

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 2019 Annual Meeting of Shareholders

Meeting Date: May 29th, 2019

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 2019 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 2019 of Annual Meeting of Shareholders

Time: 9:00 a.m., May 29th (Wednesday), 2019

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. 2018 Business Report
 2. Audit Committee's Review Report on the 2018 Financial Statements
 3. To Report 2018 Employees and Directors' Compensation
- IV. Items To be Approved
 1. To approve 2018 Business Report, Consolidated Financial Statements and Parent-company-only Financial Statements (Proposed by the Board of Directors)
 2. To approve the proposal for 2018 earnings distribution (Proposed by the Board of Directors)
- V. Items to Be Discussed and Resolved and The Election
 1. To Amend the Company's Article of Incorporation (Proposed by the Board of Directors)
 2. To Amend the Company's Procedures for Acquisition or Disposal of Assets (Proposed by the Board of Directors)
- VI. Other Questions and Motions
- VII. Adjournment

I. Items To Be Reported

1. The 2018 Business Report

Explanatory Notes: Please refer to Attachment I. (Page 5 to 7)

2. Audit Committee's Review Report on the 2018 Financial Statements

Explanatory Notes: Please refer to Attachment II. (Page 8)

3. To report the 2018 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 2018 directors' and employees' compensation in amount of NT\$3,352,285 and NT\$55,073,693, respectively.
- b. The directors' and employees' compensation will be paid in cash and the same as those recognized in 2018 financial statements.

II. Items To Be Approved

1. To approve 2018 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 5-7 of Attachment I and page 9-27 of Attachment III to the Meeting Handbook.

Resolution:

2. To approve the proposal for 2018 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 2018 net income of NT\$349,485,057 and making legal

reserve and special reserve in compliance with Company Act and the Articles. The 2018 earnings distribution table is shown in Attachment IV (page 28) 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 include in other income of the company, 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. Amendment to the Articles of Incorporation (Proposed by the Board of Directors)

Explanatory Notes: The Amendment is based on the Company's operating need, and for comparison for amendment to the Article of Incorporation, please refer to Attachment V (Page 29-31).

Resolution:

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

Explanatory Notes: The Amendment is based on the Company's operating need, and for comparison for amendment to the company's procedures for acquisition or disposal of assets, please refer to Attachment VI (Page 32-48).

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.)

2018 Business Report

1. 2018 Business Report

In 2018, new stimulating power from electronic products and semi-conductors market was weak. The virtual currency upsurge did not last too long in beginning of the year. The trend of electronic products development of smart phones transferred from personal computers in recent becomes to a stable and flat stage or even has begun to decline. Before the advancement of electronic products to artificial intelligence AIoT, the semi-conductors industry seems getting into a slowdown stage in the development of terminal products.

In addition to the slow industrial technology development process, the factors that have plagued the global economy in 2018 years are the US-China trade war and technology competition. The United States has two major influences by curbing China's growing trade war by raising customs duty. Electronic products industry, especially computer and mobile phone related industry chains, worry that high customs duty will cause sales of products in the United States to decrease and, therefore, adjust product and component inventory levels in advance. The overall supply chain performance tends to become very conservative. production costs are also increased, on the other hand, because many processing and assembling companies who originally were located in China have turned their operations to southeast Asia and Europe. The longer term development for the electronics supply chain will be recast and the global supply chain can be clearly divided into two or three supply systems.

The evolution of electronic products and the obstruct of the US-China trade war ultimately affected of semi-conductor and substrate. Negative impacts included falling iOS phone sales and slumping Android phones demand. Though many new wearable devices are trying to stimulate market growth, the overall scale is too small to restore the weakness of mobile phone market. Such an impact occurred in 2018 and will extend to 2019. Positive development is in 5G communication. The base station system component suppliers are trying their best to accelerate product development. 5G communication pilots of various operators, the scale and speed are accelerating. Competition is more intense. 5G communication to get into commercial operation stage in 2020 becomes feasible. The 5G communication not only drives the Company's turnover in the second half of 2018 but also will enhance 2019 performance. Subsequently it will accelerate the business opportunities for AIOT including the cloud and the application. These applications are the ABF FC-BGA substrates that the Company is best at.

The Company's revenue in parent-company-only basis totaled to NT\$17,228,031 thousand in 2018, increased by 5.78% compared to NT\$16,286,034 thousand in 2017. Net income in parent-company-only basis was NT\$349,485 thousand in 2018, decreased by 28.92% compared to

NT\$491,676 thousand in 2017. The Company's consolidated revenue totaled to NT\$23,727,929 thousand in 2018, increased by 6.23% compared to NT\$22,335,486 thousand in 2017. The consolidated net income was NT\$411,040 thousand in 2018, increased by 22.58% compared to NT\$335,322 thousand in 2017.

The increase in operating profit was mainly due to the improvement of product mix and the high proportion of high gross profit margin products while the decline in operating profit was mainly due to the higher operating expenses of Xinfeng Factory resulted from market lost by unexpected slow growth of new products market and price competition.

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

Account (In parent-company-only basis)	2018	2017	Growth Rate (%)
Operating revenues	17,228,031	16,286,034	5.78%
Gross profit	3,615,434	3,077,973	17.46%
Operating income	346,545	499,936	-30.68%
Pre-tax income	422,468	617,128	-31.4%
Net income	349,485	491,676	-28.92%
Earnings per share (in NT\$)	0.78	1.10	

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

Account (In consolidated basis)	2018	2017	Growth Rate (%)
Operating revenues	23,727,929	22,335,486	6.23%
Gross profit	5,386,502	4,162,724	29.40%
Operating income	791,650	399,225	98.30%
Pre-tax income	710,522	529,123	34.28%
Net income	411,040	335,322	22.58%
Net income/loss attributable to:			
Shareholders of the parent	349,485	491,676	
Non-controlling interests	61,555	-156,354	
Earnings per share (In NT\$)	0.78	1.10	

2. Summary of 2019 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 IC substrates industry has entered a highly complex product portfolio and structure. Competitive technologies such as Fan-Out WLP have grown rapidly. The Company's R&D department is developing higher-accumulation packaging/assembly substrates, such as SiP modules, integrate antenna modules, CPU/memory multi-chip Wafer substrates, or even soft board modules, and expand the technology capabilities of the substrate industry for many years to create higher value for customers.

(2)2019 Expected Sales and Its Sources

Several foreign-funded and international research advisory agencies predict that global economic growth will slow down in 2019 compared to 2018. In addition to regional geopolitical conflicts and the impact of US-China trade and technology competition, there is also a lack of innovative products in the market. Most electronic products follow 2018 of existing specifications and functions. The products with more obvious growth trends include 5G base station related chips and AI related High Bandwidth Memory. Automotive electronic products, including applications such as assisted autopilot ADAS, autonomous driving environment sensing components, and autopilot learning algorithm processors, are still highly growing. The fastest-growing smartphone-related Wafer components slight decline in 2019.

(3)Significant Production and Marketing Policy

- A. Continue investing in R&D resources, developing both micro-wire and slim-film processes, providing customers with solutions for 7nm wafer process and multi-chip package modules.
- B. Expanding the capacity of ABF FC-BGA substrate to match the long-term needs of 5G and AIoT.
- C. Adjust the production capacity and production equipment of each plant to achieve the 2019 operating plan.

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 Wafer 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 2018 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: Chung-Pao Hwang

February 18th, 2019

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, 2018 and 2017, 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, 2018 and 2017, 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. Based on our audits and the reports of other auditor(s), 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, 2018. 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.

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Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's consolidated revenue amounting to NT\$17,228,031 thousand for the year ended December 31, 2018 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, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. 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 sampling-test of details, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing, and performance obligation for revenue recognition from foreign warehouses with sale agreement or orders, performing analytical review procedures on monthly sale revenues, executing sale cut-off tests, etc. We have also evaluated the appropriateness of the related disclosure in Note 4 and 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\$1,918,295 thousand as of December 31, 2018. 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, 2018 and 2017, 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\$735,275 thousand and NT\$823,380 thousand as of December 31, 2018 and 2017 representing 2.03% and 2.28% 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\$(99,606) thousand and NT\$(77,880) thousand representing (23.58)% and (12.62)% 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\$12,346 thousand and NT\$(19,180) thousand representing (47.45)% and 25.22% 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 2018 parent-company-only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young
February 18th, 2019
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, 2018 and 2017

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			2018		2017	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$8,709,305	24	\$8,797,966	24
1110	Financial assets at fair value through profit or loss	4, 6(2)	1,005,335	3	1,410,216	4
1136	Financial assets carried at amortized cost	4, 6(3)	423,057	1	-	-
1147	Bond investments with no active market	4, 6(4)	-	-	423,057	1
1150	Notes receivable, net	4, 6(5)	241	-	1,756	-
1170	Accounts receivable, net	4, 6(6)	2,765,195	8	2,382,221	7
1180	Accounts receivable - related parties, net	4, 6(6), 7	1,131	-	954	-
1200	Other receivables		232,701	1	156,997	-
1210	Other receivables - related parties	7	31,727	-	11,656	-
1310	Inventories, net	4, 6(7)	1,918,295	5	1,255,598	4
1410	Prepayments		128,195	-	213,761	1
1470	Other current assets		50,504	-	47,735	-
11XX	Total current assets		<u>15,265,686</u>	<u>42</u>	<u>14,701,917</u>	<u>41</u>
	Non-current assets					
1550	Investment accounted for under equity method	4, 6(8)	4,021,997	11	4,121,363	11
1600	Property, plant and equipment, net	4, 6(9), 9	14,898,668	41	14,406,084	40
1780	Intangible assets, net	4, 6(10)	4,777	-	12,796	-
1840	Deferred tax assets	4, 6(27)	9,593	-	130,819	-
1915	Prepayment for equipment	4, 6(9), 9	1,972,157	6	2,758,841	8
1995	Other non-current assets	6(11)	3,787	-	3,886	-
15XX	Total non-current assets		<u>20,910,979</u>	<u>58</u>	<u>21,433,789</u>	<u>59</u>
1XXX	Total Assets		<u><u>\$36,176,665</u></u>	<u><u>100</u></u>	<u><u>\$36,135,706</u></u>	<u><u>100</u></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, 2018 and 2017

(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			2018		2017	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(12)	\$2,136,671	6	\$2,263,117	6
2130	Contract liability	4, 6(21)	1,082	-	-	-
2150	Notes payable		38,326	-	41,687	-
2170	Accounts payable		1,336,203	4	1,331,417	4
2180	Accounts payable - related parties	7	163,500	1	201,977	1
2200	Other payables	6(13), 7	1,947,831	5	2,292,456	6
2230	Current income tax liabilities	4, 6(27)	140,435	-	293,685	1
2300	Other current liabilities	6(14)	594,000	2	318,373	1
2365	Refund liability	6(15)	12,300	-	-	-
21XX	Total current liabilities		<u>6,370,348</u>	<u>18</u>	<u>6,742,712</u>	<u>19</u>
	Non-current liabilities					
2540	Long-term loans	6(16), 8	1,998,125	6	1,365,625	4
2570	Deferred tax liabilities	4, 6(27)	886	-	846	-
2600	Other non-current liabilities	4, 6(17), 6(18)	25,156	-	27,962	-
25XX	Total non-current liabilities		<u>2,024,167</u>	<u>6</u>	<u>1,394,433</u>	<u>4</u>
2XXX	Total liabilities		<u>8,394,515</u>	<u>24</u>	<u>8,137,145</u>	<u>23</u>
	Equity					
3100	Capital	6(19)				
3110	Common stock		4,508,410	12	4,460,000	12
3200	Capital surplus	6(19)	6,140,942	17	5,956,519	16
3300	Retained earnings	6(19)				
3310	Legal capital reserve		3,612,556	10	3,563,389	10
3320	Special reserve		77,677	-	613	-
3350	Unappropriated earnings		13,646,659	38	14,095,717	39
3400	Other components of equity		(203,356)	(1)	(77,677)	-
3500	Treasury Stock	6(19)	(738)	-	-	-
3XXX	Total equity		<u>27,782,150</u>	<u>76</u>	<u>27,998,561</u>	<u>77</u>
	Total liabilities and equity		<u>\$36,176,665</u>	<u>100</u>	<u>\$36,135,706</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, 2018 and 2017

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

Code	Accounts	Notes	2018		2017	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(21), 7	\$17,228,031	100	\$16,286,034	100
5000	Operating costs	7	(13,612,597)	(79)	(13,208,061)	(81)
5900	Gross profit		3,615,434	21	3,077,973	19
6000	Operating expenses	7				
6100	Selling		(595,067)	(3)	(347,294)	(2)
6200	General and administrative		(931,815)	(6)	(1,246,491)	(8)
6300	Research and development		(1,738,225)	(10)	(984,252)	(6)
6450	Expected credit gains (losses)	4, 6(22)	(3,782)	-	-	-
	Operating expenses total		(3,268,889)	(19)	(2,578,037)	(16)
6900	Operating income		346,545	2	499,936	3
7000	Non-operating income and expenses					
7010	Other income	6(25), 7	205,701	1	199,082	1
7020	Other gains and losses	6(25), 7	10,469	-	45,375	-
7050	Finance costs	6(25)	(64,432)	-	(39,078)	-
7070	Share of profit or loss of subsidiaries, associates and joint ventures		(75,815)	-	(88,187)	-
	Non-operating income and expense total		75,923	1	117,192	1
7900	Income from continuing operations before income tax		422,468	3	617,128	4
7950	Income tax	4, 6(27)	(72,983)	(1)	(125,452)	(1)
8200	Net income		349,485	2	491,676	3
8300	Other comprehensive income (loss)	6(26)				
8310	Item that may not be reclassified subsequently to profit or loss					
8311	Actuarial gain (loss) on defined benefit plans		(3,312)	-	1,004	-
8360	Items that may be reclassified subsequently to profit or loss					
8370	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		(22,706)	-	(77,064)	-
	Total other comprehensive income, net of tax		(26,018)	-	(76,060)	-
8500	Total comprehensive income		\$323,467	2	\$415,616	3
9750	Earnings per share - basic (in NT\$)	6(28)	\$0.78		\$1.10	
9850	Earnings per share - diluted (in NT\$)	6(28)	\$0.78		\$1.10	

