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

KINSUS INTERCONNECT TECHNOLOGY CORP.
Minutes for the 2020 of Annual Meeting of Shareholders

- Time: 9:00 a.m., 28th May, 2020 (Tuesday)
- Location: No. 1245, ZhongHua Rd., XinWu Dist., Taoyuan City
  (Kinsus Shih-Lei plant, staff canteen)
- Total outstanding shares: 451,039,005 shares. Total attending shares: 450,943,020 shares.
- Total shares held by shareholders presented in person or by proxy: 291,870,744 shares (including electronic votes ("e-votes") of 291,191,107 shares.)
- Percentage of shares held by shareholders presented in person or by proxy: 64.72%
- Chairman: Guo, Ming-Dong, the Chairman
- Attending Directors:
  Mr. Guo, Ming-Dong,
  Mr., Tong, Zi-Xian,
  Mr. Chen, Ho-Shu,
  Ms. Su, Yan-Xue,
  Mr. Cheng, Zhong-Ren,
  Mr. Hwang, Chung-Pao, Convener of Audit Committee,
  Mr. Chen, Jin-Cai,
  Mr. Wu, Hui-Huang,
- Other attendants:
  Mr. Hong, Mao Yi, CPA, Ernst & Young
  Mr. Chen, Wei Ching, Legal commissioner
- Meeting Recorder: Ms. Liu, Su-Zhen

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

- Chairman's Opening Statement (omitted)

I. Items To Be Reported

1. The 2019 Business Report

Explanatory Notes: Please refer to Attachment I.

2. Audit Committee’s Review Report on the 2019 financial closing documenation

   Explanatory Notes: Please refer to Attachment II.

3. To report the 2019 Earnings Distribution of dividends.

   Explanatory Notes:

   a. Based on the Company’s Article of Incorporation, article24-1, authorize the Company’s board of directors has resolved to pay out cash dividend NT$1 per share in amount of NT$451,039,005.

   b. Please include in other income of the company, if too trivial to one NT dollar, to specific shareholders. The measurement date will be decided by the Board of Directors under the authorization.

   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

II. Items To Be Approved

1. To approve 2019 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 Attachment I and Attachment III to the Meeting Handbook.

Voting Results: The proposal is approved.

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
291,721,245 votes* (291,191,107 e-votes)	267,764,979 votes* (267,553,975 e-votes)	43,458 votes* (43,458 e-votes)	23,912,808 votes* (23,593,674 e-votes)	0 votes*
100.00%	91.79%	0.01%	8.20%	0.00%

*including e-votes (numbers in brackets)

2. To approve the proposal for 2019 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 total distributable earnings of NT$10,799,959,534, composed of 2019 net loss of NT$(2,025,332,039), other comprehensive income of actuarial loss from defined benefit plans of NT$(4,727,347), employee restricted share adjusted amount of NT$297,657, special reserve of NT$(83,020,969) and prior years' unappropriated earnings of NT$12,912,742,232.

b. The 2019 earnings distribution table is shown in Attachment IV to the Meeting Handbook for reference.

Voting Results: The proposal is approved.

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
291,721,245 votes* (291,191,107 e-votes)	268,245,979 votes* (268,034,975 e-votes)	191,458votes* (191,458 e-votes)	23,283,808 votes* (22,964,674 e-votes)	0 votes*
100.00%	91.95%	0.07%	7.98%	0.00%

*including e-votes (numbers in brackets)

III. Items To Be Discussed

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

Explanatory Notes:

a. The Amendment is based on the Company’s operating need, and for comparison for amendment to the Article of Incorporation, please refer to Attachment V

Voting Results: The proposal is discussed and resolved faverable.

