its need within one year from the date the authority's approval letter arriving the Company. The chairman is authorized by the board to enact the actual issuance date.
 - (3) Release conditions:
 - (a)Vesting conditions:
 - i. Indicator A: employee at level 8
- The vested interest is listed below for the qualified employees under indicator A of the RSA plan in the condition of remaining on job from the grant date to the respective vested dates and no breach on laws and regulations, service agreements, commitments of integrity and confidentiality, ethic of conduct, etc.

- A. 20% upon one month from the grant date;
- B. 20% on April 25, 2019;
- C. 15% on September 25, 2019;
- D. 15% on April 25, 2020;
- E. 15% on September 25, 2020;
- F. 15% on April 25, 2021.

ii. Indicator B: employee at level 4 through level 7

The vested interest is listed below for the qualified employees under indicator B of the RSA Plan in the condition of remaining on job from the grant date to the respective vested dates, compliance with the respective requirements of performance, and no breach on laws and regulations, service agreements, commitments of integrity and confidentiality, ethic of conduct, etc.

- A. 20% upon one month from the grant date;
- B. 20% on April 25, 2019;
- C. 15% on September 25, 2019;
- D. 15% on April 25, 2020;
- E. 15% on September 25, 2020;
- F. 15% on April 25, 2021.

(b) Unvested employee:

The Company will buy back and cancel all the shares granted to, in accordance with the RSA Plan, the employees who do not meet the vested conditions.

(c) In cases of employee resign, retire, injury or dereliction of duty, death, transfer to affiliate company or leave without pay:

A. The Company will buy back in the issuance price all the unvested shares from the employees who be in those situations treated as losing qualification of being vested, including voluntary resignation, being laid-off/dismissal/retirement due to incompetency, non-occupational disaster death.

B. Employees being laid-off due to reasons other than incompetency:

The vested shares for any qualified but laid off employee during a year in accordance with other vested condition from Article 7 of the RSA Plan are computed by the days on duty timing the shares entitled at the vested date in this year. On the other hand, the Company will buy back all the unvested issued shares as the employees will be treated as losing

the qualification to be vested.

C. Injury of duty:

Any qualified employee who becomes disabled and unable to work continuously due to injury of duty are treated as completing the vesting period in that year but shall be subject to the limitation regarding vesting period and ratio set forth on article 7 of the RSA Plan. The underlying employee would lose his/her qualification to be vested in the following year of resign and the Company would therefore buy back and cancel all the unvested shares from the employee in the original issuance price except for, in a special approval from the chairman, those who have contributed significantly and/or done the best efforts to fulfill the duty to the Company.

D. Dereliction of duty:

All unvested shares of any qualified employee who die from duty are treated as vested at the date of death and can be inherited by in accordance with the Inheritance Chapter of Civil Law and legally transferred under a trust agreement to the legal heir after the occurrence of the fact. The succession is to process according to related procedures specified in the “Handling Rule for a public company’s shares”.

E. Transfer to affiliate company

Any qualified employee who is to transfer to the affiliate companies upon request from the Company due to business needs may be treated as, if meeting with the other vesting conditions specified in article 7 of the RSA Plan in the year of transfer, to achieve the vesting condition with respect to timing, ratio and scope at the approval from the Chairman or authorized person.

F. Leave without pay

For any qualified employee who is permitted for a leave without pay, the retention seniority of unvested issued RSA shares specified in RSA Plan is to postpone by the duration of leave if the effective date of leave meets the other vesting conditions specified in article 7 of the RSA Plan.

G. The Company shall cancel all the RSA shares brought back according to the RSA Plan.

(4) Qualification requirements for employees:

- (a) The qualified employees are limited to those full-time employees who are formally hired and have been on board at the grant date of RSA shares.

Indicator A: employee at level 8

Indicator B: employee at level 4 through level 7

- (b) The proposal of actually granted employees and the granted share volume for those employees shall be reviewed and submitted by the Chairman to the Board for a final approval in consideration of seniority, job position, performance, overall contribution, special merit, or other needs of management.
- (c) For a single employee, the total of shares granted under Item 1, Article 56-1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers and the RSA Rule shall not exceed 0.3% of the Company's total issued shares. Furthermore, for a single employee, the total of shares granted under Item 1, Article 56-1 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the RSA Rule and Item 1, Article 56 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall not exceed 1% of the Company's total issued shares. However, at a special approval from industrial in-charging governmental authority, the total shares granted to a single employee under both the employee stock option plans and the RSA rule may be exempted from the above-mentioned limitation.
- (5) The reason why it is necessary to issue restricted stocks for employees:
To retain and recruit professional talent, motivate employees, and enhance employees' teaming and potential for achieving the objective to jointly generate the benefit of employee and shareholders and to ensure the combination of the both parties' benefit.
- (6) Calculated expense amount, diluted EPS and other factors affecting shareholder's equity:
 - (a) Calculated expense amount:
The expenses, calculated by using the closing unit trade price of NT\$51.3 at 2018/01/15, to be recorded in 2018, 2019, 2020 and 2021 would be NT\$104,042K, NT\$88,864K, NT\$30,292K and NT\$3,952K, respectively.
 - (b) Diluted EPS and other factors affecting shareholder's equity:
The dilution effect on EPS, based on the vesting conditions and currently issued and outstanding shares, would be NT\$0.23, NT\$0.20, NT\$0.07 and NT\$0.01 for 2018, 2019, 2020 and 2021, respectively.

Resolution:

2. Re-election of all directors. (Proposed by the Board of Directors)

Explanatory Notes:

- a. The Company's 6th directorship will expire at June 10th, 2018. The Company should submit a proposal of re-electing all of 9 directors, including 3 independent directors,

to the annual shareholders' meeting in accordance with article 15 of the Company's Charter.

- b. The term for the newly 7th directorship, including independent directors, would be a 3-year period starting from the date of re-election at 2018 shareholders' meeting, i.e. from May 29th, 2018 to May 28th, 2021. The old directors shall resign at the date when new directors are elected.
- c. The Company shall adopt a candidate nomination method for its re-election of directors, including the independent directors, according to the Company's Charter. A list and details of candidates nominated, who have been examined and approved by the board of directors on April 13th, 2018, is as below.

List of Director Candidates (Total 6)

| Name | Education | Experience | Currently serving | Shareholding When Elected |
|--------------|--|--|--|---------------------------|
| Tong,Zi-Xian | Computer and Communication Engineering /Taipei Tech Honorary Doctor of Engineering/ Taipei Tech | Vice President of Asustek Computer Corporation | Chairman: Pegatron Corp.(also the Executive CEO), Lumens Digital Optics Inc., Hua Wei Investment, Hua Yu Investment, Hua Xu Investment, Kinsus Investment, Pegavision Corp., Eslite Foundation for Culture and Arts, and Ri-Kuan Metal Corporation. Director: Asrock Inc., Kinsus Interconnect Technology Corp., Hua Yuan Investment, Hua Wei Investment, Ezhi Technologies, AS Fly Travel Service, Azurewave Technologies, Inc., FuYang Technology Corp., Pegatron Holding Ltd., | 200,000 |

| | | | | |
|--|--|--|---|--|
| | | | <p> Unihan Holding Ltd., Protek Global Holdings Ltd., Magnificent Brightness Ltd., Casetek Holdings Ltd., Casetek Holdings Limited (CAYMAN), Pegatron Holland Holding B.V., Digitek Global Holdings Ltd., AMA Holdings Ltd., Kinsus Corp. (USA), Powtek Holdings Limited, Cotek Holdings Limited, Grand Upright Technology Limited, Alliance Culture Foundation, Hanguang Education Foundation, Ministry of Culture National Performing Arts Center, Koo Medical Foundation, Lung Yingtai Cultural Foundation, ASLINK PRECISION CO., LTD., Huang Da-fu Medical Education Promotion Foundation, Fair Winds Foundation, Relations Across the Taiwan Straits Development Research Foundation. </p> <p> President: Taipei Computer Association, Chinese cultural and creative park association </p> <p> Vice President: Monte Jade Science & Technology Association </p> | |
|--|--|--|---|--|