(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, 2018 and 2017

(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	Unearned Employee Benefit 3490		
A1	Balance as of January 1, 2017	\$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
A1	Balance as of December 31, 2017	4,460,000	5,956,519	3,563,389	613	14,095,717	(77,677)	-	-	27,998,561
	Appropriation and distribution of 2017 earnings:									
B1	Legal reserve			49,167		(49,167)				-
B3	Special reserve				77,064	(77,064)				-
B5	Cash dividends - common shares					(669,000)				(669,000)
C7	Change in associates and joint ventures accounted for using equity method		(845)							(845)
D1	Net income for 2018					349,485				349,485
D3	Other comprehensive income (loss) for 2018					(3,312)	(22,706)			(26,018)
D5	Total comprehensive income	-	-	-	-	346,173	(22,706)	-	-	323,467
T1	Employee restricted shares for cancellation and others	48,410	185,268					(102,973)	(738)	129,967
Z1	Balance as of December 31, 2018	<u>\$4,508,410</u>	<u>\$6,140,942</u>	<u>\$3,612,556</u>	<u>\$77,677</u>	<u>\$13,646,659</u>	<u>\$(100,383)</u>	<u>\$(102,973)</u>	<u>\$(738)</u>	<u>\$27,782,150</u>

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

NOTE: The employees' bonuses of NT\$55,074 and the directors' and supervisors' remuneration of NT\$3,352 thousand for the year ended December 31, 2018 had been deducted from comprehensive income for the year ended December 31, 2018.

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.

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, 2018 and 2017

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2018	2017	Code	Items	2018	2017
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$422,468	\$617,128	B01800	Acquisition of investment accounted for under equity method	-	(600,000)
A20000	Adjustments:			B02700	Acquisition of property, plant and equipment	(2,916,134)	(5,356,287)
A20010	Profit or loss not effecting cash flows:			B02800	Proceeds from disposal of property, plant and equipment	9,463	23
A20100	Depreciation	2,974,964	2,343,599	B03800	Decrease (increase) in refundable deposits	99	(48)
A20200	Amortization	18,663	23,069	B04500	Acquisition of intangible assets	(10,644)	(30,657)
A20300	Expected credit losses (gain on recovery)	3,782	(29,010)	BBBB	Net cash provided by (used in) investing activities	(2,917,216)	(5,986,969)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(5,200)	(6,700)				
A20900	Interest expense	64,432	39,078	CCCC	Cash flows from financing activities:		
A21200	Interest income	(47,973)	(52,634)	C00100	Increase in (repayment of) short-term loans	(126,446)	986,017
A21900	Cost of share based payment	82,525	8,371	C01600	Increase in long-term loans	1,200,000	870,000
A22300	Share of profit or loss of subsidiaries, associates and joint ventures	75,815	88,187	C01700	Repayment of long-term loans	(290,087)	(298,088)
A22500	Loss on disposal of property, plant and equipment	(724)	4,092	C03000	Increase in guarantee deposits received	(2,000)	-
A23800	Gain on reversal of impairment loss	-	(17,100)	C04500	Payment of cash dividends	(669,000)	(1,336,350)
				C04600	Issuance of common stock for cash	48,410	-
A30000	Changes in operating assets and liabilities:			C05100	Treasury stock purchased	-	32,885
A31110	Financial Assets at fair value through profit or loss	410,081	1,435,817	CCCC	Net cash provided by (used in) financing activities	160,877	254,464
A31130	Notes receivable	1,515	1,274				
A31150	Accounts receivable	(386,756)	160,235	EEEE	Net Increase (decrease) in cash and cash equivalents	(88,661)	(1,035,484)
A31160	Accounts receivable - related parties	(177)	32,776	E00100	Cash and cash equivalents at beginning of period	8,797,966	9,833,450
A31180	Other receivable	(75,788)	86,230	E00200	Cash and cash equivalents at end of period	\$8,709,305	\$8,797,966
A31190	Other receivable - related parties	(20,071)	302,371				
A31200	Inventories	(662,697)	62,660				
A31230	Prepayment	85,566	(139,819)				
A31240	Other current assets	(2,769)	(17,924)				
A32125	Decrease (increase) in contract liabilities	1,082	-				
A32130	Notes payable	(3,361)	(1,811)				
A32150	Accounts payable	4,786	256,556				
A32160	Accounts payable - related parties	(38,477)	(5,900)				
A32180	Other payable	(122,275)	(181,486)				
A32210	Advance receipts	-	(1,507)				
A32230	Other current liabilities	(1,786)	535				
A32240	Net pension liability under defined benefit plan	(4,118)	(4,043)				
A32990	Refund liability	12,300	-				
A33000	Cash generated from operations	2,785,807	5,004,044				
A33100	Dividend received	-	100,000				
A33100	Interest received	48,057	52,838				
A33300	Interest paid	(61,219)	(38,237)				
A33500	Income tax paid	(104,967)	(421,624)				
AAAA	Net cash provided by (used in) operating activities	2,667,678	4,697,021				

(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, 2018 and for the year then ended under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No. 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Kinsus Interconnect Technology Corp. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Kinsus Interconnect Technology Corp.

By

Guo, Ming-Dong

Chairman

February 18th, 2019

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. (the “Company”) and its subsidiaries as of December 31, 2018 and 2017, 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, 2018 and 2017, 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 and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditor(s), 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 2018 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's consolidated revenue amounting to NT\$23,727,929 thousand for the year ended December 31, 2018 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, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. 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, sampling-test of details, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing, and performance obligation for revenue recognition from foreign warehouses with sale agreement or orders, performing analytical review procedures on monthly sale revenues, executing sale cut-off tests, etc. We have also evaluated the appropriateness of the related disclosure in Note 4 and 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\$3,269,317 thousand as of December 31, 2018. 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 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, 2018 and 2017 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\$735,275 thousand and NT\$823,380 thousand as of December 31, 2018 and 2017 representing 1.72% and 1.95% 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\$(99,606) thousand and NT\$(77,880) thousand representing (14.02)% and (14.72)% 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\$12,346 thousand and NT\$(19,180) thousand representing (32.80)% and 17.37% 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 2018 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, 2018 and 2017.

Ernst & Young
February 18th, 2019
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, 2018 and 2017

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of December 31, 2018		As of December 31, 2017	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$10,068,669	24	\$10,342,012	24
1110	Financial assets at fair value through profit or loss	4, 6(2)	1,017,095	2	1,553,833	4
1136	Financial assets carried at amortized cost	4, 6(3)	498,338	1	-	-
1147	Bond investments with no active market	4, 6(4)	-	-	423,057	1
1150	Notes receivable, net	4, 6(7)	241	-	1,756	-
1170	Accounts receivable, net	4, 6(8)	3,472,879	8	3,353,060	8
1180	Accounts receivable - related parties	6(8), 7	349,315	1	333,700	1
1200	Other receivables		264,785	1	208,485	-
1210	Other receivables - related parties	7	5,781	-	6,243	-
1310	Inventories, net	4, 6(9)	3,269,317	8	2,127,714	5
1410	Prepayments		158,390	-	260,566	1
1470	Other current assets		189,759	-	163,976	-
11xx	Total current assets		19,294,569	45	18,774,402	44
	Non-current assets					
1517	Financial asset at fair value through OCI	4, 6(5)	50,000	-	-	-
1543	Financial assets carried at cost	4, 6(6)	-	-	50,000	-
1550	Investment accounted for under equity method	4, 6(10)	735,275	2	823,380	2
1600	Property, plant and equipment, net	4, 6(11), 8, 9	19,737,268	46	19,151,653	46
1780	Intangible	4, 6(12)	14,529	-	22,850	-
1840	Deferred income tax assets	4, 6(29)	12,411	-	131,090	-
1900	Other non-current assets	6(13), 7, 8	316,354	1	314,024	1
1915	Prepayment for acquiring machinery	6(11), 9	2,463,548	6	3,010,078	7
15xx	Total non-current assets		23,329,385	55	23,503,075	56
1xxx	Total Assets		\$42,623,954	100	\$42,277,477	100

(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, 2018 and 2017

(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2018		As of December 31, 2017	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(14)	\$3,340,483	8	\$3,297,397	8
2130	Contract liability	4, 6(23)	134,800	-	-	-
2150	Notes payable		39,505	-	44,804	-
2170	Accounts payable		2,233,609	6	2,526,036	6
2200	Other payables	6(15), 7	3,110,009	7	3,597,985	8
2230	Current income tax liabilities	4, 6(29)	361,313	1	352,272	1
2300	Other current liabilities	6(16)	931,741	2	719,393	2
2365	Refund liability	4, 6(17)	47,739	-	-	-
21xx	Total current liabilities		10,199,199	24	10,537,887	25
	Non-current liabilities					
2540	Long-term loans	6(18), 8	2,600,806	6	1,746,800	4
2570	Deferred income tax liabilities	4, 6(29)	5,563	-	1,253	-
2600	Other non-current liabilities	6(19)	69,864	-	76,539	-
25xx	Total non-current liabilities		2,676,233	6	1,824,592	4
2xxx	Total liabilities		12,875,432	30	12,362,479	29
31xx	Equity attributable to shareholders of the parent					
3100	Capital	6(21)				
3110	Common stock		4,508,410	11	4,460,000	11
3200	Capital surplus	6(21)	6,140,942	14	5,956,519	14
3300	Retained earnings	6(21)				
3310	Legal reserve		3,612,556	8	3,563,389	8
3320	Special reserve		77,677	-	613	-
3350	Unappropriated earnings		13,646,659	32	14,095,717	33
3400	Other components of equity		(203,356)	-	(77,677)	-
3500	Treasury Stock	6(21)	(738)	-	-	-
36xx	Non-controlling interests	6(21)	1,966,372	5	1,916,437	5
3xxx	Total equity		29,748,522	70	29,914,998	71
	Total liabilities and equity		\$42,623,954	100	\$42,277,477	100

(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 Incomes

For the Years Ended December 31, 2018 and 2017

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

Code	Items	Notes	2018		2017	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(23), 7	\$23,727,929	100	\$22,335,486	100
5000	Operating costs	7	(18,341,427)	(77)	(18,172,762)	(81)
5900	Gross profit		5,386,502	23	4,162,724	19
6000	Operating expenses	7				
6100	Sales and marketing		(1,020,613)	(4)	(706,746)	(3)
6200	General and administrative		(1,349,219)	(6)	(1,611,376)	(7)
6300	Research and development		(2,218,438)	(10)	(1,445,377)	(7)
6450	Expected credit gains (losses)	4, 6(24)	(6,582)	-	-	-
	Total operating expenses		(4,594,852)	(20)	(3,763,499)	(17)
6900	Operating income		791,650	3	399,225	2
7000	Non-operating incomes and expenses					
7010	Other incomes	6(27), 7	242,177	1	237,046	1
7020	Other gains or losses	6(27), 7	(102,465)	-	49,878	-
7050	Finance costs	6(27)	(121,234)	(2)	(79,146)	(1)
7060	Share of the profit or loss of associates and joint ventures	6(10)	(99,606)	-	(77,880)	-
	Total non-operating incomes and expenses		(81,128)	(1)	129,898	-
7900	Income before income tax		710,522	2	529,123	2
7950	Income tax expenses	4, 6(29)	(299,482)	(1)	(193,801)	(1)
8200	Net income		411,040	1	335,322	1
8300	Other comprehensive income (loss)	6(28)				
8310	Item that may not be reclassified to profit or loss					
8311	Actuarial gain (loss) from defined benefit plans		(3,312)	-	1,004	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		(46,672)	-	(92,241)	-
8370	Share of the other comprehensive profit or loss of joint ventures		12,346	-	(19,180)	-
	Total other comprehensive income (loss), net of tax		(37,638)	-	(110,417)	-
8500	Total comprehensive income		\$373,402	1	\$224,905	1
8600	Net income (loss) attributable to:					
8610	Stockholders of the parent		\$349,485	1	\$491,676	2
8620	Non-controlling interests		61,555	-	(156,354)	(1)
			\$411,040	1	\$335,322	1
8700	Comprehensive income (loss) attributable to:					
8710	Stockholders of the parent		\$323,467	1	\$415,616	2
8720	Non-controlling interests		49,935	-	(190,711)	(1)
			\$373,402	1	\$224,905	1
9750	Earnings per share-basic (in NTD)	6(30)	\$0.78		\$1.10	
9850	Earnings per share-diluted (in NTD)	6(30)	\$0.78		\$1.10	