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
291,721,245 votes* (291,191,107 e-votes)	267,820,739 votes* (267,609,735 e-votes)	465,458 votes* (465,458 e-votes)	23,435,048 votes* (23,115,914 e-votes)	0 votes*
100.00%	91.81%	0.16%	8.03%	0.00%

*including e-votes (numbers in brackets)

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

Explanatory Notes:

a. The Company amended "the Practice Guidance for Loaning to Others" in compliance with the order of Financial-Supervisory-Securities-Auditing-1080304826 of the Financial Supervisory Commission announced on March 7th, 2019. For comparison table, please refer to Attachment VI.

Voting Results: The proposal is discussed and resolved faverable.

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
291,721,245 votes* (291,191,107 e-votes)	268,236,437 votes* (268,025,433 e-votes)	46,760 votes* (46,760 e-votes)	23,438,048 votes* (23,118,914 e-votes)	0 votes*
100.00%	91.95%	0.02%	8.03%	0.00%

*including e-votes (numbers in brackets)

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

Explanatory Notes:

b. The Company amended "the Practice Guidance for Loaning to Others" in compliance with the order of Financial-Supervisory-Securities-Auditing-1080304826 of the Financial Supervisory Commission announced on March 7th, 2019. For comparison table, please refer to Attachment VII.

Voting Results: The proposal is discussed and resolved faverable.

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
291,721,245 votes* (291,191,107 e-votes)	268,243,478 votes* (268,032,474 e-votes)	45,719 votes* (45,719 e-votes)	23,432,048 votes* (23,112,914 e-votes)	0 votes*
100.00%	91.95%	0.02%	8.03%	0.00%

*including e-votes (numbers in brackets)

IV. Other Questions and Motions

None.

V. Adjournment

(This minutes is extracted from the 2020 of Annual Meeting of Shareholders, the details are subject to the audio and video recording.)

Attachment I

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

2019 Business Report

1. 2019 Business Report

According to the IMF's forecast of global GDP growth at the beginning of 2019, although global economic growth slowed to 3.2% compared to 2018 (GDP growth of 3.6%), it remains in a growth trend. Semiconductor industry leader TSMC is relatively optimistic regarding the overall growth that is expected to reach 5-6% of the semiconductor industry in 2019. The prediction mainly resulted from the rapid deployment of 5G communications and the popularization of terminal devices and the growth of data centers and high-speed computing driven by AI artificial intelligence. The growth of these products is very significant for the driving force of the semiconductor industry. The IC carrier board’s driving force is reflected in the speed of the copper foil substrate material, the increase in the number of carrier board layers, and the larger carrier board area. It can be regarded as a reversal era for the IC carrier board industry.

Since May 2019, the United States stepped up its trade war with China and announced the Entity List that banned the sale of Huawei. The trade war affected the global technology industry overall and the demand for semiconductors and the product industry chain have gradually been divided into two major systems.

At the beginning of 2019, it was estimated to deploy as high as 350,000 units of 5G base for the whole year. The popularity and penetration of 5G base stations are the source of all subsequent applications and terminal products. For IC carrier companies’ driving force is shown in ABF carrier boards, FC-CSP carrier boards, and memory carrier boards, and the opportunities for SiP and AiP in the future. However, the trade war has dropped down the number of new 5G base stations around the world, much lower than the estimate at the beginning of the year.

The US-China trade and technology conflict has decreased the overall demand for semiconductor products and changed the product content (IC and other components) supply chain relationship, as well as the progress of 5G and AI technology development. The impacts include:

a. China puts more emphasis on the ability of independent development of semiconductor products and local production capacity.
b. The European and American technology industries have gradually strengthened the blockade against China, so as to slow down that China get ahead in technology.
c. The overall 5G communication process is postponed, and the transition products of the Sub-6 frequency band enter the market quickly in advance.
d. The progress of AI and autonomous driving continues decelerate, but the development of "edge computing" has accelerated.

Kinsus encountered headwinds in market changes, and product and supply chain changes in 2019. Although its performance was not as expected, the Company has made rapid adjustments and will do its best to improve the performance in 2020.