| | | | | |
|-------------------------------------|--|--|---|------------|
| Guo, Ming-Dong | National Taipei Institute of Technology | CEO of Kinsus Interconnect Technology Corp., President of UNICAP ELECTRONICS | Chairman: Kinsus Interconnect Technology Corp., Kinsus Corp.(USA) Director: Kinsus Holding(Samoa) Limited, Kinsus Holding (Cayman) Limited, Piotek Holding Ltd., Piotek Holdings Ltd.(Cayman), Piotek (HK) Trading Limited Director (Corporate representative): Kinsus Investment, Pegavision Corp., | 1,069,795 |
| Chen, He-Xu | Physics/Qinghua Univ. | General Manager of Kinsus Interconnect Technology Corp., Production Manager of Motorola | Chairman: Kinsus Interconnect Technology Corp. Director(Corporate representative): Pegavision Corp, FuYang Technology Corp. | 361,002 |
| Hua Xu Investment Rep.: Su, Yan-Xue | Master of Industrial Engineering/Carnegie Mellon | Chief Investment Officer of ASUSTEK Computer, Chief Investment Officer of PEGATRON Corp. | Chairman: WYSE Research Inc. Director: KHL IV Venture Capital Corporation, Eslite Foundation for Culture and Arts, Yongyu Investment Director (Corporate representative): Guang Dian Cinema, Kinsus Interconnect Technology Corp. Independent Director: TXC Corporation, Zhong Yang Technology Co., Ltd. | 58,233,091 |

| | | | | |
|---|---|--|--|------------|
| Hua Xu Investment Rep: Wu, Xiang-Xiang | M.B.A./Univ. of St. Thomas | Deputy Chairman of OFCO Industrial Corp. | Deputy General Manager of PEGATRON Corp. Director: Tong Hsing Electronics Industries, Ltd., The ESLITE Corporation Director (Corporate representative): Hua Wei Investment, Hua Yu Investment, Hua Xu Investment, Kinsus Investment Supervisor: FuYang Technology Corp. | 55,556,221 |
| Cheng, Zhong-Ren | School of Law/Soochow Univ., PhD./Stanford University | Dean&Professor/Law School of Shih Hsin Univ. | Director: Kinsus Interconnect Technology Corp. Independent Director: Wistron Corporation Supervisor: Apex Material Technology Corp, Apacer Technology Inc., OTO Photonics Inc. | 0 |

List of independent director candidates (Total 3)

| Name | Education | Experience | Currently serving | Shareholding When Elected |
|---------------|---|----------------------------|---|---------------------------|
| Chen, Jin-Cai | Graduate School/Tamkang Univ., M.P.A/Univ. of San Francisco | President of Namchow Group | Chairman: Win Semiconductors Corp., Chainwin Agriculture and Animal Technology (Cayman Islands) Ltd., Win-Win Venture Capital Co., Ltd. Assistant Chairman: Hiwin Technologies Corp. | 0 |

| | | | | |
|-----------------|--|---|--|---|
| | | | <p>Director: Namchow (Thailand), WIN Semi USA Inc., Hiwin (USA), Win Semiconductors Cayman Island Co., Ltd., Yong Ju (Thailand), ITEQ Corp., Jiangsu Chainwin Animal Technology LTD.</p> <p>Independent Director: Tong Hsing Electronics Industries, Ltd., Kinsus Interconnect Technology Corp.</p> <p>Supervisor: Inventec Solar Energy Corp., TAIPEI 101</p> | |
| | <p>Reasons for Mr. Chen to be elected as an independent director for 3 consecutive terms: As Mr. Chen possesses profound knowledges in financial/accounting profession and the practical ability of corporate governance as well as well-running business, he is competent to contribute himself and benefit significantly to the Company.</p> | | | |
| Huang, Chun-Bao | Electrical Engineering/National Taipei Institute of Technology | President & GM of HAVIX ELECTRONICS CO., LTD. | <p>President & GM: HAVIX ELECTRONICS CO., LTD.</p> <p>Independent Director: Pegatron Corp., Kinsus Interconnect Technology Corp.</p> | 0 |
| | <p>Reasons for Mr. Huang to be elected as an independent director for 3 consecutive terms: Mr. Huang is a very important consultant for the Company's board of directors as he is experienced with the management of industry risk, performance evaluation and business administration.</p> | | | |

| | | | | |
|---------------|---|---|---|--|
| Wu, Hui-Huang | Department of Electronics Engineering/NCTU | Board Director& President of Universal Microelectronics Co., Ltd., Director of Taiwan Electrical and Electronic, Director of Taiwan Federation of Industry, Director of Taiwan Province Industry Association. | Director: Taiwan Read Foundation Independent Director: Kinsus Interconnect Technology Corp., Universal Microelectronics Co., Ltd. Member of compensation committee: Merry Corp. Special Mergers and Acquisitions Committee Members: Merry Corp. | |
| | Reasons for Mr. Wu to be elected as an independent director for 3 consecutive terms: Not applicable. | | | |

- d. The election is to execute in accordance with the “The Rule for Director Election” of the Company.

Election results:

3. To release the newly by-elected directors 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 them from the prohibition of non-complete.

| Title | Name | Current Concurrent Duties |
|----------|---------------|--|
| Director | Tong, Zi-Xian | Chairman: Pegatron Corp. (also the Executive CEO), Lumens Digital Optics Inc., Hua Wei Investment, Hua Yu Investment, Hua Xu Investment, Kinsus Investment, Pegavision Corp., Ri-Kuan Metal Corporation Director: |

| | | |
|----------|---|---|
| | | Asrock Inc., Hua Yuan Investment, Hua Wei Investment, Hua Wei International, Ezhi Technologies, AS Fly Travel Service, Azurewave Technologies, Inc., FuYang Technology Corp., Pegatron Holding Ltd., UniHan Holding Ltd., Protek Global Holdings Ltd., Magnificent Brightness Ltd., Casetek Holdings Ltd., Casetek Holdings Limited (CAYMAN), Pegatron Holland Holding B.V., Digitek Global Holdings Ltd., AMA Holdings Ltd., Kinsus Corp.(USA), Powtek Holdings Limited, Cotek Holdings Limited, Grand Upright Technology Limited, Aslink Precision Co., Ltd. |
| Director | Guo, Ming-Dong | Chairman: Kinsus Corp.(USA) Director: Kinsus Holding (Samoa) Limited, Kinsus Holding (Cayman) Limited, Pirotek Holding Ltd., Pirotek Holdings Ltd. (Cayman), Pirotek (HK) Trading Limited Director (Corporate representative): Kinsus Investment, Pegavision Corp. |
| Director | Chen, He-Xu | Director (Corporate representative): Pegavision Corp., FuYang Technology Corp. |
| Director | Hua Xu Investment Rep.: Su, Yan-Xue | Chairman: WYSE Research Inc. Director: KHL IV Venture Capital Corporation, Yongyu Investment Independent Director: TXC Corporation, Zhong Yang Technology Co., Ltd. |

| | | |
|----------------------|---|--|
| Director | Hua Xu Investment Rep: Wu, Xiang-Xiang | Director: Tong Hsing Electronic Inc., Ltd., The Eslite Corporation Director (Corporate representative): Hua Wei Investment, Hua Yu Investment, Hua Xu Investment, Kinsus Investment |
| Director | Cheng, Zhong-Ren | Independent Director: Wistron Corporation |
| Independent Director | Chen, Jin-Cai | Chairman: Win Semiconductors Corp., Chainwin Agriculture and Animal Technology (Cayman Islands) Ltd., Win-Win Venture Capital Co., Ltd. Assistant Chairman: Hiwin Technologies Corp. Director: Namchow (Thailand), WIN Semi USA Inc., Hiwin (USA), Win Semiconductors Cayman Island Co., Ltd., Yong Ju (Thailand), ITEQ Corp., Jiangsu Chainwin Animal Technology LTD. Independent Director: Tong Hsing Electronics Industries, Ltd. |
| Independent Director | Huang, Chun-Bao | President & GM: HAVIX ELECTRONICS CO., LTD. Independent Director: Pegatron Corp. |
| Independent Director | Wu, Hui-Huang | Independent Director: Universal Microelectronics Co., Ltd. |

Resolution:

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.)

2017 Business Report

1. 2017 Business Report

GDP in 2017 grew by 3.8% as market changed dramatically. Among them, semi-conductor market, which is the most related with the Group, grew by 22.2% while the growth rate of memory was 64%, accounted for as the important portion, 31%, among the semi-conductor products. However, semi-conductor memory market growth does not trigger the growth of packaging and substrate industries as the growth of memory eventually is driven by the rapid growing of 3D multi-layer memory chip. The growth trend of substrates used in high-end packaging, such as AP for telecom devise, CPU for server, and FPGA for automation and base station, seems relatively weak.