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, 2018 and 2017

(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	Unearned Employee Benefit				
		3100	3200	3310	3320	3350	3410	3490	3500	31XX	36XX	3XXX
A1	Balance as of January 1, 2017	\$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 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), net of tax, 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 transaction		8,371						32,885	41,256		41,256
O1	Non-controlling interests increase (decrease)										(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
A1	Balance as of January 1, 2018	\$4,460,000	\$5,956,519	\$3,563,389	\$613	\$14,095,717	\$(77,677)	\$-	\$-	\$27,998,561	\$1,916,437	\$29,914,998
	Appropriation and distribution of 2017 earnings											
B1	Legal reserve			49,167		(49,167)				-		-
B3	Special reserve				77,064	(77,064)				-		-
B5	Cash dividends-common shares					(669,000)				(669,000)		(669,000)
C7	Change in joint ventures accounted for using equity method		(845)							(845)		(845)
D1	Net income (loss) for 2018					349,485				349,485	61,555	411,040
D3	Other comprehensive income (loss), net of tax, for 2018.					(3,312)	(22,706)			(26,018)	(11,620)	(37,638)
D5	Total comprehensive income	-	-	-	-	346,173	(22,706)	-	-	323,467	49,935	373,402
T1	Employee restricted shares for cancellation and others	48,410	185,268					(102,973)	(738)	129,967		129,967
Z1	Balance as of December 31, 2018	\$4,508,410	\$6,140,942	\$3,612,556	\$77,677	\$13,646,659	\$(100,383)	\$(102,973)	\$(738)	\$27,782,150	\$1,966,372	\$29,748,522

(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, 2018 and 2017

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2018	2017	Code	Items	2018	2017
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$710,522	\$529,123	B00040	Acquisition of financial assets measured at amortized cost	(75,281)	-
A20000	Adjustments:			B01800	Acquisition of investment accounted for under equity method	-	(479,422)
A20010	Income and expense adjustments:			B02700	Acquisition of property, plant and equipment	(4,814,540)	(6,261,465)
A20100	Depreciation	4,187,071	3,413,416	B02800	Proceeds from disposal of property, plant and equipment	9,753	239
A20200	Amortization	25,898	30,655	B03800	Decrease (increase) in refundable deposits	(12,405)	(29,733)
A20300	Expected credit losses (gain on recovery)	6,582	(29,065)	B04500	Acquisition of intangible assets	(17,644)	(34,980)
A20400	Net gain of financial assets at fair value through P/L	(5,383)	(7,140)	BBBB	Net cash provided by (used in) investing activities	(4,910,117)	(6,805,361)
A20900	Interest expense	121,234	79,146				
A21200	Interest income	(62,377)	(62,316)	CCCC	Cash flows from financing activities:		
A21900	Cost of share based payment	82,525	8,371	C00100	Increase in (repayment of) short-term loans	43,086	1,068,919
A22300	Share of profit or loss of associates and joint ventures	99,606	77,880	C01600	Increase in long-term loans	1,800,000	870,000
A22500	Loss on disposal of property, plant and equipment	(1,014)	5,847	C01700	Repayments of long-term loans	(621,450)	(595,038)
A23800	Gain on reversal of impairment loss	49,770	(19,598)	C03000	Increase (decrease) in deposits received	(5,869)	(8,542)
A30000	Changes in operating assets and liabilities:			C04500	Cash dividends	(669,000)	(1,336,350)
A31110	Financial assets at fair value through profit or loss	542,121	1,721,742	C04600	Issuance of common stock for cash	48,410	-
A31130	Notes receivable	1,515	1,274	C05100	Treasury stock sold to employees	-	32,885
A31150	Accounts receivable	(126,400)	(125,900)	C05800	Increase (decrease) in non-controlling interests	-	(37,911)
A31160	Accounts receivable - related parties	(15,615)	66,036	CCCC	Net cash provided by (used in) financing activities	595,177	(6,037)
A31180	Other receivables	(55,310)	80,053				
A31190	Other receivables - related parties	462	301,403	DDDD	Effect of exchange rate changes	(60,982)	(61,870)
A31200	Inventories	(1,141,603)	130,530				
A31220	Prepayments	102,176	(125,890)	EEEE	Increase (decrease) in cash and cash equivalents	(273,343)	(870,634)
A31240	Other current assets	(25,783)	(41,639)	E00100	Cash and cash equivalents at beginning of period	10,342,012	11,212,646
A31990	Long-term prepaid rents	10,075	11,094	E00200	Cash and cash equivalents at end of period	\$10,068,669	\$10,342,012
A32125	Decrease (increase) in contract liabilities	(2,148)	-				
A32130	Notes payable	(5,299)	(3,288)				
A32150	Accounts payable	(292,427)	399,551				
A32160	Accounts payable - related parties	-	(16,059)				
A32180	Other payables	64,786	13,984				
A32210	Unearned sales revenue	-	55,899				
A32230	Other current liabilities	8,636	(652)				
A32240	Accrued pension liabilities	(4,118)	(4,043)				
A32990	Refund liability	47,739	-				
A33000	Cash generated from (used in) operations	4,323,241	6,490,414				
A33100	Interest received	61,385	63,254				
A33300	Interest paid	(114,595)	(78,328)				
A33500	Income tax paid	(167,452)	(472,706)				
AAAA	Net cash provided by (used in) operating activities	4,102,579	6,002,634				

(The accompanying notes are an integral part of the consolidated 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, 2018

Item	Amount (In: NT\$)
Beginning retained earnings	\$13,300,485,569
Less: Other comprehensive income (loss) in 2018	
-Actuarial gain/loss of defined benefit	(3,312,039)
Add: Net profit after tax in 2018	<u>349,485,057</u>
Distributable earnings	13,646,658,587
Less: 10% legal reserve	(34,948,506)
Special reserve	(22,706,349)
Cash dividend to shareholders (NT\$1.5 per share)	<u>(676,261,500)</u>
Subtotal	<u>(733,916,355)</u>
Unappropriated retained earnings	<u><u>\$12,912,742,232</u></u>

Chairman:

CEO:

Chief Accountant:

Attachment V

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

Kinsus Interconnect Technology Corp. Comparison for amendment to Articles of Incorporation

After amendment	Before amendment	Explanation
Article 5: The authorized capital of the Company is NTD 6,000,000,000, divided into 600,000,000 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. <u>The registered capital keeps NTD 300,000,000 divided into 30,000,000 shares provided for exercise of the option of stock option certificates, preferred shares with warrants and warrants attached to corporate bonds, which may be issued in installments pursuant to the resolution of board of directors.</u>	Article 5: The authorized capital of the Company is NTD <u>5,500,000,000</u> , divided into <u>550,000,000</u> 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.	Raise authorized capital and add the provision of the option of stock
Article 5-1: When the Company transfer to the employees at a price lower than the average price of the actual bought-back shares, or lower than “Regulations Governing the Offering and Issuance of Securities by Securities Issuers” exercise price issue employee stock warrants, it shall be resolved by two-thirds of the votes at a shareholders' meeting attended by shareholders representing a majority of the total number of issued shares.	Add this article.	Add the provision of buying back shares and transferring to employees.
Article 5-2: The company of reward tools include stock repurchase, qualification requirements of employees, an issuance of new shares and shares of restricted stock for employees with Company Act and Securities and Exchange Act. Qualification requirements of employees, and subscription by employees including the employees of parents or subsidiaries of the company meeting certain specific requirements, provide for the board of directors.	Add this article.	Stipulated the target of issuing the reward with “Company Act” and “Securities and Exchange Act”.
Article 15-3: The board of directors of a company may have any other functional committees.	Add this article.	Cooperate with the Company’s

After amendment	Before amendment	Explanation
Any other functional committees shall establish exercise power rules and be enforced after resolving them in the board of directors		business demand according to “Corporate Governance Best Practice Principles for Listed Companies”.
<p>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.</p> <p>The employees’ compensation can be distributed in cash or stocks. The employees receiving the stock dividends may include employees in affiliated or control companies who met certain conditions stipulated by the Board of Directors authorized.</p> <p>Employee and directors’ compensation is to report in the shareholders’ meeting.</p>	<p>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.</p> <p>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.</p> <p>Employee and directors’ compensation is to report in the shareholders’ meeting.</p>	Stipulated the target of issuing the employees’ compensation with “Company Act”.
<p>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’</p>	<p>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</p>	Strengthen the dividend policy.

After amendment	Before amendment	Explanation
<p>meeting. <u>To authorize the distributable dividends and bonuses in whole may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting..</u></p> <p>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. <u>Shareholder extra dividend each year cannot be less than 10% of distributed surplus earnings and cash dividends distributed each year cannot be less than 10% of the gross amount of dividends.</u></p>	<p>remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.</p> <p>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. <u>Cash and Stock</u> dividends distributed each year cannot be less than 10% of the total dividends paid.</p>	
<p>Article 28 he 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 26, 2017. <u>The fifteenth revised was May 29, 2019.</u></p>	<p>Article 28: The Article was agreed by all the promoters in founder's meeting in September 1, 2000. The first revised was June 28, 2003. The second revised was August 26, 2003. The third revised was April 16, 2004. The fourth time revised was April 16, 2004. The fifth time revised was June 14, 2005. The sixth time revised was June 14, 2005. The seventh revised was June 19, 2006. The eighth revised was May 30, 2007. The ninth revised was May 30, 2008. The tenth revised was June 18, 2010. The eleventh revised was June 22, 2011. The twelfth revised was June 18, 2012. The thirteenth revised was May 27, 2016. The fourteenth revised was May 26, 2017.</p>	<p>Additional revision date.</p>

Attachment VI

Kinsus Interconnect Technology Corp.

Acquisition and disposal of assets amendment table

After amendment	Before amendment	Explanation
Article 3: 1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2. Real estate (including land, houses and buildings, property for investment purpose, and inventory of construction companies) and equipment. 3. Memberships. 4. Patents, copyrights, trademarks, charter rights, and other intangible assets. 5. <u>The right-of-use asset.</u> 6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables) 7. Derivatives products. 8. Assets acquired or disposed of in connection with mergers, spin-off, acquisitions, or share transfer in accordance with acts of law 9. Other major assets	Article 3: 1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2. Real estate (including land, houses and buildings, property for investment purpose, <u>rights to use land</u> , and inventory of construction companies) and equipment. 3. Memberships. 4. Patents, copyrights, trademarks, charter rights, and other intangible assets. 5. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables) 6. Derivatives products. 7. Assets acquired or disposed of in connection with mergers, spin-off, acquisitions, or share transfer in accordance with acts of law 8. Other major assets	1. Add the paragraph 5 according to IFRS16 “Leases” and Words to be moved. 2. From the paragraph 5 to 8 are moved to the paragraph 6 to 9.
Article 4: 1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a <u>specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable</u> ; or hybrid contracts combining the <u>above contracts</u> ; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts. 2. Assets acquired or disposed through	Article 4: 1. "Derivatives": Forward contracts, options contracts, futures contracts, leverage contracts, swap contracts, and compound contracts combining the <u>above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests</u> . The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements. 2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business	1. It is amended the paragraph 1 according to IFRS9“Financial Instruments” and revised words. 2. it is revised the paragraph 8 of Article 156, to Article 156-3 according to the Company Act. 3. Add the paragraph 7 to stipulate the range of Investment professional.

After amendment	Before amendment	Explanation
<p>mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.</p> <p>3.~6. Omit.</p> <p><u>7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.</u></p> <p><u>8. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.</u></p> <p><u>9. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.</u></p>	<p>Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, <u>paragraph 8</u> of the Company Act.</p> <p>3.~6. Omit.</p> <p><u>7. "Latest financial statements": Refers to the financial statements of the company audited or examined by certified public accountant ("CPA") which has been published in accordance with applicable regulation before the subject acquisition or disposal of assets</u></p>	<p>4. Stipulated the range of the domestic/foreign securities exchange and OTC venue.</p> <p>5. Deleted the term "Latest financial statements".</p>
<p>Article 5: Limits of amounts for the Company and each subsidiary in acquisition of non-</p>	<p>Article 5: Limits of amounts for the Company and each subsidiary in acquisition of non-</p>	<p>According to IFRS16 "Leases", non-operating</p>

After amendment	Before amendment	Explanation
<p>operating related real estate, <u>right-of-use assets</u> and securities investment:</p> <p>1.The acquisition of real estate and <u>right-of-use assets</u> for non-operating purpose shall not exceed 50% of its paid-in capital.</p> <p>2.~3. Omit.</p>	<p>operating related real estate and securities investment:</p> <p>1.The acquisition of real estate for non-operating purpose shall not exceed 50% of its paid-in capital.</p> <p>2.~3. Omit.</p>	<p>related real estate and the right of use assets incorporated in the procedures which company formulated to calculate the limit.</p>
<p>Article 6:</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions <u>shall meet the following requirements:</u></p> <p>1.<u>May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</u></p> <p>2. <u>May not be a related party or de facto related party of any party to the transaction.</u></p> <p>3.<u>If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</u></p> <p><u>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</u></p> <p>1.<u>Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</u></p>	<p>Article 6:</p> <p>Professional appraisers and their officers, CPA, attorneys, and securities underwriters that provide the Company with appraisal reports, CPA's opinions, attorney's opinions, or underwriter's opinions <u>shall not be a related party of any party to the transaction.</u></p>	<p>1.It is stipulated the qualification of the related professional.</p> <p>2.Confirmed the responsibility of the external professional and allotted appraisal reports, opinions or representation matter which the related professional provide.</p>