The Company's revenue in parent-company-only basis totaled to NT$16,116,157 thousand in 2019, decreased by 6.45% compared to NT$17,228,031 thousand in 2018. Net loss in parent-company-only basis was NT$(2,025,332) thousand in 2019, decreased by 679.52% compared to NT$349,485 thousand in 2018. The Company's consolidated revenue totaled to NT$22,327,410 thousand in 2019, decreased by 5.90% compared to NT$23,727,929 thousand in 2018. The consolidated net loss was NT$(1,947,268) thousand in 2019, decreased by 573.74% compared to NT$411,040 thousand in 2018.The decline in operating profit and net income mainly caused by lower ratio of utilization in Xinfeng Factory.

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

Account (In parent-company-only basis)	2019	2018	Growth Rate (%)
Operating revenues	16,116,157	17,228,031	-6.45%
Gross profit	1,106,605	3,615,434	-69.39%
Operating income(loss)	(1,917,952)	346,545	-653.45%
Pre-tax income(loss)	(2,025,681)	422,468	-579.49%
Net income(loss)	(2,025,332)	349,485	-679.52%
Earnings (loss) per share (in NT$)	(4.52)	0.78	

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

Account (In consolidated basis)	2019	2018	Growth Rate (%)
Operating revenues	22,327,410	23,727,929	-5.9%
Gross profit	2,760,739	5,386,502	-48.72%
Operating income(loss)	(1,650,225)	791,650	-308.45%
Pre-tax income (loss)	(1,846,258)	710,522	-359.85%
Net income (loss)	(1,947,268)	411,040	-573.74%
Net income/loss attributable to:			
Shareholders of the parent	(2,025,332)	349,485	
Non-controlling interests	78,064	61,555	
Earnings (loss) per share (In NT$)	(4.52)	0.78	

2. Summary of 2020 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)2020 Expected Sales and Its Sources

Several foreign-funded and international research advisory agencies predict that global economic growth will recovery in 2020 compared to 2019. The products with more obvious growth trends include 5G base station related chips and AI related Massive connection and Ultra-low latency. Furthermore, Power management, Fingerprint identification, Image sensor Chip（CIS）and Driver IC are growing with more certain 5G peripheral applications.

(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 5nm 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 2020 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 2019 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 10^{th}, 2020

Attachment III

<u>English Translation of an Audit Report Originally Issued in Chinese</u>
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, 2019 and 2018, 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, 2019 and 2018, 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, 2019.
These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters..

Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's revenue amounting to NT$16,116,157 thousand for the year ended December 31, 2019 is a significant account to the Company's financial statements. The Company has conducted these sale activities in multi-marketplace, including Taiwan, China, USA, etc. Among these locations, 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 Notes 4 and 6 to the parent-company-only financial statements.

Market valuation on Inventory

We determine the market valuation on inventory is one of the 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$1,419,518 thousand as of December 31, 2019. 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 Notes 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, 2019 and 2018, 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$538,259 thousand and NT$735,275 thousand as of December 31, 2019 and 2018 representing 1.55% and 2.03% of the Company's total assets, the related shares of income before tax from the associate under the equity method for the year then ended amounting to NT$(192,908) thousand and NT$(99,606) thousand representing 9.52% and (23.58)% of the Company's income before tax, and the related shares of other comprehensive income from the associate under the equity method for the years then ended amounting to NT$(4,108) thousand and NT$12,346 thousand representing 4.68% and (47.45)% of the other comprehensive income, are based solely on the audit reports of other auditors.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the accompanying notes, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the 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 2019 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.