It is possible that many factors, such as the rising US interest rate in 2017, blockchain revolution, uncertain schedule of Fed's reduction of its balance sheet, reducing monetary easing policy by major economies, US tax reduction policy, and the intense geopolitics situation in Asia, would influence global economy movement trend in near future.

Fortunately the most important momentum for electronic products and semi-conductors, i.e. AI+IoT=AIoT, is continuously developing and rapidly expanded. It is expected that AIoT will drive significantly the demand of semi-conductors and electronics.

The Company's revenue in parent-company-only basis totaled to NT\$16,286,034 thousand in 2017, decreased by 9.18% compared to NT\$17,931,850 thousand in 2016. Net income in parent-company-only basis was NT\$491,676 thousand in 2017, decreased by 77.99% compared to NT\$2,233,705 thousand in 2016. The Company's consolidated revenue totaled to NT\$22,335,486 thousand in 2017, decreased by 3.58% compared to NT\$23,165,066 thousand in 2016. The consolidated net income was NT\$335,322 thousand in 2017, decreased by 83.82% compared to NT\$2,073,028 thousand in 2016. Main reasons for the reduction in profit are the production learning curve and huge startup expenditures of new HsinFong Factory. The delayed product release schedule and slower production learning curve contributes to the reduction in gross margin rate while the capital expenditures and related startup expenditures increased the operational expenses ratio. It can be expected that the two negative factors will impact less in 2018.

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

| Account (In parent-company-only basis) | 2017 | 2016 | Growth Rate (%) |
|---|------------|------------|--------------------|
| Operating revenues | 16,286,034 | 17,931,850 | -9.18% |
| Gross profit | 3,077,973 | 4,709,722 | -34.65% |
| Operating income | 499,936 | 2,691,712 | -81.43% |
| Pre-tax income | 617,128 | 2,627,932 | -76.52% |
| Net income | 491,676 | 2,233,705 | -77.99% |
| Earnings per share (in NT\$) | 1.10 | 5.01 | |

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

| Account (In consolidated basis) | 2017 | 2016 | Growth Rate (%) |
|------------------------------------|------------|------------|--------------------|
| Operating revenues | 22,335,486 | 23,165,066 | -3.58% |
| Gross profit | 4,162,724 | 5,750,545 | -27.61% |
| Operating income | 399,225 | 2,589,772 | -84.58% |
| Pre-tax income | 529,123 | 2,569,458 | -79.41% |
| Net income | 335,322 | 2,073,028 | -83.82% |
| Net income/loss attributable to: | | | |
| Shareholders of the parent | 491,676 | 2,233,705 | |
| Non-controlling interests | -156,354 | -160,677 | |
| Earnings per share (In NT\$) | 1.10 | 5.01 | |

2. Summary of 2018 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.

The Company has adjusted its product mix toward diversification to respond to the slowing IC substrate industry and stopping high-end semiconductors process market. In order to keep a growing trend and momentum for profitability, the Company has invested more resources on SiP module, server/CPU, memory and soft board module.

(2)2018 Expected Sales and Its Sources

For 2018, overall GDP will grow by 4.1%, which is better than 2017's, according to a global survey. Semiconductor market will accordingly grow better than 2017 at 24%. Among them, the bigger portion of the growth are components related to AI, including server CPU, Imager processor GPU, sensor control chip, memory, etc. The opportunity from application of automobile electronics, including assisted autopilot ADAS, automatic driving environment sensor, automatic driving learning algorithm processor, etc., will continuously grow but subordinated to AI's.

Another opportunity is 5G telecom, which is one of the important interfaces to speed up IoT/AI, i.e. AIoT, ending applications. By providing huge amount of bandwidth, 5G telecommunication platform enables the transfer of huge amount of information and automation, information mining/analysis in an inexpensive way. Neural network constructed in AI application therefore can be implemented and influence and change human life in every aspect. However, 5G telecom can't contribute to 2018 business performance since it is unable to turn into business until the end of 2018 while we will focus on related technique supports, control clients' product developing status and preliminary layout efforts, which would be the success factors of subsequent growth.

(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. The Company should try its best to catch the business opportunity of processor and memory.

3. Company development strategy

We will aim at application of slim substrates of ABF-FCBGA and memory and the techniques and products of SiP module and SLP module in short-term, keeping up with the elemental global semiconductor developing trend of continuously miniature line width, aperture, and thickness in medium term, and developing complicated structural technique of active/passive components and direct wafer bonding in long term. By these development strategies, we are confident that the Company will definitely sustain our competitiveness in product market as well as in the technique.

Chairman:

CEO:

Chief Accountant:

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 2017 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-Cxi Chen

January 29th, 2018

Attachment III

English Translation of an Audit Report Originally Issued in Chinese **INDEPENDENT AUDITORS' REPORT**

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, 2017 and 2016, 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 referred as “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, 2017 and 2016, 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, 2017. 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.

English Translation of an Audit Report Originally Issued in Chinese

Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's revenue amounting to NT\$16,286,034 thousand for the year ended December 31, 2017 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.

Market valuation on Inventory

We determined the market valuation on inventory one of key audit matters in considering that the amount of inventory was significant and the assessment of sufficiency of inventory loss requires significant management judgement. The Company's net inventory amounted to NT\$1,255,598 thousand as of December 31, 2017. As the application market of substract, the Company's main products, is characterized by rapid development in technology and the trend of consumers' preference, management, in timely considering the status of new products development and the demand from clients, has to evaluate the loss due to market value decline as well as write-down on slow-moving inventories to their net realizable value. Our audit procedures therefore include, but not limit to, evaluating the Company's policy with respect to assessment the loss from slow-moving inventory and phased-out items, (including identification method, testing the accuracy of inventory aging schedule, analysis on inventory movement), performing observation on the Company's inventory physical-taking, and inspecting the current status of inventory usage, etc. We also assessed the adequacy of the inventory-related disclosures shown in the Note 5 and 6 to the parent-company-only 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, 2017 and 2016, and for the years then ended were audited by other auditors, whose reports thereon have 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\$823,380 thousand and NT\$432,689 thousand as of December 31, 2017 and 2016 representing 2.28% and 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\$(77,880) thousand and NT\$(12,783) thousand representing (12.62)% and (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 years then ended amounting to NT\$(19,180) thousand and NT\$(4,528) thousand representing 25.22% and 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.

English Translation of an Audit Report Originally Issued in Chinese

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.

English Translation of an Audit Report Originally Issued in Chinese

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 company 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 2017 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
January 29th, 2018
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, 2017 and 2016

(Amounts Expressed in Thousands of New Taiwan Dollars)

| Assets | | | 2017 | | 2016 | |
|--------|---|------------|---------------------|------------|---------------------|------------|
| Code | Accounts | Notes | Amount | % | Amount | % |
| | Current assets | | | | | |
| 1100 | Cash and cash equivalents | 4, 6(1) | \$8,797,966 | 24 | \$9,833,450 | 28 |
| 1110 | Financial assets at fair value through profit or loss | 4, 6(2) | 1,410,216 | 4 | 2,839,333 | 8 |
| 1147 | Bond investments with no active market | 4, 6(3) | 423,057 | 1 | 423,057 | 1 |
| 1150 | Notes receivable, net | 4, 6(4) | 1,756 | - | 3,030 | - |
| 1170 | Accounts receivable, net | 4, 6(5) | 2,382,221 | 7 | 2,513,446 | 7 |
| 1180 | Accounts receivable - related parties, net | 4, 6(5), 7 | 954 | - | 33,730 | - |
| 1200 | Other receivables | | 156,997 | - | 243,431 | 1 |
| 1210 | Other receivables - related parties | 7 | 11,656 | - | 314,027 | 1 |
| 1310 | Inventories, net | 4, 6(6) | 1,255,598 | 4 | 1,318,258 | 4 |
| 1410 | Prepayments | | 213,761 | 1 | 73,942 | - |
| 1470 | Other current assets | | 47,735 | - | 29,811 | - |
| 11XX | Total current assets | | <u>14,701,917</u> | <u>41</u> | <u>17,625,515</u> | <u>50</u> |
| | Non-current assets | | | | | |
| 1550 | Investment accounted for under equity method | 4, 6(7) | 4,121,363 | 11 | 3,778,285 | 10 |
| 1600 | Property, plant and equipment, net | 4, 6(8), 9 | 14,406,084 | 40 | 11,947,782 | 34 |
| 1780 | Intangible assets, net | 4, 6(9) | 12,796 | - | 5,208 | - |
| 1840 | Deferred tax assets | 4, 6(24) | 130,819 | - | 9,593 | - |
| 1915 | Prepayment for equipment | 4, 6(8), 9 | 2,758,841 | 8 | 2,133,188 | 6 |
| 1995 | Other non-current assets | 6(10) | 3,886 | - | 3,838 | - |
| 15XX | Total non-current assets | | <u>21,433,789</u> | <u>59</u> | <u>17,877,894</u> | <u>50</u> |
| 1XXX | Total Assets | | <u>\$36,135,706</u> | <u>100</u> | <u>\$35,503,409</u> | <u>100</u> |