After amendment	Before amendment	Explanation
<p><u>2.When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</u></p> <p><u>3.They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</u></p> <p><u>4.They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</u></p>		
<p>Article 7: Procedures for acquisition or disposal of real estate,equipment or <u>right-of-use assets</u> are as follows:</p> <p>1. Evaluation and operating procedures Acquisition or disposal of real estate and equipment <u>or right-of-use assets thereof</u> shall follow the Company’s internal control procedures of fixed assets.</p> <p>2.Terms and conditions of the transaction and level of authorization (1)The transaction price of acquisition or disposal of real estate <u>or right-of-use assets thereof</u> shall reference the publicly announced value, appraised price, and actual transaction price in neighboring area to determine conditions and price. Final transaction price shall be approved in accordance with the level of authorization. Where each transaction price exceeds 10% of the Company’s net worth,</p>	<p>Article 7: Procedures for acquisition or disposal of real estate or equipment are as follows:</p> <p>1.Evaluation and operating procedures Acquisition or disposal of real estate and equipment shall follow the Company’s internal control procedures of fixed assets.</p> <p>2.Terms and conditions of the transaction and level of authorization (1)The transaction price of acquisition or disposal of real estate shall reference the publicly announced value, appraised price, and actual transaction price in neighboring area to determine conditions and price. Final transaction price shall be approved in accordance with the level of authorization. Where each transaction price exceeds 10% of the Company’s net worth, approval from the Audit Committee and a resolution of the Board of Directors. (2)The transaction price of acquisition or disposal of equipment shall be determined</p>	<p>1.Add the right-use-assets to Article 7 according to IFRS16“Leases”.</p> <p>2.The government agency in the item 4 means our Central and Local Government.</p> <p>Consider that having the business with the government agency needs to bid against each other, so the price is less likely to be manipulated, and absolved from the professional’s opinions. In addition, the foreign</p>

After amendment	Before amendment	Explanation
<p>approval from the Audit Committee and a resolution of the Board of Directors.</p> <p>(2)The transaction price of acquisition or disposal of equipment <u>or right-of-use assets thereof</u> shall be determined either by price quotation, price comparison, price negotiation or tender. Final transaction price shall be approved in accordance with the level of authorization. Where each transaction price exceeds 10% of the Company's net worth, an approval from Audit Committee and a resolution of the Board of Directors shall be obtained.</p> <p>(3)Omit.</p> <p>3.Where the Company acquires or disposes real estate or equipment, appropriate approval or right-of-use assets thereof shall be obtained in accordance with the level of authorization and responsible department shall execute accordingly.</p> <p>4.Appraisal report of real estate, equipment or right-of-use assets thereof: In acquiring or disposing real estate, equipment or right-of-use assets thereof where the transaction price reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of occurrence from a professional appraiser and shall further comply with the following provisions, except trading with a government agency, contracting third parties to build on the land owned or rented by the Company, or acquiring or disposing of machinery and equipment or right-of-use assets thereof for operating purposes.</p> <p>(1)Where due to special circumstances and it is necessary to give a restricted price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval from the Audit</p>	<p>either by price quotation, price comparison, price negotiation or tender. Final transaction price shall be approved in accordance with the level of authorization. Where each transaction price exceeds 10% of the Company's net worth, an approval from Audit Committee and a resolution of the Board of Directors shall be obtained.</p> <p>(3)Omit.</p> <p>3.Where the Company acquires or disposes real estate or equipment, appropriate approval shall be obtained in accordance with the level of authorization and responsible department shall execute accordingly.</p> <p>4.Appraisal report of real estate and equipment: In acquiring or disposing real estate or equipment where the transaction price reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of occurrence from a professional appraiser and shall further comply with the following provisions, except trading with a government agency, contracting third parties to build on the land owned or rented by the Company, or acquiring or disposing of machinery and equipment for operating purposes.</p> <p>(1)Where due to special circumstances and it is necessary to give a restricted price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval from the Audit Committee and the Board of Directors in advance, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>(2)~(5).Omit.</p>	<p>governments aren't include in the exempt range of Article 7 because the related regulation and bargaining policy aren't definite.</p> <p>Revised the item 4 words.</p> <p>3.Revised words.</p>

After amendment	Before amendment	Explanation
Committee and the Board of Directors in advance, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction. (2)~(5).Omit.		
Article 8: 1.~3. Omit. 4. Professional opinions: (1)In acquiring or disposing securities where the transaction price reaches 20% of the Company's paid-in capital or exceeds NT\$300 million, opinions regarding the transaction price from CPA shall be obtained prior to the date of occurrence. Where CPA's opinion is based on the professional opinions, it shall be prepared in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. Where the transaction price is available in the open market or otherwise regulated by the Financial Supervisory Commission ("SFC") under the Executive Yuan, the limitation shall not apply. (2)Omit.	Article 8: 1.~3. Omit. 4. Professional opinions: (1)In acquiring or disposing securities where the transaction price reaches 20% of the Company's paid-in capital or exceeds NT\$300 million, opinions regarding the transaction price from CPA shall be obtained prior to the date of occurrence. Where CPA's opinion is based on the professional opinions, it shall be prepared in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. Where the transaction price is available in the open market or otherwise regulated by the Financial Supervisory Commission ("SFC") under the Executive Yuan, the limitation shall not apply. (2)Omit.	Revised words.
Article 9: 1.When acquiring or disposing assets from a related party, in addition to the procedures set forth <u>or right-of-use assets thereof</u> in the preceding paragraphs, if the transaction price reaches 10% or more of the Company's total assets, an appraisal report from a professional appraiser or a CPA's opinion shall be obtained to ensure necessary resolutions are adopted and the reasonableness of the transaction terms is appraised. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. 2. Evaluation and operating procedures:	Article 9: 1.When acquiring or disposing assets from a related party, in addition to the procedures set forth in the preceding paragraphs, if the transaction price reaches 10% or more of the Company's total assets, an appraisal report from a professional appraiser or a CPA's opinion shall be obtained to ensure necessary resolutions are adopted and the reasonableness of the transaction terms is appraised. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. 2. Evaluation and operating procedures: When acquiring or disposing real estate with a related party regardless of its transaction price, or acquiring or	1.The government bond in the item 2 means the domestic bond. Consider that domestic bonds are definite and easy to inquire,so they absolved from the approval by the Board of Directors In addition, the foreign governments' bonds aren't include in the exempt range of Article 9 because their bonds aren't definite. Add the

After amendment	Before amendment	Explanation
<p>When acquiring or disposing real estate <u>or right-of-use assets thereof</u> with a related party regardless of its transaction price, or acquiring or disposing assets <u>or right-of-use assets thereof</u> other than real estate with a related party for the transaction price over 20% of the Company's paid-in capital, 10% of the Company's total assets, NT\$300 million, except in <u>trading of domestic government bonds</u> government bonds, bonds with call/put option, and money market funds issued by domestic security/investment/trust institutions, the transaction may not be proceeded until the following matters have been approved by the Audit Committee and resolved by the Board of Directors. Contracts and payments shall only be signed and paid upon the approval from board of directors. When acquiring or disposing equipment for production purpose with a related party, board of directors can authorize the chairman to exercise the duty within the prescribed limit and report to the board of directors upon completion of the transactions.</p> <p>(1)~(2) Omit.</p> <p>(3)Information regarding the reasonableness of the preliminary transaction terms <u>or right-of-use assets thereof</u> in accordance with subparagraph 1 and 4 of paragraph 3, Article 9.</p> <p>(4)~(7) Omit.</p> <p><u>With respect to the types of transactions listed below, when to be conducted between the company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors</u></p>	<p>disposing assets other than real estate with a related party for the transaction price over 20% of the Company's paid-in capital, 10% of the Company's total assets, NT\$300 million, except for buying/selling government bonds, bonds with call/put option, and money market funds issued by domestic security/investment/trust institutions, the transaction may not be proceeded until the following matters have been approved by the Audit Committee and resolved by the Board of Directors. Contracts and payments shall only be signed and paid upon the approval from board of directors. <u>When acquiring or disposing equipment for production purpose with a related party, board of directors can authorize the chairman to exercise the duty within the prescribed limit and report to the board of directors upon completion of the transactions.</u></p> <p>(1)~(2) Omit.</p> <p>(3)Information regarding the reasonableness of the preliminary transaction terms in accordance with subparagraph 1 and 4 of paragraph 3, Article 9.</p> <p>(4)~(7) Omit.</p> <p>3.Evaluation of the reasonableness of the transaction costs:</p> <p>(1)When acquiring real estate from a related party, the reasonableness of the transaction costs shall be evaluated by the following means:</p> <p>(a).~(b).Omit.</p> <p>(2)Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>(3)While the cost of the real estate acquired from a related party shall be appraised in accordance with the</p>	<p>right-use-assets to Article 7 according to IFRS16“Leases”.</p> <p>2.Due to the overall planning of the business, there is a need to transfer the equipment which collectively purchase or lease for business use, or the real estate would probably subleased, and the trade risk is low. That company acquires or disposes the equipments and real estate for business use,or the right-of-use assets, it may be authorized by the chairman of the board of directors.</p> <p>3.To cooperate with factory workshop, real estate leasing practice and extend acquisition of real property right-of-use assets from a related party, may set and estimate transaction price that is reasonable references and update transaction case involving</p>

After amendment	Before amendment	Explanation
<p><u>may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</u></p> <p><u>(1)Acquisition or disposal of oequipment or right-of-use assets thereof held for business use.</u></p> <p><u>(2)Acquisition or disposal of real property right-of-use assets held for business use.</u></p> <p>3. Evaluation of the reasonableness of the transaction costs:</p> <p>(1) When acquiring real estate from a related party <u>or right-of-use assets thereof</u>, the reasonableness of the transaction costs shall be evaluated by the following means:</p> <p>(a).~(b).Omit.</p> <p>(2)Where land and structures thereupon are combined as a single property purchased <u>or leased</u> in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>(3) While the cost of the real estate <u>or right-of-use assets</u> thereof acquired from a related party shall be appraised in accordance with the provisions of the subparagraph (1) of paragraph 3, Article 1, CPA shall also be engaged to review the appraisal and render a specific opinion.</p> <p>(4) Where the real estate <u>or right-of-use assets thereof</u> is acquired from a related party, it shall be appraised in accordance with the provisions of the subparagraph (1) of paragraph 3, Article 9, and if the appraised cost is lower than the actual transaction cost, the paragraph (5) of Item 3, Article 9 shall apply. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real estate appraiser and a CPA, this restriction shall not apply:</p>	<p>provisions of the subparagraph (1) of paragraph 3, Article 1, CPA shall also be engaged to review the appraisal and render a specific opinion.</p> <p>(4)Where the real estate is acquired from a related party, it shall be appraised in accordance with the provisions of the subparagraph (1) of paragraph 3, Article 9, and if the appraised cost is lower than the actual transaction cost, the paragraph (5) of Item 3, Article 9 shall apply. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real estate appraiser and a CPA, this restriction shall not apply:</p> <p>(a)Where the related party acquires undeveloped land or leased land for development and in compliance with one of the following conditions:</p> <p>a. Omit.</p> <p>b.Where the recent transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, and the land area and the transaction terms are similar in consideration of the reasonable price discrepancies in floor or land prices in per property market practices.</p> <p>c. <u>Where the recent leasing transactions by unrelated parties for other floors of the same property within the preceding year, and the transaction terms are similar in consideration of the reasonable price discrepancies among floors per property leasing market practices.</u></p> <p>(b).Where the Company acquiring real estate from a related party and the terms of the transaction are similar to the terms of the recent transactions for acquisition of neighboring or closely valued parcels of land of a similar size by</p>	<p>neighboring by unrelated parties within the preceding year.</p> <p>4. In addition to the overall planning of the Group's business, there is the possibility of coordinating collective leasing of real estate, sub-lease, and the risk of non-conventional transactions is relatively low. Add the third of the six paragraph of four order . The provisions for assessing the reasonableness of the transaction costs (the price at which the acquirer obtains the price of the real estate transaction or the price paid for the lease of the real estate) are assessed in accordance with this section</p> <p>5.Revised words.</p>

After amendment	Before amendment	Explanation
<p>(a)Where the related party acquires undeveloped land or leased land for development and in compliance with one of the following conditions:</p> <p>a. Omit.</p> <p>b.Where the recent transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, and the land area and the <u>transaction</u> case terms are similar in consideration of the reasonable price <u>or Lease convention</u> discrepancies in floor or land prices in per property market practices.</p> <p>(b)Where the Company acquiring real estate <u>or real property right-of-use assets</u> from a related party and the terms of the transaction are similar to the terms of the recent <u>transactions</u> case for acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Where the recent <u>transactions</u> case for neighboring or closely valued parcels of land mentioned in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; <u>transaction</u> case for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned <u>transaction</u> case; within one year refers to one year from the actual date of acquisition of the real estate <u>or right-of-use assets thereof</u>.</p> <p>(5)Where the Company acquires real estate <u>or right-of-use assets thereof</u> from a related party and the results of</p>	<p>unrelated parties within the preceding year. Where the recent transactions for neighboring or closely valued parcels of land mentioned in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within one year refers to one year from the actual date of acquisition of the real estate.</p> <p>(5)Where the Company acquires real estate from a related party and the results of appraisals conducted in accordance with the provisions of the subparagraph (1) and (2) of paragraph 3, Article 9, are uniformly lower than the transaction price , the following steps shall be taken:</p> <p>(a) A special reserve shall be set aside in accordance with the provisions of Article 41, paragraph 1 of the Act against the difference between the real estate transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another public company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company</p> <p>(b)~(c).Omit.</p> <p>Where a public company uses the equity method and a public company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it</p>	