Hong, Mao-Yi

Cheng, Ching-Piao

Ernst & Young
February 10th, 2020
Taipei, Taiwan,
Republic of China

<u>Notice to Readers</u>
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.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

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, 2019 and 2018

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			2019		2018	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	$8,768,832	25	$8,709,305	24
1110	Financial assets at fair value through profit or loss	4, 6(2)	1,010,888	3	1,005,335	3
1136	Financial assets measured at amortized cost	4, 6(3)	423,057	1	423,057	1
1150	Notes receivable, net	4, 6(4)	4,917	-	241	-
1170	Accounts receivable, net	4, 6(5)	2,702,180	8	2,765,195	8
1180	Accounts receivable - related parties, net	4, 6(5), 7	151	-	1,131	-
1200	Other receivables		309,398	1	232,701	1
1210	Other receivables - related parties	7	241,487	1	31,727	-
1310	Inventories, net	4, 6(6)	1,419,518	4	1,918,295	5
1410	Prepayments		123,899	-	128,195	-
1470	Other current assets		49,896	-	50,504	-
11XX	Total current assets		15,054,223	43	15,265,686	42
	Non-current assets					
1550	Investment accounted for under equity method	4, 6(7)	4,185,728	12	4,021,997	11
1600	Property, plant and equipment, net	4, 6(8), 9	14,264,988	41	14,898,668	41
1780	Intangible assets, net	4, 6(9)	20,987	-	4,777	-
1840	Deferred tax assets	4, 6(26)	9,593	-	9,593	-
1915	Prepayment for equipment	4, 6(8), 9	1,242,953	4	1,972,157	6
1995	Other non-current assets	6(10)	7,760	-	3,787	-
15XX	Total non-current assets		19,732,009	57	20,910,979	58
1XXX	Total Assets		$34,786,232	100	$36,176,665	100

(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, 2019 and 2018

(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			2019		2018	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(11)	$2,767,987	8	$2,136,671	6
2130	Contract liability	4, 6(20)	1,752	-	1,082	-
2150	Notes payable		33,445	-	38,326	-
2170	Accounts payable		1,235,140	4	1,336,203	4
2180	Accounts payable - related parties	7	240,392	2	163,500	1
2200	Other payables	6(12), 7	1,805,716	5	1,947,831	5
2230	Current income tax liabilities	4, 6(26)	134,566	-	140,435	-
2300	Other current liabilities	6(13)	1,078,459	3	594,000	2
2365	Refund liability	6(14)	7,393	-	12,300	-
21XX	Total current liabilities		7,304,850	22	6,370,348	18
	Non-current liabilities					
2540	Long-term loans	6(15)	1,888,053	5	1,998,125	6
2570	Deferred tax liabilities	4, 6(26)	537	-	886	-
2600	Other non-current liabilities	4, 6(16), 6(17)	25,771	-	25,156	-
25XX	Total non-current liabilities		1,914,361	5	2,024,167	6
2XXX	Total liabilities		9,219,211	27	8,394,515	24
3100	Capital	6(18)				
3110	Common stock		4,510,738	13	4,508,410	12
3200	Capital surplus	6(18)	6,637,742	19	6,140,942	17
3300	Retained earnings	6(18)				
3310	Legal reserve		3,647,505	11	3,612,556	10
3320	Special reserve		100,384	-	77,677	-
3350	Unappropriated earnings		10,882,980	31	13,646,659	38
3400	Other components of equity		(211,996)	(1)	(203,356)	(1)
3500	Treasury Stock	6(18)	(332)	-	(738)	-
3XXX	Total equity		25,567,021	73	27,782,150	76
	Total liabilities and equity		$34,786,232	100	$36,176,665	100