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

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

Kinsus Interconnect Technology Corp.
Parent-Company-Only Balance Sheets (Continued)
As of December 31, 2017 and 2016
(Amounts Expressed in Thousands of New Taiwan Dollars)

| Liabilities and Equity | | | 2017 | | 2016 | |
|------------------------|------------------------------------|-----------------|---------------------|------------|---------------------|------------|
| Code | Accounts | Notes | Amount | % | Amount | % |
| | Current liabilities | | | | | |
| 2100 | Short-term loans | 6(11) | \$2,263,117 | 6 | \$1,277,100 | 4 |
| 2150 | Notes payable | | 41,687 | - | 43,498 | - |
| 2170 | Accounts payable | | 1,331,417 | 4 | 1,074,861 | 3 |
| 2180 | Accounts payable - related parties | 7 | 201,977 | 1 | 207,877 | 1 |
| 2200 | Other payables | 6(12), 7 | 2,292,456 | 6 | 2,414,819 | 7 |
| 2230 | Current income tax liabilities | 4, 6(24) | 293,685 | 1 | 469,126 | 1 |
| 2300 | Other current liabilities | 6(13) | 318,373 | 1 | 324,358 | 1 |
| 21XX | Total current liabilities | | <u>6,742,712</u> | <u>19</u> | <u>5,811,639</u> | <u>17</u> |
| | Non-current liabilities | | | | | |
| 2540 | Long-term loans | 6(14), 8 | 1,365,625 | 4 | 788,700 | 2 |
| 2570 | Deferred tax liabilities | 4, 6(24) | 846 | - | 351 | - |
| 2600 | Other non-current liabilities | 4, 6(15), 6(16) | 27,962 | - | 33,009 | - |
| 25XX | Total non-current liabilities | | <u>1,394,433</u> | <u>4</u> | <u>822,060</u> | <u>2</u> |
| 2XXX | Total liabilities | | <u>8,137,145</u> | <u>23</u> | <u>6,633,699</u> | <u>19</u> |
| | Capital | 6(17) | | | | |
| 3100 | Common stock | | 4,460,000 | 12 | 4,460,000 | 12 |
| 3200 | Capital surplus | 6(17) | 5,956,519 | 16 | 5,939,819 | 17 |
| 3300 | Retained earnings | 6(17) | | | | |
| 3310 | Legal capital reserve | | 3,563,389 | 10 | 3,340,018 | 9 |
| 3320 | Special reserve | | 613 | - | - | - |
| 3350 | Unappropriated earnings | | 14,095,717 | 39 | 15,163,371 | 43 |
| 3400 | Other components of equity | | (77,677) | - | (613) | - |
| 3500 | Treasury Stock | 6(17) | - | - | (32,885) | - |
| 3XXX | Total equity | | <u>27,998,561</u> | <u>77</u> | <u>28,869,710</u> | <u>81</u> |
| | Total liabilities and equity | | <u>\$36,135,706</u> | <u>100</u> | <u>\$35,503,409</u> | <u>100</u> |

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

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

Kinsus Interconnect Technology Corp.

Parent-Company-Only Statements of Comprehensive Income

For the Years Ended December 31, 2017 and 2016

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

| Code | Accounts | Notes | 2017 | | 2016 | |
|------|---|-------------|--------------|------|--------------|------|
| | | | Amount | % | Amount | % |
| 4000 | Operating revenues | 4, 6(19), 7 | \$16,286,034 | 100 | \$17,931,850 | 100 |
| 5000 | Operating costs | 7 | (13,208,061) | (81) | (13,222,128) | (74) |
| 5900 | Gross profit | | 3,077,973 | 19 | 4,709,722 | 26 |
| 6000 | Operating expenses | 7 | | | | |
| 6100 | Selling | | (347,294) | (2) | (204,559) | (1) |
| 6200 | General and administrative | | (1,246,491) | (8) | (859,383) | (5) |
| 6300 | Research and development | | (984,252) | (6) | (954,068) | (5) |
| | Operating expenses total | | (2,578,037) | (16) | (2,018,010) | (11) |
| 6900 | Operating income | | 499,936 | 3 | 2,691,712 | 15 |
| 7000 | Non-operating income and expenses | | | | | |
| 7010 | Other income | 6(22), 7 | 199,082 | 1 | 155,185 | 1 |
| 7020 | Other gains and losses | 6(22), 7 | 45,375 | - | 8,391 | - |
| 7050 | Finance costs | 6(22), 7 | (39,078) | - | (27,776) | - |
| 7070 | Share of profit or loss of subsidiaries, associates and joint ventures | | (88,187) | - | (199,580) | (1) |
| | Non-operating income and expense total | | 117,192 | 1 | (63,780) | - |
| 7900 | Income from continuing operations before income tax | | 617,128 | 4 | 2,627,932 | 15 |
| 7950 | Income tax | 4, 6(24) | (125,452) | (1) | (394,227) | (3) |
| 8200 | Net income | | 491,676 | 3 | 2,233,705 | 12 |
| 8300 | Other comprehensive income (loss) | 6(23) | | | | |
| 8310 | Item that may not be reclassified subsequently to profit or loss | | | | | |
| 8311 | Actuarial gain (loss) on defined benefit plans | | 1,004 | - | (959) | - |
| 8360 | Items that may be reclassified subsequently to profit or loss | | | | | |
| 8370 | Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures | | (77,064) | - | (234,931) | (1) |
| 8399 | Income tax related to items that may be reclassified subsequently to profit or loss | | - | - | 39,834 | - |
| | Total other comprehensive income, net of tax | | (76,060) | - | (196,056) | (1) |
| 8500 | Total comprehensive income | | \$415,616 | 3 | \$2,037,649 | 11 |
| 9750 | Earnings per share - basic (in NT\$) | 6(24) | \$1.10 | | \$5.01 | |
| 9850 | Earnings per share - diluted (in NT\$) | 6(24) | \$1.10 | | \$4.95 | |

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

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

Kinsus Interconnect Technology Corp.

Parent-Company-Only Statements of Changes in Equity

For the Years Ended December 31, 2017 and 2016

(Amounts Expressed in Thousands of New Taiwan Dollars)

| Code | Items | Capital 3100 | Capital Surplus 3200 | Retained Earnings | | | Other Components of equity | Treasury Stock 3500 | Total Equity 3XXX |
|------|---|-----------------|-------------------------|-----------------------|-------------------------|---------------------------------|---|------------------------|----------------------|
| | | | | Legal Reserve 3310 | Special Reserve 3320 | Unappropriated Earnings 3350 | Exchange differences arising on translation of foreign operations 3410 | | |
| A1 | Balance as of January 1, 2016 | \$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 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 |
| A1 | Balance as of December 31, 2016 | 4,460,000 | 5,939,819 | 3,340,018 | - | 15,163,371 | (613) | (32,885) | 28,869,710 |
| | Appropriation and distribution of 2016 earnings: | | | | | | | | |
| B1 | Legal reserve | | | 223,371 | | (223,371) | | | - |
| B3 | Special reserve | | | | 613 | (613) | | | - |
| B5 | Cash dividends - common shares | | | | | (1,336,350) | | | (1,336,350) |
| C7 | Change in associates and joint ventures accounted for using equity method | | 8,329 | | | | | | 8,329 |
| D1 | Net income for 2017 | | | | | 491,676 | | | 491,676 |
| D3 | Other comprehensive income (loss) for 2017 | | | | | 1,004 | (77,064) | | (76,060) |
| D5 | Total comprehensive income | - | - | - | - | 492,680 | (77,064) | - | 415,616 |
| N1 | Share-based payment transactions | | 8,371 | | | | | 32,885 | 41,256 |
| Z1 | Balance as of December 31, 2017 | \$4,460,000 | \$5,956,519 | \$3,563,389 | \$613 | \$14,095,717 | \$(77,677) | \$- | \$27,998,561 |

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

NOTE: The employees' bonuses of NT\$80,693 and the directors' and supervisors' remuneration of NT\$4,912 thousand for the year ended December 31, 2017

had been deducted from comprehensive income for the year ended December 31, 2017.