After amendment	Before amendment	Explanation
<p>appraisals conducted in accordance with the provisions of the subparagraph (1) and (2) of paragraph 3, Article 9, are uniformly lower than the transaction price , the following steps shall be taken:</p> <p>(a) A special reserve shall be set aside in accordance with the provisions of Article 41, paragraph 1 of the Act against the difference between the real estate transaction <u>or right-of-use assets thereof</u> price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another public company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company.</p> <p>(b)~(c).Omit.</p> <p>Where a public company uses the equity method and a public company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or <u>leased</u> at a premium, or they have been disposed of, or the <u>leasing contract has been terminated</u>, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>(6)Where the Company acquires real estate <u>or right-of-use asset</u> from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the provisions paragraph 1 and 2 of Article 9, while subparagraph 1, 2 and 3 of paragraph 3 shall not apply:</p> <p>a.The related party acquired the real</p>	<p>has recognized a loss on decline in market value of the assets it purchased or, they have been disposed of, adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>(6)Where the Company acquires real estate from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the provisions paragraph 1 and 2 of Article 9, while subparagraph 1, 2 and 3 of paragraph 3 shall not apply:</p> <p>a.The related party acquired the real estate through inheritance or as a gift.</p> <p>b.More than five years had elapsed from the time the related party signed the contract to obtain the real estate to the signing date for the current transaction.</p> <p>c.The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build property, either on the company's own land or on rented land.</p> <p>(7)Where the Company obtains real estate from a related party, it shall also comply with the provisions set forth in the subparagraph (5) of paragraph 3, Article 9, if there is other evidence indicating that the acquisition was not an arms length transaction.</p>	

After amendment	Before amendment	Explanation
<p>estate <u>or right-of-use asset</u> through inheritance or as a gift.</p> <p>b. More than five years had elapsed from the time the related party signed the contract to obtain the real estate <u>or right-of-use asset</u> to the signing date for the current transaction.</p> <p>c. Omit.</p> <p>d. <u>The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</u></p> <p>(7) Where the Company obtains real estate <u>or right-of-use asset</u> from a related party, it shall also comply with the provisions set forth in the subparagraph (5) of paragraph 3, Article 9, if there is other evidence indicating that the acquisition was not an arms length transaction.</p>		
<p>Article 10: Procedures for acquisition or disposal of Membership, intangible assets <u>or right-of-use assets</u></p> <p>1. Evaluation and operating procedures The Company's acquisition or disposal of Membership, Intangible assets <u>or right-of-use assets</u> shall be dealt with in accordance with the applicable laws, rules, and regulations.</p> <p>2. Terms and conditions of the transaction and level of authorization (1) Omit. (2) The transaction price of acquisition or disposal of intangible assets <u>or right-of-use assets</u> shall reference the publicly announced value and appraised price. Final transaction price shall be make an analysis to report chairman. The chairman is authorized to approve any transaction amounting to NT\$20,000,000 or below and over 10% of the Company's paid-in capital while such transaction shall</p>	<p>Article 10: Procedures for acquisition or disposal of <u>membership or</u> intangible assets</p> <p>1. Evaluation and operating procedures The Company's acquisition or disposal of <u>membership or</u> intangible assets shall be dealt with in accordance with the applicable laws, rules, and regulations.</p> <p>2. Terms and conditions of the transaction and level of authorization (1) Omit. (2) The transaction price of acquisition or disposal of intangible assets shall reference the publicly announced value and appraised price. Final transaction price shall be make an analysis to report chairman. The chairman is authorized to approve any transaction amounting to NT\$20,000,000 or below and over 10% of the Company's paid-in capital while such transaction shall be reported to the following board meeting and executed in accordance with the level of authorization. For</p>	<p>Add rights to use for IFRS#16 purpose.</p>

After amendment	Before amendment	Explanation
<p>be reported to the following board meeting and executed in accordance with the level of authorization. For any transaction in amount exceeding NT\$20,000,000, either a pre-approval or an approval in a retroactive basis from board meeting is needed.</p> <p>3. The execution</p> <p>The Company's financial, using department and administration is responsible for the execution regarding the acquisition or disposal of membership or intangible assets or right-of-use assets upon completion of procedures mentioned above.</p> <p>4.CPA's opinion is required under the following circumstances</p> <p>(1)Where the transaction price of acquiring or disposing membership, intangible assets or right-of-use assets reaches 20% of the Company's paid-in capital orexceeds NT\$300 million, except for those transactions dealt with domestic government, CPA's opinion, in compliance with the Provisions of Statement of Auditing Standards No. 20 published by the ARDF, shall be obtained prior to the date of occurrence.</p> <p>(2)Where the company acquires or disposes of <u>membership</u>,intangible assets or <u>right-of-use assets</u> through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>	<p>any transaction in amount exceeding NT\$20,000,000, either a pre-approval or an approval in a retroactive basis from board meeting is needed.</p> <p>3. The execution</p> <p>The Company's financial, using department and administration is responsible for the execution regarding the acquisition or disposal of <u>membership or</u> intangible assets upon completion of procedures mentioned above.</p> <p>4.CPA's opinion is required under the following circumstances</p> <p>(1) Where the transaction price of acquiring or disposing <u>membership or</u> intangible assets reaches 20% of the Company's paid-in capital orexceeds NT\$300 million, except for those transactions dealt with government, CPA's opinion, in compliance with the Provisions of Statement of Auditing Standards No. 20 published by the ARDF, shall be obtained prior to the date of occurrence.</p> <p>(2) Where the company acquires or disposes of <u>membership or</u> intangible assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>	
<p>Article 12:</p> <p>Procedures for acquisition or disposal of financial derivatives</p> <p>1. Trading principles and strategies.</p> <p>(1)~(2) Omit.</p> <p>(3) Authorization and delegation</p> <p>A. Financial department</p> <p>a.Trading</p>	<p>Article 12:</p> <p>Procedures for acquisition or disposal of financial derivatives</p> <p>1.Trading principles and strategies.</p> <p>(1)~(2) Omit.</p> <p>(3) Authorization and delegation</p> <p>A. Financial department</p> <p>a.Trading</p>	<p>1. revising words related to authority, loss ceiling, etc. for derivative purpose.</p> <p>2.Revised duplicate words</p>

After amendment	Before amendment	Explanation																								
<p>(a)~(c) omit.</p> <p>(d) Shall material incident occur in the financial market and existing strategies is no longer applicable, new trading strategies shall be proposed and used as the basis for trading upon approval from the general manager <u>and chairman</u>.</p> <p>b.Accounting</p> <p>(a)~(b) omit.</p> <p>(c)To proceed monthly evaluation and submit the report to the general manager <u>and chairman</u> for their review and approval.</p> <p>(d) Omit.</p> <p>(e) Declaration and announcement in accordance with the regulations of the FSC.</p> <p>c.Omit.</p> <p>d.Level of approval</p> <p>(a) Level of approval required for each transaction of hedging purpose</p> <table border="1"> <tr> <th>Level of approval</th><th>Delegation of each transaction</th><th>Delegation of each accumulated net position</th></tr> <tr> <td>Finance Director</td><td>Up to US\$0.5 million (Included)</td><td></td></tr> <tr> <td>General Manager</td><td>From US\$0.5million up to US\$2 million (Included)</td><td>From US\$10 million up to US\$30 million (Included)</td></tr> <tr> <td>Chairman</td><td>Above US\$2 million</td><td>Up to US\$ 30 million</td></tr> </table> <p>(b) Omit.</p>	Level of approval	Delegation of each transaction	Delegation of each accumulated net position	Finance Director	Up to US\$0.5 million (Included)		General Manager	From US\$0.5million up to US\$2 million (Included)	From US\$10 million up to US\$30 million (Included)	Chairman	Above US\$2 million	Up to US\$ 30 million	<p>(a)~(c) omit.</p> <p>(d) Shall material incident occur in the financial market and existing strategies is no longer applicable, new trading strategies shall be proposed and used as the basis for trading upon approval from the general manager.</p> <p>b.Accounting</p> <p>(a)~(b) omit.</p> <p>(c)To proceed monthly evaluation and submit the report to the general manager for review and approval.</p> <p>(d) Omit.</p> <p>(e) Declaration and announcement in accordance with the regulations of the FSC.</p> <p>c.Omit.</p> <p>d.Level of approval</p> <p>(a) Level of approval required for each transaction of hedging purpose</p> <table border="1"> <tr> <th>Level of approval</th><th>Delegation of each transaction</th><th>Delegation of each accumulated net position</th></tr> <tr> <td>Finance Director</td><td>Up to US\$0.5 million (Included)</td><td>Up to US\$1.5 million (Included)</td></tr> <tr> <td>General Manager</td><td>From US\$0.5million up to US\$2 million (Included)</td><td>Up to US\$5 million (Included)</td></tr> <tr> <td>Chairman</td><td>Above US\$2 million</td><td>Up to US\$ 10 million (Included)</td></tr> </table> <p>(b) Omit.</p> <p>B. Internal Audit</p> <p>Internal audit shall be aware of the</p>	Level of approval	Delegation of each transaction	Delegation of each accumulated net position	Finance Director	Up to US\$0.5 million (Included)	Up to US\$1.5 million (Included)	General Manager	From US\$0.5million up to US\$2 million (Included)	Up to US\$5 million (Included)	Chairman	Above US\$2 million	Up to US\$ 10 million (Included)	
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After amendment	Before amendment	Explanation
<p>B. Internal Audit</p> <p>Internal audit shall be aware of the adequacy of the derivative transaction on a periodic basis and should issue monthly audit report based on the compliance of the derivative transaction. Shall there be any material violation; a written notice shall be sent to the <u>Independent Director</u>.</p> <p>C. Performance Evaluation</p> <p>a.Trading with hedging purpose</p> <p>(a)~(b) omit.</p> <p>(c)The Finance department shall provide evaluation of the foreign currency based position, the market trend and analysis of foreign currency to the general general manager <u>and chairman</u> for their review.</p> <p>b.Omit.</p> <p>D. Total transaction amount, and the maximum limit of loss</p> <p>a.The Contract Amount</p> <p>(a)Transaction amount for hedging purpose</p> <p>The Finance Department shall be in control of the currency based position to avoid any transaction risks. The transaction amount for hedging purpose shall not exceed the two-third net trading position position within the Company. <u>Chairman's</u> approval is required if the transaction amount exceeded the aforementioned limit.</p> <p>(b)Omit</p> <p>b. Maximum Limit of Loss</p> <p>(a)The purpose of hedging is to avoid risks and <u>the total aggregated loss amount of transactions based on hedging purpose shall not exceed US\$500,000.</u></p> <p>(b)The loss of transaction</p>	<p>adequacy of the derivative transaction on a periodic basis and should issue monthly audit report based on the compliance of the derivative transaction. Shall there be any material violation; a written notice shall be sent to the <u>Audit Committee</u>.</p> <p>C. Performance Evaluation</p> <p>a. Trading with hedging purpose</p> <p>(a)~(b) omit.</p> <p>(c)The Finance department shall provide evaluation of the foreign currency based position, the market trend and analysis of foreign currency to the general general manager for review.</p> <p>b. Omit.</p> <p>D. Total transaction amount, and the maximum limit of loss</p> <p>a. The Contract Amount</p> <p>(a)Transaction amount for hedging purpose</p> <p>The Finance Department shall be in control of the currency based position to avoid any transaction risks. The transaction amount for hedging purpose shall not exceed the two-third net trading position position within the Company. General <u>manager's</u> approval is required if the transaction amount exceeded the aforementioned limit.</p> <p>(b)Omit</p> <p>b. Maximum Limit of Loss</p> <p>(a) The purpose of hedging is to avoid risks and therefore there is no need to setup a ceiling of loss.</p> <p>(b)The loss of transaction based on specific purpose shall not exceed 10% of trading amount. If the loss amount</p>	

After amendment	Before amendment	Explanation
<p>based on specific purpose shall not exceed 10% of trading amount. If the loss amount exceeds the limit, the General manager <u>and Chairman</u> shall be notified and responsive actions shall be discussed in the Board of Directors meeting.</p> <p>(c) Loss amount per individual contract shall not exceed <u>US\$50,000</u>.</p> <p>(d) Omit</p> <p>2. Measures of Risk management</p> <p>(1)~(3) Omit.</p> <p>(4) Cash-Flow Risk Control</p> <p>To maintain stable turnover of the working capital of the Company, the source of the capital for derivative transaction shall be self funded, and the transaction shall take capital needs into consideration.</p> <p>(5) Operating Risk Control</p> <p>a~c Omit.</p> <p>3. Internal Audit system</p> <p>(1) Internal auditors shall check the suitability of internal control of derivative transactions periodically and inspect monthly the compliance of the trading departments with the "Handling Procedure to Engage in the Transaction of Derivative Products" and analyze the trading cycle in order to make the auditing report. Shall there be any material violation; a written notice shall be sent to the <u>Independent director</u>.</p> <p>(2) Omit.</p> <p>4. Periodic evaluation system</p> <p>(1) The Board of Directors shall authorize the management to monitor and review the compliance of the derivative transaction with internal procedures periodically. If any abnormality detected in the market value evaluation report, the Board</p>	<p>exceeds the limit, the General manager shall be notified and responsive actions shall be discussed in the Board of Directors meeting.</p> <p>(c) Loss amount per individual contract shall not exceed <u>US\$20,000 or 5%</u> of trading contract.</p> <p>(d) Omit</p> <p>2. Measures of Risk management</p> <p>(1)~(3) Omit.</p> <p>(4) Cash-Flow Risk Control</p> <p>To maintain stable turnover of the working capital of the Company, the source of the capital for derivative transaction shall be self funded, and the transaction shall take capital needs into consideration <u>for next three months</u>.</p> <p>(5) Operating Risk Control</p> <p>a~c Omit.</p> <p>d. <u>The position held under the derivative trading shall be evaluated once a week, while transaction associated with hedging purpose shall be evaluated twice per month, and the evaluation reports shall be submitted to the management authorized by the Board of Directors.</u></p> <p>3. Internal Audit system</p> <p>(1) Internal auditors shall check the suitability of internal control of derivative transactions periodically and inspect monthly the compliance of the trading departments with the "Handling Procedure to Engage in the Transaction of Derivative Products" and analyze the trading cycle in order to make the auditing report. Shall there be any material violation; a written notice shall be sent to the <u>Audit Committee</u>.</p> <p>(2) Omit.</p> <p>4. Periodic evaluation system</p>	