(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 Comprehenstve Income

For the Years Ended December 31, 2019 and 2018

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

Code	Accounts	Notes	2019 Amount	2019 %	2018 Amount	2018 %
4000	Operating revenues	4, 6(20), 7	$16,116,157	100	$17,228,031	100
5000	Operating costs	7	(15,009,552)	(93)	(13,612,597)	(79)
5900	Gross profit		1,106,605	7	3,615,434	21
6000	Operating expenses	7				
6100	Selling		(744,742)	(5)	(595,067)	(3)
6200	General and administrative		(858,030)	(5)	(931,815)	(6)
6300	Research and development		(1,424,442)	(9)	(1,738,225)	(10)
6450	Expected credit gains (losses)	4, 6(21)	2,657	-	(3,782)	-
	Operating expenses total		(3,024,557)	(19)	(3,268,889)	(19)
6900	Operating income (loss)		(1,917,952)	(12)	346,545	2
7000	Non-operating income and expenses					
7010	Other income	6(24), 7	161,391	1	205,701	1
7020	Other gains and losses	6(24), 7	15,248	-	10,469	-
7050	Finance costs	6(24)	(76,884)	-	(64,432)	-
7070	Share of profit or loss of subsidiaries, associates and joint ventures		(207,484)	(1)	(75,815)	-
	Non-operating income and expense total		(107,729)	-	75,923	1
7900	Income (loss) before income tax		(2,025,681)	(12)	422,468	3
7950	Income tax expense (benefit)	4, 6(26)	349	-	(72,983)	(1)
8200	Net income (loss)		(2,025,332)	(12)	349,485	2
8300	Other comprehensive income (loss)	6(25)				
8310	Item that not be reclassified subsequently to profit or loss					
8311	Actuarial gain (loss) on defined benefit plans		(4,727)	-	(3,312)	-
8360	Items that may be reclassified subsequently to profit or loss					
8370	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		(83,021)	-	(22,706)	-
	Total other comprehensive income, net of tax		(87,748)	-	(26,018)	-
8500	Total comprehensive income (loss)		$(2,113,080)	(12)	$323,467	2
9750	Earnings (losses) per share - basic (in NT$)	6(27)	$(4.52)		$0.78	
9850	Earnings (losses) per share - diluted (in NT$)	6(27)	$(4.52)		$0.78	

(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, 2019 and 2018

(Amounts Expressed in Thousands of New Taiwan Dollars)

	Items	Capital	Capital Surplus	Retained Earnings			Other Components of equity		Treasury Stock	Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unearned Employee Benefit		
Code		3100	3200	3310	3320	3350	3410	3490	3500	3XXX
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
	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 (loss)	-	-	-	-	346,173	(22,706)	-	-	323,467
T1	Employee restricted shares for cancellation and others	48,410	185,268					(102,973)	(738)	129,967
A1	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
	Appropriation and distribution of 2018 earnings:									
B1	Legal reserve			34,949		(34,949)				-
B3	Special reserve				22,707	(22,707)				-
B5	Cash dividends - common shares					(676,261)				(676,261)
C7	Change in associates and joint ventures accounted for using equity method		491,065							491,065
D1	Net loss for 2019					(2,025,332)				(2,025,332)
D3	Other comprehensive income (loss) for 2019					(4,727)	(83,021)			(87,748)
D5	Total comprehensive income (loss)	-	-	-	-	(2,030,059)	(83,021)	-	-	(2,113,080)
T1	Employee restricted shares for cancellation and others	2,328	5,735			297		74,381	406	83,147
Z1	Balance as of December 31, 2019	$4,510,738	$6,637,742	$3,647,505	$100,384	$10,882,980	$(183,404)	$(28,592)	$(332)	$25,567,021

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

NOTE: The employees' bonuses of NT$55,074 thousand 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.