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.

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, 2017 and 2016

(Amounts Expressed in Thousands of New Taiwan Dollars)

| Code | Items | 2017 | 2016 | Code | Items | 2017 | 2016 |
|--------|--|-----------|-------------|--------|---|-------------|-------------|
| AAAA | Cash flows from operating activities: | | | BBBB | Cash flows from investing activities: | | |
| A10000 | Net income before tax | \$617,128 | \$2,627,932 | B01800 | Acquisition of investment accounted for under equity method | (600,000) | (602,000) |
| A20000 | Adjustments: | | | B02700 | Acquisition of property, plant and equipment | (5,356,287) | (4,255,307) |
| A20010 | Profit or loss not effecting cash flows: | | | B02800 | Proceeds from disposal of property, plant and equipment | 23 | 241,776 |
| A20100 | Depreciation | 2,343,599 | 2,259,944 | B03800 | Decrease (increase) in refundable deposits | (48) | (1,636) |
| A20200 | Amortization | 23,069 | 19,197 | B04500 | Acquisition of intangible assets | (30,657) | (14,536) |
| A20300 | Bad debt expense (gain on recovery) | (29,010) | 4,289 | BBBB | Net cash provided by (used in) investing activities | (5,986,969) | (4,631,703) |
| A20400 | Net loss (gain) of financial assets (liabilities) at fair value through profit or loss | (6,700) | (10,159) | | | | |
| A20900 | Interest expense | 39,078 | 27,776 | CCCC | Cash flows from financing activities: | | |
| A21200 | Interest income | (52,634) | (62,885) | C00100 | Increase in (repayment of) short-term loans | 986,017 | (554,166) |
| A21900 | Cost of share based payment | 8,371 | - | C01600 | Increase in long-term loans | 870,000 | 800,000 |
| A22300 | Share of profit or loss of subsidiaries, associates and joint ventures | 88,187 | 199,580 | C01700 | Repayment of long-term loans | (298,088) | (303,111) |
| A22500 | Loss on disposal of property, plant and equipment | 4,092 | 451 | C03000 | Increase in guarantee deposits received | - | 2,000 |
| A23800 | Gain on reversal of impairment loss | (17,100) | 17,100 | C04500 | Payment of cash dividends | (1,336,350) | (1,559,075) |
| A30000 | Changes in operating assets and liabilities: | | | C05100 | Treasury stock purchased | 32,885 | - |
| A31110 | Financial Assets at fair value through profit or loss | 1,435,817 | 695,568 | CCCC | Net cash provided by (used in) financing activities | 254,464 | (1,614,352) |
| A31130 | Notes receivable | 1,274 | (1,195) | | | | |
| A31150 | Accounts receivable | 160,235 | 402,904 | EEEE | Net Increase (decrease) in cash and cash equivalents | (1,035,484) | (1,165,453) |
| A31160 | Accounts receivable - related parties | 32,776 | (11,971) | E00100 | Cash and cash equivalents at beginning of period | 9,833,450 | 10,998,903 |
| A31180 | Other receivable | 86,230 | 37,350 | E00200 | Cash and cash equivalents at end of period | \$8,797,966 | \$9,833,450 |
| A31190 | Other receivable - related parties | 302,371 | (306,538) | | | | |
| A31200 | Inventories | 62,660 | (509) | | | | |
| A31230 | Prepayment | (139,819) | 41,202 | | | | |
| A31240 | Other current assets | (17,924) | 42,427 | | | | |
| A32130 | Notes payable | (1,811) | (6,336) | | | | |
| A32150 | Accounts payable | 256,556 | 25,559 | | | | |
| A32160 | Accounts payable - related parties | (5,900) | (221,000) | | | | |
| A32180 | Other payable | (181,486) | (262,715) | | | | |
| A32210 | Advance receipts | (1,507) | 760 | | | | |
| A32230 | Other current liabilities | 535 | (3,040) | | | | |
| A32240 | Net pension liability under defined benefit plan | (4,043) | (4,098) | | | | |
| A33000 | Cash generated from operations | 5,004,044 | 5,511,593 | | | | |
| A33100 | Dividend received | 100,000 | - | | | | |
| A33100 | Interest received | 52,838 | 63,584 | | | | |
| A33300 | Interest paid | (38,237) | (27,984) | | | | |
| A33500 | Income tax paid | (421,624) | (466,591) | | | | |
| AAAA | Net cash provided by (used in) operating activities | 4,697,021 | 5,080,602 | | | | |

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

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, 2017 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
January 29th, 2018

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

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

Opinion

We have audited the accompanying consolidated balance sheets of Kinsus Interconnect Technology Corp. and subsidiaries (the “Company”) as of December 31, 2017 and 2016, 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 referred as “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 as of December 31, 2017 and 2016, and its 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 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 2017 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\$22,335,486 thousand for the year ended December 31, 2017 is a significant account to the Company's consolidated financial statements. The Company has conducted these sale activities in multi-marketplace, including Taiwan, China, USA, etc. Among these locations, the Company has 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 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.

Market valuation on Inventory

We determined the market valuation on inventory one of key audit matters in considering that the amount of inventory was significant and the assessment of sufficiency of inventory loss requires significant management judgement. The Company's net inventory amounted to NT\$2,127,714 thousand as of December 31, 2017. As the application market of substract, the Company's main products, is characterized by rapid development in technology and the trend of consumers' preference, management, in timely considering the status of new products development and the demand from clients, has to evaluate the loss due to market value decline as well as write-down on slow-moving inventories to their net realizable value. Our audit procedures therefore include, but not limit to, evaluating the Company's policy with respect to assessment the loss from slow-moving inventory and phased-out items, (including identification method, testing the accuracy of inventory aging schedule, analysis on inventory movement), perfroming observation on the Company's inventory physical-taking, and inspecting the current status of inventory usage, etc. We also assessed the adequacy of the inventory-related disclosures shown in the Note 5 and 6 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, 2017 and 2016 and for the years then ended were audited by other auditors, whose reports thereon have 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\$823,380 thousand and NT\$432,689 thousand as of December 31, 2017 and 2016 representing 1.95% and 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 years then ended amounting to NT\$(77,880) thousand and NT\$(12,783) thousand representing (14.72)% and (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 years then ended amounting to NT\$(19,180) thousand and NT\$(4,528) thousand representing 17.37% and 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, 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 or supervisors, are responsible for overseeing the financial reporting process of the Company.

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.
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.

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

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 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 2017 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.

We have audited and expressed an unqualified opinion on the parent-company-only financial statements of the Company as of and for the years then ended December 31, 2017 and 2016.

Ernst & Young
January 29th, 2018
Taipei, Taiwan,
Republic of China

Notices 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 and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2017 and 2016

(Amounts Expressed In Thousands of New Taiwan Dollars)