After amendment	Before amendment	Explanation
<p>of Directors shall be informed immediately and responsive actions shall also be taken accordingly.</p> <p>(2)The position held under the derivative trading shall be evaluated once a week, while transaction associated with hedging purpose shall be evaluated twice per month, and the evaluation reports shall be submitted to the management authorized by the Board of Directors.</p> <p>5. Auditing principle by the Board of Directors</p> <p>(1)Board of Directors shall assign the management to constantly monitor and control the risks of derivative transaction with the following principles:</p> <p>a. To conduct periodic review and check if the risk management measures are adequate and in compliance with the internal procedures.</p> <p>b.Omit.</p> <p>(2)Omit.</p> <p>(3)Derivative transaction shall be conducted in accordance with the relevant procedures and reported to Board of Directors afterwards.</p> <p>(4)Omit.</p>	<p>(1)The Board of Directors shall authorize the management to monitor and review the compliance of the derivative transaction with internal procedures periodically. If any abnormality detected in the market value evaluation report, the Board of Directors shall be informed immediately and responsive actions shall also be taken accordingly.</p> <p>(2)The position held under the derivative trading shall be evaluated once a week, while transaction associated with hedging purpose shall be evaluated twice per month, and the evaluation reports shall be submitted to the management authorized by the Board of Directors.</p> <p>5. Auditing principle by the Board of Directors</p> <p>(1) Board of Directors shall assign the management to constantly monitor and control the risks of derivative transaction with the following principles:</p> <p>a. To conduct periodic review and check if the risk management measures are adequate and in compliance with the internal procedures.</p> <p>b. Omit.</p> <p>(2)Omit.</p> <p>(3)Derivative transaction shall be conducted in accordance with the relevant procedures and reported to Board of Directors afterwards.</p> <p>(4) Omit.</p>	
<p>Article 14: Procedures for public disclosure of Information</p> <p>1. Disclosure items and standards</p> <p>(1)Acquisition or disposal of real estate <u>or right-of-use assets</u> with a related</p>	<p>Article 14: Procedures for public disclosure of Information</p> <p>1. Disclosure items and standards</p> <p>(1)Acquisition or disposal of real estate with a related party regardless of its</p>	<p>1. adding rights to use for IFRS#16 purpose.</p> <p>2. revising certain words to exempt domestic bond</p>

After amendment	Before amendment	Explanation
<p>party regardless of its transaction price, or of assets other than real estate <u>or right-of-use assets</u> with a related party for the transaction price over 20% of the Company's paid-in capital, 10% of the Company's total assets, NT\$300 million. Trading of <u>domestic</u> government bonds, bonds with call or put options and subscription or redemption of money market funds issued by securities investment trust companies are excluded herein.</p> <p>(2)Omit.</p> <p>(3)Losses from derivative transaction reaching the maximum limits of aggregated losses or losses on individual contracts set forth in The Procedures adopted by the Company.</p> <p>(4)Any transaction, other than those referred in the preceding three subparagraphs, such as disposal of receivables by a financial institution or investment in mainland China that reaches 20% of the Company's paid-in capital or exceeds NT\$300 million. However, the following circumstances shall not apply:</p> <p>A.Trading of <u>domestic</u> government bonds.</p> <p>B.Securities trading by Investment professionals on securities exchanges or over-the-counter markets, general corporate bonds or general financial bonds without equity issued/outstanding <u>(excluding subordinated debt)</u> in domestic preliminary markets, <u>or subscription or redemption of securities investment trust funds,</u> or marketable securities</p>	<p>transaction price, or of assets other than real estate with a related party for the transaction price over 20% of the Company's paid-in capital, 10% of the Company's total assets, NT\$300 million. Trading of government bonds, bonds with call or put options and subscription or redemption of money market funds issued by securities investment trust companies are excluded herein.</p> <p>(2)Omit.</p> <p>(3)Losses from derivative transaction reaching the maximum limits of aggregated losses or losses on individual contracts set forth in The Procedures adopted by the Company.</p> <p>(4)Any transaction, other than those referred in the preceding three subparagraphs, such as disposal of receivables by a financial institution or investment in mainland China that reaches 20% of the Company's paid-in capital or exceeds NT\$300 million. However, the following circumstances shall not apply:</p> <p>A.Trading of government bonds.</p> <p>B.Securities trading by investment professionals on <u>foreign or domestic</u> securities exchanges or over-the-counter markets, general corporate bonds or general financial bonds without equity issued/outstanding in <u>domestic</u> preliminary markets, or marketable securities subscribed by security companies due to the underwriting needs and being designated as underwriters in accordance with related regulations of Taipei Exchange.</p>	<p>due to its simplicity.</p> <p>3. revising item#1-4 of Article#1.</p> <p>4. revising certain words related to investing company and related bond and funds transactions</p> <p>5. revising words</p>

After amendment	Before amendment	Explanation
<p>subscribed by security companies due to the underwriting needs and being designated as underwriters in accordance with related regulations of Taipei Exchange.</p> <p>C.Omit.</p> <p>D.Acquisition or disposal of equipment/machinery <u>or right-of-use assets</u> used for operation, the trading counterparty is not a related party, and the transaction amount is above and inclusive of NT\$5 billion.</p> <p>E.Acquisition or disposal by a company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million</p> <p>F. Land acquired under an arrangement for commissioned construction on self-owned or rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, <u>and furthermore the transaction counterparty is not a related party</u>, and the amount the company expects to invest in the transaction is above and inclusive of NT\$5 million.</p> <p>(1)The amount of transactions mentioned above shall be calculated as follows and “within the preceding year” as used in the following</p>	<p>C.Omit.</p> <p>D. Acquisition or disposal of equipment/machinery used for operation, the trading counterparty is not a related party, and the transaction amount is above and inclusive of NT\$5 billion.</p> <p>E. Acquisition or disposal Of equipment/machinery or right-of-use assets used for operation, the trading counterparty is not a related party, and the transaction amount is above and inclusive of NT\$5 billion.</p> <p>F. Land acquired under an arrangement for commissioned construction on self-owned or rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is above and inclusive of NT\$5 million.</p> <p>(1)The amount of transactions mentioned above shall be calculated as follows and “within the preceding year” as used in the following subparagraphs refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these regulations need not be counted toward the transaction amount :</p> <p>A.~B. Omit</p> <p>C. The cumulative transaction amount of real</p>	

After amendment	Before amendment	Explanation
<p>subparagraphs refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these regulations need not be counted toward the transaction amount :</p> <p>A.~B. Omit</p> <p>C. The cumulative transaction amount of real estate <u>or right-of-use assets</u> acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</p> <p>D. Omit.</p> <p>2. Omit.</p> <p>3. Disclosure procedures</p> <p>(1)Omit.</p> <p>(2)The Company and on behalf of its non-public subsidiaries shall compile monthly reports on the status of derivatives trading up to the end of the preceding month and enter the information in the prescribed format into the reporting website designated by the FSC by the tenth day of each month.</p> <p>(3)Omit.</p> <p>(4)The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, reference books, appraisal reports and CPA, attorney, and securities underwriter's opinions at the Company headquarters, where they shall be retained for five years except where another Act provides otherwise.</p>	<p>estate acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</p> <p>D. Omit.</p> <p>2. Omit.</p> <p>3. Disclosure procedures</p> <p>(1)Omit.</p> <p>(2)The Company and on behalf of its non-public subsidiaries shall compile monthly reports on the status of derivatives trading up to the end of the preceding month and enter the information in the prescribed format into the reporting website designated by the FSC by the tenth day of each month.</p> <p>(3)Omit.</p> <p>(4)The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, reference books, appraisal reports and CPA, attorney, and securities underwriter's opinions at the Company headquarters, where they shall be retained for five years except where another Act provides otherwise.</p> <p>(5)Omit.</p>	

After amendment	Before amendment	Explanation
(5)Omit.		
<p>Article 15: The subsidiaries of the Company shall comply with the followings:</p> <p>1~2. Omit.</p> <p>3. The Company shall disclose information on behalf of subsidiaries that are not publicly listed in the domestic market.</p> <p>4. The paid-in capital or total asset of the Company shall be the standard for determining whether or not the Company shall disclose information on behalf of a subsidiary in the event of the type of transaction.</p>	<p>Article 15: The subsidiaries of the Company shall comply with the followings:</p> <p>1~2. Omit.</p> <p>3. The Company shall disclose information on behalf of subsidiaries that are not publicly listed in the domestic market.</p> <p>4. The paid-in capital or total asset of the Company shall be the standard for determining whether or not the Company shall disclose information on behalf of a subsidiary in the event of the type of transaction specified therein <u>reaches 20 % of the paid-in capital or 10% of the total asset.</u></p>	<p>1. Requirement for subsidiaries to press release and submission shall be consistent with the parent company's.</p> <p>2. Revise words to meet legal operation</p>
<p>Article 17: Implementation and amendment</p> <p>1. Omit</p> <p>2. Any acquisition or disposal of assets made according to item#1 mentioned above and the Procedures or the regulations shall be agreed by a majority votes from audit committee and proposed to the board meeting for final approval. While two-thirds of votes from board meeting be needed if no majority vote from audit committee is obtained. Such resolution of audit committee shall be specified in the meeting minutes of board. The board shall take into considerations of the opinions from independent directors when resolving the Procedures. The board meeting minutes shall be specified of any objection from independent directors if any.</p> <p>3. Omit</p>	<p>Article 17: Implementation and amendment</p> <p>1. Omit</p> <p>2. Any acquisition or disposal of assets made according to item#1 mentioned above and the Procedures or the regulations shall be agreed by a majority votes from audit committee and proposed to the board meeting for final approval. While two-thirds of votes from board meeting be needed if no majority vote from audit committee is obtained. Such resolution of audit committee shall be specified in the meeting minutes of board. The board shall take into considerations of the opinions from independent directors when resolving the Procedures. The board meeting minutes shall be specified of any objection from independent directors if any.</p> <p>3. Omit</p>	<p>Revise words to meet legal operation.</p>

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 regulations, 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 26, 2017.

Appendix III

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

Kinsus Interconnect Technology Corp. Procedures for Acquisition or Disposal of Assets

Article 1

The purpose of the procedures is for Kinsus Interconnect Technology Corp. (“the Company”) to protect its assets and to comply with relevant laws, rules and regulations. Any acquisition or disposal of assets conducted by the Company shall comply with the regulations set forth.

Article 2

The procedures are set forth in accordance with provisions of Article 36-1 of the Securities and Exchange Act (“the Act”), “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and other applicable laws, rules and regulations.

Article 3

The term "assets" as used in the procedures includes the following:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, domestic beneficiary certificate, foreign mutual fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities;
2. Property (including land, houses and buildings, property for investment purpose, rights to use land, and inventory of construction companies) and equipment;
3. Memberships;
4. Intangible assets: Patents, copyrights, trademarks, charter rights, and other intangible assets;
5. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables);
6. Derivatives products;
7. Assets acquired or disposed of in connection with mergers, spin-off, acquisitions, or share transfer in accordance with acts of law;
8. Other major assets.

Article 4

Terms used in the procedures are defined as follows:

1. “Derivatives”: Forward contracts, options contracts, futures contracts, leverage contracts, swap contracts, and compound contracts combining the 2 above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, paragraph 8 of the Company Act.
3. “Related party” or “Subsidiary”: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

5. “Date of occurrence”: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, date of Boards of Directors resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the Competent Authority is required, the earlier of the above date or the date of receipt of approval by the Competent Authority shall apply.
6. “Investment in mainland China”: Refers to investments in China approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. “Latest financial statements”: Refers to the financial statements of the company audited or examined by certified public accountant (“CPA”) which has been published in accordance with applicable regulation before the subject acquisition or disposal of assets.

Article 5

Limits of amounts for the Company and each subsidiary in acquisition of non-operating related real estate and securities investment:

1. The acquisition of real estate for non-operating purpose shall not exceed 50% of its paid-in capital.
2. The total amount of securities investment shall not exceed 120% of its net worth.
3. The amount of investment in each respective security should not exceed 60% of its net worth.

Article 6

Professional appraisers and their officers, CPA, attorneys, and securities underwriters that provide the Company with appraisal reports, CPA's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.