| Assets | | | 2017 | | 2016 | |
|--------|---|--------------|---------------------|------------|---------------------|------------|
| Code | Accounts | Notes | Amount | % | Amount | % |
| | Current assets | | | | | |
| 1100 | Cash and cash equivalents | 4, 6(1) | \$10,342,012 | 24 | \$11,212,646 | 27 |
| 1110 | Financial assets at fair value through profit or loss | 4, 6(2) | 1,553,833 | 4 | 3,268,435 | 8 |
| 1147 | Bond investments with no active market | 4, 6(3) | 423,057 | 1 | 423,057 | 1 |
| 1150 | Notes receivable, net | 4, 6(5) | 1,756 | - | 3,030 | - |
| 1170 | Accounts receivable, net | 4, 6(6) | 3,353,060 | 8 | 3,197,829 | 8 |
| 1180 | Accounts receivable - related parties | 4, 6(6), 7 | 333,700 | 1 | 399,736 | 1 |
| 1200 | Other receivables | | 208,485 | - | 289,514 | 1 |
| 1210 | Other receivables - related parties | 7 | 6,243 | - | 307,646 | 1 |
| 1310 | Inventories, net | 4, 6(7) | 2,127,714 | 5 | 2,258,244 | 5 |
| 1410 | Prepayments | | 260,566 | 1 | 134,676 | - |
| 1470 | Other current assets | | 163,976 | - | 120,742 | - |
| 11XX | Total current assets | | <u>18,774,402</u> | <u>44</u> | <u>21,615,555</u> | <u>52</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) | 823,380 | 2 | 432,689 | 1 |
| 1600 | Property, plant and equipment, net | 4, 6(9), 8,9 | 19,151,653 | 46 | 16,578,663 | 40 |
| 1780 | Intangible assets | 4, 6(10) | 22,850 | - | 18,820 | - |
| 1840 | Deferred income tax assets | 4, 6(26) | 131,090 | - | 9,882 | - |
| 1900 | Other non-current assets | 6(11), 7 | 314,024 | 1 | 295,385 | 1 |
| 1915 | Prepayment for equipment | 4, 6(9), 9 | 3,010,078 | 7 | 2,252,721 | 6 |
| 15XX | Total non-current assets | | <u>23,503,075</u> | <u>56</u> | <u>19,638,160</u> | <u>48</u> |
| 1XXX | Total Assets | | <u>\$42,277,477</u> | <u>100</u> | <u>\$41,253,715</u> | <u>100</u> |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Kinsus Interconnect Technology Corp. and Subsidiaries
Consolidated Balance Sheets-(Continued)
As of December 31, 2017 and 2016
(Amounts Expressed In Thousands of New Taiwan Dollars)

| Liabilities and Equity | | | 2017 | | 2016 | |
|------------------------|---|-----------------|---------------------|------------|---------------------|------------|
| Code | Accounts | Notes | Amount | % | Amount | % |
| | Current liabilities | | | | | |
| 2100 | Short-term loans | 6(12) | \$3,297,397 | 8 | \$2,228,478 | 6 |
| 2150 | Notes payable | | 44,804 | - | 48,092 | - |
| 2170 | Accounts payable | | 2,526,036 | 6 | 2,126,485 | 5 |
| 2180 | Accounts payable - related parties | 7 | - | - | 16,059 | - |
| 2200 | Other payables | 6(13), 7 | 3,597,985 | 8 | 3,021,801 | 7 |
| 2230 | Current income tax liabilities | 4, 6(26) | 352,272 | 1 | 510,591 | 1 |
| 2300 | Other current liabilities | 6(15) | 719,393 | 2 | 688,291 | 2 |
| 21XX | Total current liabilities | | <u>10,537,887</u> | <u>25</u> | <u>8,639,797</u> | <u>21</u> |
| | Non-current liabilities | | | | | |
| 2540 | Long-term loans | 6(16), 8 | 1,746,800 | 4 | 1,508,390 | 4 |
| 2570 | Deferred income tax liabilities | 4, 6(26) | 1,253 | - | 631 | - |
| 2600 | Other non-current liabilities | 4, 6(17), 6(18) | 76,539 | - | 90,128 | - |
| 25XX | Total non-current liabilities | | <u>1,824,592</u> | <u>4</u> | <u>1,599,149</u> | <u>4</u> |
| 2XXX | Total liabilities | | <u>12,362,479</u> | <u>29</u> | <u>10,238,946</u> | <u>25</u> |
| 31XX | Equity attributable to shareholders of the parent | | | | | |
| 3100 | Capital | 6(19) | | | | |
| 3110 | Common stock | | 4,460,000 | 11 | 4,460,000 | 11 |
| 3200 | Capital surplus | 6(19) | 5,956,519 | 14 | 5,939,819 | 14 |
| 3300 | Retained earnings | 6(19) | | | | |
| 3310 | Legal reserve | | 3,563,389 | 8 | 3,340,018 | 8 |
| 3320 | Special reserve | | 613 | - | - | - |
| 3350 | Unappropriated earnings | | 14,095,717 | 33 | 15,163,371 | 37 |
| 3400 | Other components of equity | | (77,677) | - | (613) | - |
| 3500 | Treasury Stock | 6(19) | - | - | (32,885) | - |
| 36XX | Non-controlling interests | 6(19) | 1,916,437 | 5 | 2,145,059 | 5 |
| 3XXX | Total equity | | <u>29,914,998</u> | <u>71</u> | <u>31,014,769</u> | <u>75</u> |
| | Total liabilities and equity | | <u>\$42,277,477</u> | <u>100</u> | <u>\$41,253,715</u> | <u>100</u> |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Kinsus Interconnect Technology Corp. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2017 and 2016
(Amounts Expressed In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| Code | Accounts | Notes | 2017 | | 2016 | |
|------|--|-------------|--------------|------|--------------|------|
| | | | Amount | % | Amount | % |
| 4000 | Net revenue | 4, 6(21), 7 | \$22,335,486 | 100 | \$23,165,066 | 100 |
| 5000 | Cost of sale | 7 | (18,172,762) | (81) | (17,414,521) | (75) |
| 5900 | Gross profit | | 4,162,724 | 19 | 5,750,545 | 25 |
| 6000 | Operating expenses | 7 | | | | |
| 6100 | Sales and marketing | | (706,746) | (3) | (509,185) | (2) |
| 6200 | General and administrative | | (1,611,376) | (7) | (1,213,506) | (5) |
| 6300 | Research and development | | (1,445,377) | (7) | (1,438,082) | (7) |
| | Total operating expenses | | (3,763,499) | (17) | (3,160,773) | (14) |
| 6900 | Operating income | | 399,225 | 2 | 2,589,772 | 11 |
| 1310 | | | | | | |
| 7000 | Non-operating incomes and expenses | | | | | |
| 7010 | Other incomes | 6(24), 7 | 237,046 | 1 | 195,672 | 1 |
| 7020 | Other gains and losses | 6(24), 7 | 49,878 | - | (131,897) | (1) |
| 7050 | Finance costs | 6(24), 7 | (79,146) | (1) | (71,306) | - |
| 7060 | Share of profit or loss of associates and joint ventures | 4, 6(8) | (77,880) | - | (12,783) | - |
| | Total non-operating incomes and expenses | | 129,898 | - | (20,314) | - |
| 7900 | Income before income tax | | 529,123 | 2 | 2,569,458 | 11 |
| 7950 | Income tax expense | 4, 6(26) | (193,801) | (1) | (496,430) | (2) |
| 8200 | Net income | | 335,322 | 1 | 2,073,028 | 9 |
| 8300 | Other comprehensive income (loss) | 6(25) | | | | |
| 8310 | Item that may not be reclassified to profit or loss | | | | | |
| 8311 | Actuarial gain (loss) from defined benefit plans | | 1,004 | - | (959) | - |
| 8360 | Items that may be reclassified subsequently to profit or loss | | | | | |
| 8361 | Exchange differences arising on translation of foreign operations | | (92,241) | - | (361,332) | (1) |
| 8370 | Share of profit or loss of associates and joint ventures | | (19,180) | - | (4,528) | - |
| 8399 | Income tax related to items that may be reclassified subsequently to P/L | | - | - | 39,834 | - |
| | Total other comprehensive income, net of tax | | (110,417) | - | (326,985) | (1) |
| 8500 | Total comprehensive income | | \$224,905 | 1 | \$1,746,043 | 8 |
| 8600 | Net income (loss) attributable to: | | | | | |
| 8610 | Shareholders of the parent | | \$491,676 | 2 | \$2,233,705 | 10 |
| 8620 | Non-controlling interests | | (156,354) | (1) | (160,677) | (1) |
| | | | \$335,322 | 1 | \$2,073,028 | 9 |
| 8700 | Total comprehensive income (loss) attributable to: | | | | | |
| 8710 | Shareholders of the parent | | \$415,616 | 2 | \$2,037,649 | 9 |
| 8720 | Non-controlling interests | | (190,711) | (1) | (291,606) | (1) |
| | | | \$224,905 | 1 | \$1,746,043 | 8 |
| 9750 | Earnings per share - basic (In NT\$) | 6(27) | \$1.10 | | \$5.01 | |
| 9850 | Earnings per share - diluted (In NT\$) | 6(27) | \$1.10 | | \$4.95 | |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2017 and 2016

(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 | Special Reserve | Unappropriated Earnings | Exchange differences arising on translation of foreign operations | | | | |
| | | 3100 | 3200 | 3310 | 3320 | 3350 | 3410 | 3500 | 31XX | 36XX | 3XXX |
| A1 | Balance as of January 1, 2016 | \$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 |
| A1 | 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 |
| | Appropriation and distribution of 2016 earnings: | | | | | | | | | | |
| B1 | Legal reserve | | | 223,371 | | (223,371) | | | - | | - |
| B3 | Special reserve | | | | 613 | (613) | | | - | | - |
| B5 | Cash dividends - common shares | | | | | (1,336,350) | | | (1,336,350) | | (1,336,350) |
| C7 | Change in associates and joint ventures accounted for using equity method | | 8,329 | | | | | | 8,329 | | 8,329 |
| D1 | Net income (loss) for 2017 | | | | | 491,676 | | | 491,676 | (156,354) | 335,322 |
| D3 | Other comprehensive income (loss) for 2017 | | | | | 1,004 | (77,064) | | (76,060) | (34,357) | (110,417) |
| D5 | Total comprehensive income | - | - | - | - | 492,680 | (77,064) | - | 415,616 | (190,711) | 224,905 |
| N1 | Share-based payment transactions | | 8,371 | | | | | 32,885 | 41,256 | | 41,256 |
| O1 | Changes in non-controlling interests | | | | | | | | | (37,911) | (37,911) |
| Z1 | Balance as of December 31, 2017 | \$4,460,000 | \$5,956,519 | \$3,563,389 | \$613 | \$14,095,717 | \$(77,677) | \$- | \$27,998,561 | \$1,916,437 | \$29,914,998 |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2017 and 2016

(Amounts Expressed in Thousands of New Taiwan Dollars)

| Code | Items | 2017 | 2016 | Code | Items | 2017 | 2016 |
|--------|--|-----------|-------------|--------|---|--------------|--------------|
| AAAA | Cash flows from operating activities: | | | BBBB | Cash flows from investing activities: | | |
| A10000 | Net income before tax | \$529,123 | \$2,569,458 | B00700 | Disposal of bond investments with no active market | - | 5,055 |
| A20000 | Adjustments: | | | B01800 | Acquisition of investment accounted for under equity method | (479,422) | (450,000) |
| A20010 | Profit or loss not effecting cash flows: | | | B02700 | Acquisition of property, plant and equipment | (6,261,465) | (4,761,567) |
| A20100 | Depreciation | 3,413,416 | 3,464,017 | B02800 | Proceeds from disposal of property, plant and equipment | 239 | 260,601 |
| A20200 | Amortization | 30,655 | 31,215 | B03800 | Decrease (increase) in refundable deposits | (29,733) | (4,813) |
| A20300 | Bad debt expense (gain on recovery) | (29,065) | 6,531 | B04500 | Acquisition of intangible assets | (34,980) | (20,457) |
| A20400 | Net loss (gain) of financial assets (liabilities) at fair value through profit or loss | (7,140) | (10,653) | BBBB | Net cash provided by (used in) investing activities | (6,805,361) | (4,971,181) |
| A20900 | Interest expense | 79,146 | 71,306 | | | | |
| A21200 | Interest income | (62,316) | (72,471) | CCCC | Cash flows from financing activities: | | |
| A21900 | Cost of share based payment | 8,371 | - | C00100 | Increase in (repayment of) short-term loans | 1,068,919 | (866,552) |
| A22300 | Share of profit or loss of subsidiaries, associates and joint ventures | 77,880 | 12,783 | C01600 | Increase in long-term loans | 870,000 | 800,000 |
| A22500 | Loss on disposal of property, plant and equipment | 5,847 | 43,555 | C01700 | Repayment of long-term loans | (595,038) | (694,292) |
| A23700 | Impairment loss on non-financial assets (gain on recovery) | (19,598) | 21,126 | C03000 | Increase in guarantee deposits received | (8,542) | 7,273 |
| A30000 | Changes in operating assets and liabilities: | | | C04500 | Payment of cash dividends | (1,336,350) | (1,559,075) |
| A31110 | Financial Assets at fair value through profit or loss | 1,721,742 | 278,588 | C05100 | Treasury stock sold to employees | 32,885 | - |
| A31130 | Notes receivable | 1,274 | (1,195) | C05800 | Change in non-controlling interests | (37,911) | - |
| A31150 | Accounts receivable | (125,900) | 386,860 | CCCC | Net cash provided by (used in) financing activities | (6,037) | (2,312,646) |
| A31160 | Accounts receivable - related parties | 66,036 | (150,827) | | | | |
| A31180 | Other receivable | 80,053 | 47,292 | DDDD | Effect of exchange rate changes | (61,870) | (2,510) |
| A31190 | Other receivable - related parties | 301,403 | (305,565) | | | | |
| A31200 | Inventories | 130,530 | 27,192 | EEEE | Net Increase (decrease) in cash and cash equivalents | (870,634) | (1,533,661) |
| A31230 | Prepayment | (125,890) | 24,529 | E00100 | Cash and cash equivalents at beginning of period | 11,212,646 | 12,746,307 |
| A31240 | Other current assets | (41,639) | 15,635 | E00200 | Cash and cash equivalents at end of period | \$10,342,012 | \$11,212,646 |
| A31990 | Long-term prepaid rent | 11,094 | 28,213 | | | | |
| A32130 | Notes payable | (3,288) | (7,392) | | | | |
| A32150 | Accounts payable | 399,551 | 129,686 | | | | |
| A32160 | Accounts payable - related parties | (16,059) | 16,059 | | | | |
| A32180 | Other payable | 13,984 | (369,201) | | | | |
| A32200 | Provisions | - | (294) | | | | |
| A32210 | Advance receipts | 55,899 | 59,442 | | | | |
| A32230 | Other current liabilities | (652) | (3,469) | | | | |
| A32240 | Net pension liability under defined benefit plan | (4,043) | (4,098) | | | | |
| A33000 | Cash generated from operations | 6,490,414 | 6,308,322 | | | | |
| A33100 | Interest received | 63,254 | 72,140 | | | | |
| A33300 | Interest paid | (78,328) | (72,842) | | | | |
| A33500 | Income tax paid | (472,706) | (554,944) | | | | |
| AAAA | Net cash provided by (used in) operating activities | 6,002,634 | 5,752,676 | | | | |

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

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, 2017

| Item | Amount (In: NT\$) |
|---|--------------------------------|
| Beginning retained earnings | \$13,603,036,922 |
| Add: Other comprehensive income (loss) in 2017 | |
| -Actuarial gain/loss of defined benefit | 1,004,078 |
| Add: Net profit after tax in 2017 | <u>491,676,522</u> |
| Distributable earnings | 14,095,717,522 |
| Less: 10% legal reserve | (49,167,652) |
| Special reserve | (77,064,301) |
| Cash dividend to shareholders (NT\$1.5 per share) | <u>(669,000,000)</u> |
| Subtotal | <u>(795,231,953)</u> |
| Unappropriated retained earnings | <u><u>\$13,300,485,569</u></u> |
| Total shares for dividend to be distributed | 446,000,000 |

Calculation:

Paid-in capital: NT\$4,460,000,000

Chairman:

CEO:

Chief Accountant:

APPENDIX I

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

Kinsus Interconnect Technology Corp. Rules of Procedure for Shareholder Meetings

Article 1

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

Article 2

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

Article 3

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

Article 4

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

Article 4-1

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

Article 5

When the shareholders meeting was convened by the Board of Directors, the shareholders' meeting shall be presided by the Chairman of the Board of Directors. If the Chairman is absent or is unable to exercise the duties for certain reasons, the vice-Chairman shall act on his/her behalf. If the vice-Chairman is absent or is unable to exercise the duties for certain reasons, the Chairman may designate the managing director to act on his/her behalf; if there is no managing director, one of the directors may be designated to act on his/her behalf. Where the Chairman does not designate a proxy, the managing director or directors may elect a person among themselves to act on behalf of the Chairman. When the shareholders meeting was convened by other persons who have the convening right, the shareholders' meeting shall be presided by the convener. When a managing director or a director serves as chair, as referred to in the

preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

Article 6

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

Article 7

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

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

Article 8

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

Article 9

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

Article 10

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

statement and interfere, unless consent is obtained from the chairman and the shareholder making the statement. The chairman shall restrain such interfering shareholder.

Article 11

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

Article 12

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

Article 13

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

Article 14

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

Article 15

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

Article 16

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

Article 17

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

Article 18

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

Article 19

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

Article 20

The chairman may instruct the security officer to assist in maintaining the order of the meeting. The

security officer shall wear an arm-band with the word "Security" when assisting in the maintenance of the order of the meeting.