Article 7

Procedures for acquisition or disposal of real estate or equipment

1. The Company acquisition or disposal of property and equipments shall follow the Company's internal control procedures of fixed assets.
2. Terms and conditions of the transaction and level of authorization
 - (1) The transaction price of acquisition or disposal of real estate shall reference the publicly announced value, appraised price, and actual transaction price in neighboring area to determine conditions and price. Final transaction price shall be approved in accordance with the level of authorization. Where each transaction price exceeds 10% of the Company's net worth, approval from the Audit Committee and a resolution of the Board of Directors.
 - (2) The transaction price of acquisition or disposal of equipment shall be determined either by price quotation, price comparison, price negotiation or tender. Final transaction price shall be approved in accordance with the level of authorization. Where each transaction price exceeds 10% of the Company's net worth, approval from the Audit Committee and a resolution of the Board of Directors.
 - (3) It is allowed for the chairman to approve an agreement requiring the Board's pre-approval mentioned above and submit it to Board for adoption later in case of urgent business needs.

3. Execution

Where the Company acquires or disposes property or equipment, appropriate approval shall be obtained in accordance with the level of authorization and responsible department shall execute accordingly.

4. Appraisal report of property and equipment

In acquiring or disposing real estate or equipment where the transaction price reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of occurrence from a professional appraiser and shall further comply with the following provisions, except trading with a government agency, contracting third parties to build on the land owned or rented by the Company, or acquiring or disposing of machinery and

equipment for operating purposes:

- (1) Where due to special circumstances and it is necessary to give a restricted price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval from the Board of Directors in advance, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.
- (2) Where the transaction price equals to or exceeds NT\$1 billion, appraisals from two or more professional appraisers shall be obtained.
- (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, except the actual acquisition price is lower than the appraised price or the actual disposal price is higher than the appraised price, a CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: a. The difference between the appraised price and the actual transaction price equals to or exceeds 20% of the transaction price. b. The difference between the appraised prices of two or more professional appraisers equals to or exceeds 10 % of the transaction price.
- (4) Where a professional appraisal is conducted prior to the contract date, the appraisal report should have been issued within 3 months of the contract date. However, if the object's publicly announced value is still the same and the appraisal report, and the report was issued no longer than 6 months, then the original professional appraiser may provide opinions.
- (5) Where the Company acquires or disposes assets through court auction, the certificate issued by the court can be used to replace appraisal report or CPA opinions.

Article 8

Procedures for acquisition or disposal of securities Investment

1. The Company acquisition or disposal of securities investment shall follow the Company's internal control procedures of investment.
2. Terms and conditions of the transaction and level of authorization
 - (1) Where the securities are traded in the centralized exchanged markets, the trading price shall be approved in accordance with the level of authorization. Where each transaction price exceeds 10% of the Company's net worth, an approval from Audit Committee and a resolution of the Board of Directors shall be obtained.
 - (2) Where the securities are traded in the non-centralized markets, the subject matter's most recent financial statements audited by CPA shall be obtained prior to the date of occurrence, and used as the reference of its transaction price for the considerations of its net value per share, profitability and future potential. Where each transaction price exceeds 10% of the Company's net worth, an approval from Audit Committee and a resolution of the Board of Directors shall be obtained. Financial instruments such as bonds with call and put options, security funds and currency based instruments are not restricted by preceding paragraph and shall be executed in accordance with the level of authorization.
3. The execution
The Company's financial and accounting department is responsible for the execution regarding the investment in marketable security upon completion of procedures mentioned above.
4. Professional opinions
 - (1) In acquiring or disposing securities where the transaction price reaches 20% of the Company's paid-in capital or exceeds NT\$300 million, opinions regarding the transaction price from CPA shall be obtained prior to the date of occurrence. Where CPA's opinion is based on the professional opinions, it shall be prepared in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. Where the transaction price is available in the open market or otherwise regulated by the Financial Supervisory Commission ("SFC") under the Executive Yuan, the limitation shall not apply.

- (2) Where the Company acquires or disposes assets through court auction, the certificate issued by the court can be used to replace appraisal report for CPA's opinions.

Article 9

Procedures for related parties' transactions are as follows:

1. When acquiring or disposing assets from a related party, in addition to the procedures set forth in the Article 7, if the transaction price reaches 10% or more of the Company's total assets, an appraisal report from a professional appraiser or a CPA's opinion shall be obtained to ensure necessary resolutions are adopted and the reasonableness of the transaction terms is appraised. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.
2. Evaluation and operating procedures
When acquiring or disposing real estate with a related party regardless of its transaction price, or acquiring or disposing assets other than real estate with a related party for the transaction price over 20% of the Company's paid-in capital, 10% of the Company's total assets, NT\$300 million or more, except in trading of government bonds or bonds with call or put options, or subscription or redemption of domestic money market funds, the transaction may not be proceeded until the following matters have been approved by the Audit Committee and the Board of Directors. Contracts and payments shall only be signed and paid upon the approval from Board of Directors. When acquiring or disposing equipment for production purpose with a related party, Board of Directors can authorize the chairman to exercise the duty within the prescribed limit and report to the Board of Directors upon completion of the transactions.
 - (1) The purpose, the necessity and the anticipated benefit of acquisition or disposal of the real estate.
 - (2) The reason for choosing the related party as a trading counterparty.
 - (3) Information regarding the reasonableness of the preliminary transaction terms in accordance with subparagraph 1 and 4 of paragraph 3, Article 9.
 - (4) The date and the price at which the related party originally acquired the real estate, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.
 - (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
 - (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
 - (7) Restrictive covenants and other important stipulations associated with the transaction.
3. Evaluation of the reasonableness of the transaction costs
 - (1) When acquiring real estate from a related party, the reasonableness of the transaction costs shall be evaluated by the following means:
 - A. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - B. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as 8 security for a loan; provided the actual cumulative amount loaned by the financial institution shall have been 70% or more of the financial institution's appraised loan value of the property and the period of the loan shall have been one year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.
 - (2) Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised

in accordance with either of the means listed in the preceding paragraph.

- (3) While the cost of the real estate acquired from a related party shall be appraised in accordance with the provisions of the subparagraph (1) of paragraph 3, Article 1, CPA shall also be engaged to review the appraisal and render a specific opinion.
- (4) Where the real estate is acquired from a related party, it shall be appraised in accordance with the provisions of the subparagraph (1) of paragraph 3, Article 9, and if the appraised cost is lower than the actual transaction cost, the paragraph (5) of Item 3, Article 9 shall apply. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real estate appraiser and a CPA, this restriction shall not apply:
 - A. Where the related party acquires undeveloped land or leased land for development and in compliance with one of the following conditions:
 - a. Where undeveloped land is appraised in accordance with the means in the preceding Article, and the actual transaction price is lower than the related party's construction cost plus reasonable construction profit. The "reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - b. Where the recent transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, and the land area and the transaction terms are similar in consideration of the 9 reasonable price discrepancies in floor or land prices in per property market practices.
 - c. Where the recent leasing transactions by unrelated parties for other floors of the same property within the preceding year, and the transaction terms are similar in consideration of the reasonable price discrepancies among floors per property leasing market practices.
 - B. Where the Company acquiring real estate from a related party and the terms of the transaction are similar to the terms of the recent transactions for acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.
- (5) Where the Company acquires property from a related party and the results of appraisals conducted in accordance with the provisions of the subparagraph (1) and (2) of paragraph 3, Article 9, are uniformly lower than the transaction price while no evidence can be provided that subparagraph (4) of paragraph 3 is not applicable to the transaction, the following steps shall be taken:
 - A. A special reserve shall be set aside in accordance with the provisions of Article 41, paragraph 1 of the Act against the difference between the real estate transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another public company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company.
 - B. The Audit Committee shall comply with the provisions of Article 10 218 of the Company Act.
 - C. Actions taken pursuant to subparagraph 1 and 2 shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.The Company and A public company investing the Company accounted for under equity method that have set aside a special reserve under the preceding paragraph may not utilize

the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

- (6) Where the Company acquires real estate from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the provisions paragraph 1 and 2 of Article 9, while subparagraph 1, 2 and 3 of paragraph 3 shall not apply:
 - A. The related party acquired the real estate through inheritance or as a gift.
 - B. More than five years had elapsed from the time the related party signed the contract to obtain the real estate to the signing date for the current transaction.
 - C. The property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build property, either on the company's own land or on rented land.
- (7) Where the Company obtains property from a related party, it shall also comply with the provisions set forth in the subparagraph (5) of paragraph 3, Article 9, if there is other evidence indicating that the acquisition was not an arms length transaction.

Article 10

Procedures for acquisition or disposal of membership or intangible assets are as follows:

1. Evaluation and operating procedures
Acquisition or disposal of membership or intangible assets shall according to the relevant laws and regulations.
2. Terms and conditions of the transaction and level of authorization
 - (1) The transaction price of acquisition or disposal of membership shall refer to the market value, terms and conditions and transaction price and a report shall be prepared for submission to the general manager. Where the transaction price exceeds 1% of the Company's paid-in capital or under NT\$3 million, shall be submitted to the General Manager for approval and shall be filed in the last meeting of the Board of Directors and if the transaction price exceeds NT\$3 million, must be approved by the Board of Directors.
 - (2) The transaction price of acquisition or disposal of intangible assets shall refer to professional opinion or the market value, terms and conditions and transaction price and a report shall be prepared for submission to the chairman. Where the transaction price exceeds 10% of the Company's paid-in capital or under NT\$20 million, shall be submitted to Chairman for approval and shall be filed in the last meeting of the Board of Directors and if the transaction price exceeds NT\$20 million, must be approved by the Board of Directors.
3. Execution
Where the Company acquires or disposes membership or intangible assets, appropriate approval shall be obtained in accordance with the level of authorization and responsible departments shall execute accordingly.
4. CPA's opinion is required under the following circumstances:
 - (1) Where the transaction price of acquiring or disposing membership or intangible assets reaches 20% of the Company's paid-in capital or exceeds NT\$300 million, except trading with the Government organizations, CPA's opinion, in compliance with the Provisions of Statement of Auditing Standards No. 20 published by the ARDF, shall be obtained prior to the date of occurrence.
 - (2) Where the Company acquires or disposes of memberships or intangible assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 10-1

The calculation of the transaction price referred to in the preceding four articles shall be done in accordance with the subparagraph (5) of paragraph 1, Article 16, and "within the preceding year" as

used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 11

Procedures for acquisition or disposal of Claims of financial institutions. In principle, the Company does not conduct any trading regarding acquisition or disposal of claims of financial institutions. Where the trading is intended in the future, relevant operating procedures shall be by the Board of Directors.

Article 12

Procedures for acquisition or disposal of financial derivatives are as follows:

1. Trading principles and strategies

(1) Types of instrument

- A. Financial derivatives referred herein are broadly defined as instruments that derive their value from the performance of underlying assets, interest or currency exchange rates or other instrument such as swaps, options, futures, forwards and various combinations thereof.
- B. Claims of financial institutions shall be conducted in accordance with The Procedures set forth. The transactions for redeemable bonds may be exempted from the regulations of the Procedures.

(2) Strategies

Financial derivatives are mainly used for hedging purpose and the selection of instruments shall correlate or associate with the business operation. In order to reduce the overall currency exposures and hedging cost, the currency of the position held shall be the same as the one used for business activities, and the position of the currency (account receivable and payable in foreign currency) shall be balanced. The transaction of specific purpose shall be evaluated carefully and prior approval from the Board of Directors.

(3) Authorization and delegation

A. Finance departments

a. Trading

- (a) To establish financial derivative strategies for the Company.
- (b) To evaluate holding of the positions periodically, establish trading strategies based on the judgment of the market intelligence and submit for approval.
- (c) To execute the trading in accordance with the level of authorization.
- (d) Shall material incident occur in the financial market and existing strategies. is no longer applicable, new trading strategies shall be proposed and used as the basis for trading upon approval from the general manager.

b. Accounting staff

- (a) Executing the confirmation of transaction.
- (b) Examining if the transactions are executed in accordance with authorization and existing strategy.
- (c) Performing monthly assessment and submitting the assessment report to general manager.
- (d) Accounting.
- (e) Public announcement and filing in accordance with regulations of FSC.

c. Settlement: To execute the settlement

d. Level of approval

- (a) Level of approval required for each transaction of hedging purpose

Level of approval	Delegation of daily transaction	Delegation of each accumulated net position
Finance Manager	Below of US\$0.5M	Below of US\$1.5M

Gangeral Manader	US\$0.5M-2M	Below of US\$5M
Chairman	US\$2M and more	Below of US\$10M

- (b) Transaction of other purposes shall only be preceded upon approval from the Audit Committee and the Board of Directors.

B. Internal Audit

The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing.

C. Performance Evaluation

a. Trading with hedging purpose

- (a) The evaluation basis is the profit/loss between cost of the currency on the book and derivative transaction.
- (b) To fully comprehend the risks of evaluation, the Company shall conduct evaluation based on the monthly closing.
- (c) The Finance department shall provide evaluation of the foreign currency based position, the market trend and analysis of foreign currency to the president and chairman for their review.

b. Trading with specific purpose

The evaluation shall be conducted based on the actual profit/loss and the Finance personnel shall prepare financial statements based on the position held for management's review on a periodic basis.

D. Total transaction amount, and the maximum limit of loss

a. The Contract Amount

(a) Transaction amount for hedging purpose

In order to control transaction risk, the financial department shall closely monitor the overall risk exposure. The transaction amount for hedging shall not exceed two-thirds of the Company's net overall risk exposure or otherwise an approval from the general manager be needed.

(b) Transaction for specific purpose

This can only be executed upon the financial department completing a proper strategy based on a good forecast toward market fluctuations and the board of directors approving such transaction. The accumulated contract amount of transactions for specific purpose shall not exceed USD10 million or otherwise an approval from the board of directors and compliance with the enacted policy be needed.

b. Maximum Limit of Loss

- (a) There is no need to set up the maximum limit of loss for the transaction for hedging purpose as it is entered into for reducing risks.
- (b) Maximum limit of loss shall be established for the transaction contract for specific purpose once being entered into. Its maximum limit of loss shall not exceed 10% of the transaction contract amount or otherwise it shall be reported to the general manager as well as the board meeting for taking necessary responding actions.
- (c) The maximum limit of loss for individual contract shall not exceed the lower of USD20,000 or 5% of the contract.
- (d) The annual accumulated maximum limit of loss of the transaction contracts for specific purpose shall no exceed USD300,000.

2. Measures of Risk management

(1) Credit Risk Control

The management over market risks shall be executed in accordance with following guidance

due to the fact that engaging in financial derivatives is sensitive to market fluctuations and operating risks:

Counterparty: shall be of domestic or international reputable financial institutions.

Financial tools: shall be provided by domestic or international reputable financial institutions.

Transaction amount: the unsettled transaction amount for a same counterparty shall not exceed 10% of total authorized amount, except for those specially approved by the general manager.

(2) Market Risk Control

Primarily the open currency market provided by the banks, excluding the option market.

(3) Liquidity Risk Control

To ensure liquidity, financial instruments with high liquidity shall be chosen, and financial institutions responsible for trading shall provide sufficient information and have the capability to trade in any markets over any time zone.

(4) Cash-Flow Risk Control

To maintain stable turnover of the working capital of the Company, the source of the capital for derivative transaction shall be self-funded, and the demand in cash flows for future 3 months shall be taken into consideration in determining the operated amount.

(5) Operating Risk Control

A. To comply with the authorized amount, procedures and internal audit processes.

B. Different personnel shall be assigned for trading, confirmation and settlement.

C. Personnel who is in charge of risk evaluation, monitoring and controlling shall not be in same department as those described in the preceding paragraph, and reporting shall be made to the Board of Directors or the management who is not responsible for trading or determination of position.

D. The Company shall review the net exposure of derivatives at least once a week and at least twice a month for those entered into for specific purpose. The result of review shall be submitted and reported to the general manager or the authorized person by the board.

(6) Financial Instrument Risk Control

Personnel, who is in charge of the trading, shall have sufficient knowledge and professional skills of the financial instrument and shall request the banks to fully disclose associated risks.

(7) Legal Risk Control

Any documents with financial institutions can only be signed after reviewing by the legal department or legal counsels.

3. Internal audit

(1) The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing.

(2) The Company's internal audit personnel shall file the internal audit reports and the executing details of internal auditing by the end of February of the following year and also the improvement actions with respect to any deficiencies found by the end of May of the following year to FSC.

4. Periodic evaluation system

(1) The Board of Directors shall authorize the management to monitor and review the compliance of the derivative transaction with internal procedures periodically. If any abnormality detected in the market value evaluation report, the Board of Directors shall be informed immediately and responsive actions shall also be taken accordingly.

(2) The position held under the derivative trading shall be evaluated once a week, while transaction associated with hedging purpose shall be evaluated twice per month, and the

evaluation reports shall be submitted to the management authorized by the Board of Directors.

5. Auditing principle by the Board of Directors

- (1) Board of Directors shall assign the management to constantly monitor and control the risks of derivative transaction with the following principles:
 - A. To conduct periodic review and check if the risk management measures are adequate and in compliance with the internal procedures.
 - B. To monitor the trading and its performance. Shall there be any material event, Board of Directors shall be informed and necessary actions shall be taken.
- (2) To check if the performance meets the business strategy and to determine if the risks are within the corporate tolerance level periodically.
- (3) Derivative transaction shall be conducted in accordance with the relevant procedures and reported to Board of Directors afterwards.
- (4) To establish a reference book for derivative transaction with detailed information, including its type, amount, approval date from Board of Director and evaluation items listed in the paragraph 2 of Article 4, the paragraph 1 and 2 of Article 5.

Article 13

Procedures for mergers, spin-off, acquisition and share transfer are as follows:

1. Evaluation and operating procedures

- (1) CPA, attorney, and securities underwriter shall be engaged to schedule 17 project timetable and a task force shall be formed to execute the project according to statutory rules and regulations. Prior to convening the Board of Directors to resolve on the matter, a CPA, attorney, or securities underwriter shall give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. However, the fairness opinion from above-mentioned expert may be exempted if the Company merges its directly or indirectly wholly-owned subsidiaries or the merger is among the Company's directly or indirectly wholly-owned subsidiaries.
- (2) The Company shall issue a public report to shareholders detailing important contractual content and matters relevant to the merger, spin-off, or acquisition prior to the shareholders meeting. The report shall include the expert's opinion referred to in the preceding paragraph when sending shareholders meeting notification provided, where a provision of another Act exempts the Company from convening a shareholders meeting to approve the merger, spin-off, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger, spin-off, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, spin-off or acquisition shall immediately make public announcement regarding their reasons, the follow-up measures, and the preliminary date of the next shareholders meeting.
- (3) A full written record of the following information shall be prepared and retained for five years for reference:
 - A. Personnel information
Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, spin-off acquisition, or transfer of another company's shares prior to disclosure of the information.
 - B. Dates of material events
Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.
 - C. Important documents and minutes

Including merger, spin-off, acquisition, and share transfer plans, 18 any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.

2. Others

(1) Board of Director meeting date:

Companies participating in a merger, spin-off, or acquisition shall convene a Board of Directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, spin-off, or acquisition, unless another Act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. Companies participating in a share transfer shall call a Board of Directors meeting on the day of the transaction, unless another Act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

(2) Non-disclosure commitment:

Every person participating in or privy to the plan for merger, spin-off, acquisition, or share transfer shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, spin-off, acquisition, or transfer of shares.

(3) Pricing principles for transfer or acquisition of shares:

Companies participating in a share transfer shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the shareholders' meeting. Acquisition or share transfer may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, spin-off, acquisition, or transfer of shares:

- A. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
- B. An action, such as a disposal of major assets that affects the Company's financial operations.
- C. An event, such as a major disaster or major change in technology 19 that affects equity or share price.
- D. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
- E. An increase or decrease in the number of entities or companies participating in the merger, spin-off, acquisition, or transfer of shares.
- F. Other terms and conditions that the contract stipulates may be altered and that have been publicly disclosed.

(4) Content of contract

The contract of the companies participating in the merger, spin-off, acquisition, or share transfer shall be under Article 371-1 of Company Act and Article 22 of Business Mergers and Acquisitions Act and shall also record the followings:

- A. Handling of breach of contract
- B. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or its spin-off.
- C. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
- D. The manner of handling changes in the number of participating entities or companies.
- E. Preliminary progress schedule for plan execution, and anticipated completion date.
- F. Scheduled date for convening the legally mandated shareholders meeting if the plan

exceeds the deadline without completion, and relevant procedures.

- (5) Changes of companies participating in mergers, spin-off, acquisition and share transfer:
After public disclosure of the information, if any company participating in the merger, spin-off, acquisition, or share transfer intends further to carry out a merger, spin-off, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, spin-off, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a 20 resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
- (6) Where any of the companies participating in a merger, spin-off, acquisition, or share transfer is not a public company, the Company shall sign an agreement with the counterparty whereby the latter is required to abide by the provisions of preceding paragraphs.
- (7) Upon the resolution by the Board of Directors, material information shall be disclosed via internet-based information system to the FSC for recordation within two days of the Board of Director resolution.

Article 14

Procedures for public disclosure of information are as follows:

1. Disclosure items and standards

- (1) Acquisition or disposal of real estate with a related party regardless of its transaction price, or of assets other than real estate with a related party for the transaction price over 20% of the Company's paid-in capital, 10% of the Company's total assets, NT\$300 million. Trading of government bonds, bonds with call or put options and subscription or redemption of money market funds issued by securities investment trust companies are excluded herein.
- (2) Merger, spin-off, acquisition, or share transfer.
- (3) Losses from derivative transaction reaching the maximum limits of aggregated losses or losses on individual contracts set forth in The Procedures adopted by the Company.
- (4) Any transaction, other than those referred in the preceding three subparagraphs, such as disposal of receivables by a financial institution or investment in mainland China that reaches 20% of the Company's paid-in capital or exceeds NT\$300 million. However, the following circumstances shall not apply:
 - A. Trading of government bonds.
 - B. Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, general corporate bonds or general financial bonds without equity issued/outstanding in domestic preliminary markets, or marketable securities subscribed by security companies due to the underwriting needs and being designated as underwriters in accordance with related regulations of Taipei Exchange.
 - C. Trading of bonds with call or put options, subscription or redemption of money market funds issued by securities investment trust companies.
 - D. Where the type of asset acquired or disposed is equipment/machinery for operational use, the trading counterparty is not a related party, and the transaction price is less than NT\$500 million.
 - E. Where the type of asset acquired or disposed is real estate for operational use, the trading counterparty is not a related party, and the transaction price is less than NT\$500 million.
 - F. Where land is acquired under an arrangement for commissioned construction on self-owned or rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is less than NT\$500 million.
- (5) The amount of transactions mentioned above shall be calculated as follows:
 - A. The amount of any individual transaction

- B. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within one year.
 - C. The cumulative transaction amount of real estate acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within one year.
 - D. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within one year.
2. Timeline and standards for public disclosure of information
Should acquisition or disposal of assets meet the standards for public disclosure of information, the Company needs to file and make public announcement within two days from the date of the event.
 3. Disclosure procedures
 - (1) The Company shall disclose information into the reporting website designated by the FSC in accordance with the statutory regulations.
 - (2) The Company and on behalf of its non-public subsidiaries shall compile monthly reports on the status of derivatives trading up to the end of the preceding month and enter the information in the prescribed format into the reporting website designated by the FSC by the tenth day of each month.
 - (3) Where an error or omission occurs at the time of public announcement, it is required to correct the error, and all the items shall be publicly announced again within two days from the date of notification.
 - (4) The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, reference books, appraisal reports and CPA, attorney, and securities underwriter's opinions at the Company headquarters, where they shall be retained for five years except where another Act provides otherwise.
 - (5) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the following paragraph, a public report of relevant information shall be made on the reporting website designated by the FSC within two days from the date of occurrence:
 - A. Change, termination, or rescission of a contract signed in regard to the original transaction.
 - B. The merger, spin-off, acquisition, or share transfer is not completed by the scheduled date set forth in the contract.
 - C. Change of the publicly disclosed information.

Article 14-1

For the calculation of 10% of the total assets under the Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by the Securities Issuers shall be used.

Article 15

The subsidiaries of the Company shall comply with the followings:

1. The subsidiaries shall establish the Procedures in accordance with the "Regulation Governing the Acquisition and Disposal of Assets by Public Companies" and obtain approval from the subsidiaries' Board of Directors and its shareholders' meetings and execute in accordance with the enacted procedures.
2. The subsidiaries shall comply with the provisions set forth in The Procedures, in addition to their own procedures, when acquiring or disposing assets.
3. Information required to be publicly announced and reported in accordance with the provisions of acquisitions and disposals of assets by a subsidiary of the Company that is not itself a public company in Taiwan shall be reported by the parent company.
4. The paid-in capital or total asset of the Company shall be the standard for determining whether or not the Company shall disclose information on behalf of a subsidiary in the event of the type of transaction specified therein reaches 20 % of the paid-in capital or 10% of the total asset.

Article 16

Penalties are as follows: Where the employees of the Company violate the provisions set forth, appropriate penalties shall be carried out in accordance with the relevant human resource management procedures and employees handbook of the Company.

Article 17: Implementation and amendment

1. The Procedures for acquiring and disposing assets have been agreed by audit committee, approved by the meeting of board of directors and proposed to the Company's shareholders' meeting for final approval. The Company shall follow with the same procedures for any future amendment.
2. Any acquisition or disposal of assets made according to item#1 mentioned above and the Procedures or the regulations shall be agreed by a majority votes from audit committee and proposed to the board meeting for final approval. While two-thirds of votes from board meeting be needed if no majority vote from audit committee is obtained. Such resolution of audit committee shall be specified in the meeting minutes of board. The board shall take into considerations of the opinions from independent directors when resolving the Procedures. The board meeting minutes shall be specified of any objection from independent directors if any.
3. The terms "all members of Audit Committee " or "all directors" mentioned in the preceding paragraphs shall include the actual number of persons currently holding those positions then.

Article 18: Others

Anything not prescribed in this Procedures shall be executed in accordance with related rules or regulations.

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\$4,513,608,600, with a total of 451,360,860 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, 2019

Position	Name	Shareholding when elected		Current shareholding	
		Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)
Chairman	Guo, Ming-Dong	1,069,795	0.24%	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	12.90%
	Representative: Su, Yan-Xue	-	-	-	-
Director	Asuspower Investment Co. Ltd.	55,556,221	12.46%	55,556,221	12.31%
	Representative: Wu, Xiang-Xiang	-	-	-	-
Director	Cheng, Zhong-Ren	-	-	-	-
Independent Director	Chen, Jin-Cai	-	-	-	-
Independent Director	Hwang, Chung-Pao	-	-	-	-
Independent Director	Wu, Hui-Huang	-	-	-	-
Total		115,420,109	25.88%	115,420,109	25.57%

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 29, 2019 to April 8, 2019; the information has been announced on the Market Observation Post System.
4. The Company did not receive any shareholders' proposal during the aforesaid period.