Article 21

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

Article 22

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

Appendix II

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

Articles of Incorporation of Kinsus Interconnect Technology Corp.

CHAPTER 1 GENERAL PROVISIONS

Article 1

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

Article 2

The business scope of the Company is as following:

1. CC01080 Electronic Parts and Components Manufacturing
2. F119010 Wholesale of Electronic Materials
3. F219010 Retail Sale of Electronic Materials
4. I103060 Management consultation
5. CQ01010 Die Manufacturing
6. CC01990 Electrical Machinery, Supplies Manufacturing
7. CB01990 Other Machinery Manufacturing Not Elsewhere Classified
8. F401010 International Trade
9. C801010 Basic Industrial Chemical Manufacturing
10. ZZ99999 All business items that are not prohibited or restricted by laws and egulations, except for those subject to special approval.

Article 3

The Company has its head office in Taoyuan City, and the Company may establish branches in and out of this country.

Article 4

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

CHAPTER II SHARES

Article 5

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

Article 6

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

Article 7

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

Article 8

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

CHAPTER III SHAREHOLDER'S MEETING

Article 9

The shareholders' meeting of the Company is as following :

1. Ordinary shareholders' meeting shall be convened within six months after close of each fiscal year by the branches.
2. Extraordinary shareholders' meeting shall be convened when necessary in accordance with the relevant laws and regulations.

Article 10

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

Article 11

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

Article 12

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

Article 13

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

Article 14

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

CHAPTER IV DIRECTORS, AUDIT COMMITTEE AND MANAGERS

Article 15

The Company set up five to nine directors with three-year term in adopting the system of nominating candidates. The shareholders elect the directors from the list of candidates and the directors can be re-elected for next term.

During the directors' term, the Company shall buy sufficient insurance for all its directors to cover the legal liability that might incur in mal-practice of its Company's business.

Article 15-1

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

Article 15-2

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

Article 16

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

1. To determine the business plans and financial statements,

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

Article 17

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

Article 18

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

Article 19

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

Article 20

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

Article 21

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

CHAPTER V ACCOUNTING

Article 22

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

Article 23

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

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

Article 24

The Company, if making profits in current year, shall provide the ratio of employee compensation to “income before tax and the employee and directors’ compensation to be provided” at less than 10% and the ratio of directors’ compensation to “income before tax and the employee and directors’ compensation to be provided” at be more than 1%, provided that all accumulated deficits, if any, are fully offset.

The employees’ compensation can be distributed in cash or stocks. The employees receiving the stock dividends may include employees in affiliated companies who met certain conditions stipulated by the Board of Directors.

Employee and directors’ compensation is to report in the shareholders’ meeting.

Article 24-1

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

1. Payment of all taxes and dues;
2. Offset prior years’ operation losses;
3. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
4. Set aside or reverse special reserve in accordance with law and regulations;
5. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders’ meeting.

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

ARTICLE VI SUPPLEMENTARY PROVISIONS

Article 25

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

Article 25-1

The Company may provide guarantee as necessary for the business.

Article 26

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

Article 27

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

Article 28

The Article was agreed by all the promoters in founder's meeting in September 1, 2000. The first revised was June 28, 2003. The second revised was August 26, 2003. The third revised was April 16, 2004. The fourth time revised was April 16, 2004. The fifth time revised was June 14, 2005. The sixth time revised was June 14, 2005. The seventh revised was June 19, 2006. The eighth revised was May 30, 2007. The ninth revised was May 30, 2008. The tenth revised was June 18, 2010. The eleventh revised was June 22, 2011. The twelfth revised was June 18, 2012. The thirteenth revised was May 27, 2016. The fourteenth revised was May 27, 2017.

Appendix III

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

Kinsus Interconnect Technology Corp.

Rules for Election of Directors

Article 1

Election of directors shall be acted upon in accordance with these regulations.

Article 2

The election of directors of the Company shall be executed at the shareholders' meeting.

Article 3

Company's directors shall be elected through cumulative voting. Voters' registration can be substituted by the attendee card number which is printed on the ballots.

Article 4

When electing the Company's directors, each share shall be entitled to one vote for each director to be elected. In the election of directors of this Company, each share shall have voting rights equivalent to the number of seats to be elected and such voting rights can be combined to vote for one person or divided to vote for several persons.

Article 5

When voting commences, the chair shall appoint several inspectors to count ballots and carry out related duties.

Article 6

The numbers of the Directors of the Company shall be provided by the Articles of Incorporation of the Company. The election of independent directors and non-independent directors shall be held together; but elected places shall be calculated separately. The elected candidates shall base on the total voting rights received. If an elected director submits a representation for not to be the director before the Company applying to the government for updated registration, the person with votes next to the elected will be deemed elected. When two or more persons receive the same number of votes and the specified number of positions is exceeded, the two persons receiving the same number of votes shall draw lots to decide who shall serve; the chair shall draw lots on behalf of a non-attendee.

Article 7

During the election, the chairman shall appoint vote inspectors and vote counters from among the shareholders in attendance to take charge of inspecting and counting the votes.

Article 8

A ballot box shall be provided by the board of directors and shall be kept in public view by the monitor before the vote.

Article 9

The voters shall fill in the "candidate" column the candidate's name and the voters' attending number and place the ballots into the ballot box. If the candidate is a government agency or a legal entity, the full name of the government agency or the legal entity or the name(s) of their representative(s) should be filled in the column.

Article 10

A ballot is invalid under any of the circumstances listed below:

1. Not the votes prepared by the board of directors.
2. Any blank ballot placed in the ballot box.
3. Any ballot with illegible writing or incomplete corrections rendering it unrecognizable.
4. Any ballot with the names of more than candidates.
5. Any ballot containing other characters in addition to the name, ID card number or uniform number or shareholder account number of the candidate.
6. The name of the candidates filled in the ballots being the same as another candidate's name and the respective shareholder's numbers (ID numbers) not being indicated to distinguish.

Article 11

The ballot box used for voting shall be prepared by this Company and checked in public by the person to check the ballots after voting.

Article 12

The vote inspector and vote counter shall monitor the opening of the ballots, and the chairman shall announce the results immediately thereafter.

Article 13

The board of directors of the Company shall deliver a written notification to the directors elected.

Article 14

Matters not specified in the Rules shall be governed by the Company Act, articles of association of the Company and the relevant laws and regulations.

Article 15

These Regulations and any amendments hereto shall enter into force when approved by a resolution at a Shareholders' Meeting.

Article 16

These regulations were enacted on June 28, 2003. The first amendment was made on June 18, 2012.

Appendix IV

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

Shareholding of Directors

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

Book closure date: March 31, 2018

| Position | Name | Shareholding when elected | | Current shareholding | |
|----------------------|-------------------------------|---------------------------|------------------------|----------------------|------------------------|
| | | Shares | Shareholding ratio (%) | Shares | Shareholding ratio (%) |
| Chairman | Guo, Ming-Dong | 1,179,795 | 0.26% | 1,069,795 | 0.24% |
| Director | Tong, Zi-Xian | 200,000 | 0.04% | 200,000 | 0.04% |
| Director | Chen, Ho-Shu | 361,002 | 0.08% | 361,002 | 0.08% |
| Director | Asustek Investment Co. Ltd. | 58,233,091 | 13.06% | 58,233,091 | 13.06% |
| | Representative: Su, Shanon | - | - | - | - |
| Director | Asuspower Investment Co. Ltd. | 55,556,221 | 12.46% | 55,556,221 | 12.46% |
| | Representative: Wu, Shaing | - | - | - | - |
| Director | Cheng, Zhong-Ren | - | - | - | - |
| Independent Director | Chen, Jin-Cxi | - | - | - | - |
| Independent Director | Huang, Chuan-Bao | - | - | - | - |
| Independent Director | Wu, Hui-Huang | - | - | - | - |
| Total | | 115,530,109 | 25.90% | 115,420,109 | 25.88% |

Appendix V

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

Other Explanation Item

The acceptance of the shareholders' proposals for the shareholders meeting this year:

1. According to Article 172-1 of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a shareholders' general meeting.
2. The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and more than one proposal or any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting.
3. The period for acceptance of shareholders' proposal: From March 23, 2018 to April 2, 2018; the information has been announced on the Market Observation Post System.
4. The Company did not receive any shareholders' proposal during the aforesaid period.