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, 2019 and 2018

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2019	2018
AAAA	Cash flows from operating activities:		
A10000	Net income (loss) before tax	$(2,025,681)	$422,468
A20000	Adjustments:		
A20010	Profit or loss not effecting cash flows:		
A20100	Depreciation	3,236,018	2,974,964
A20200	Amortization	31,765	18,663
A20300	Expected credit losses (gain on recovery)	(2,657)	3,782
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(5,553)	(5,200)
A20900	Interest expense	76,884	64,432
A21200	Interest income	(49,256)	(47,973)
A21900	Cost of share based payment	80,477	82,525
A22300	Share of profit or loss of subsidiaries, associates and joint ventures	207,484	75,815
A22500	Gain on disposal of property, plant and equipment	(12,942)	(724)
A30000	Changes in operating assets and liabilities:		
A31110	Financial Assets at fair value through profit or loss	-	410,081
A31130	Notes receivable	(4,676)	1,515
A31150	Accounts receivable	65,672	(386,756)
A31160	Accounts receivable - related parties	980	(177)
A31180	Other receivable	(76,214)	(75,788)
A31190	Other receivable - related parties	(209,760)	(20,071)
A31200	Inventories	498,777	(662,697)
A31230	Prepayment	4,296	85,566
A31240	Other current assets	608	(2,769)
A32125	Contract liabilities	670	1,082
A32130	Notes payable	(4,881)	(3,361)
A32150	Accounts payable	(101,063)	4,786
A32160	Accounts payable - related parties	76,892	(38,477)
A32180	Other payable	(53,118)	(122,275)
A32230	Other current liabilities	5,887	(1,786)
A32240	Net defined benefit liability	(4,112)	(4,118)
A32990	Refund liability	(4,907)	12,300
A33000	Cash generated from operations	1,731,590	2,785,807
A33200	Interest received	48,773	48,057
A33300	Interest paid	(78,238)	(61,219)
A33500	Income tax paid	(5,869)	(104,967)
AAAA	Net cash provided by (used in) operating activities	1,696,256	2,667,678

Code	Items	2019	2018
BBBB	Cash flows from investing activities:		
B02700	Acquisition of property, plant and equipment	(2,405,606)	(2,916,134)
B02800	Proceeds from disposal of property, plant and equipment	491,285	9,463
B03800	Decrease (increase) in refundable deposits	(3,973)	99
B04500	Acquisition of intangible assets	(47,975)	(10,644)
BBBB	Net cash provided by (used in) investing activities	(1,966,269)	(2,917,216)
CCCC	Cash flows from financing activities:		
C00100	Increase in (repayment of) short-term loans	631,316	(126,446)
C01600	Increase in long-term loans	1,036,000	1,200,000
C01700	Repayment of long-term loans	(667,500)	(290,087)
C03000	Decrease in guarantee deposits received	-	(2,000)
C04500	Payment of cash dividends	(676,261)	(669,000)
C04600	Issuance of common stock for cash	5,985	48,410
CCCC	Net cash provided by (used in) financing activities	329,540	160,877
EEEE	Net Increase (decrease) in cash and cash equivalents	59,527	(88,661)
E00100	Cash and cash equivalents at beginning of period	8,709,305	8,797,966
E00200	Cash and cash equivalents at end of period	$8,768,832	$8,709,305

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

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

MANAGEMENT REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Kinsus Interconnect Technology Corp. as of December 31, 2019 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 10th, 2020

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

INDEPENDENT AUDITORS' REPORT

To The Board of Directors of
Kinsus Interconnect Technology Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Kinsus Interconnect Technology Corp. (the "Company") and its subsidiaries as of December 31, 2019 and 2018, 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 and its subsidiaries as of December 31, 2019 and 2018, 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 2019 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's consolidated revenue amounting to NT$22,327,410 thousand for the year ended December 31, 2019 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 Notes 4 and 6 to the consolidated financial statements.

Market valuation on Inventory

We determined the market valuation on inventory is one of the key audit matters in considering that the amount of inventory was significant and the assessment of sufficiency of inventory loss requires significant management judgement. The Company's net inventory amounted to NT$2,452,975 thousand as of December 31, 2019. As the application market of substract, the Company's main products, is characterized by rapid development in technology and the trend of consumers' preference, management, in timely considering the status of new products development and the demand from clients, has to evaluate the loss due to market value decline as well as write-down on slow-moving inventories to their net realizable value. Our audit procedures therefore include, but not limit to, evaluating the Company's policy with respect to assessment the loss from slow-moving inventory and phased-out items, (including identification method, testing the accuracy of inventory aging schedule, analysis on inventory movement), perfroming observation on the Company's inventory physical-taking, and inspecting the current status of inventory usage, etc. We also assessed the adequacy of the inventory-related disclosures shown in the Notes 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, 2019 and 2018 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$538,259 thousand and NT$735,275 thousand as of December 31, 2019 and 2018 representing 1.29% and 1.72% of the Company's consolidated total assets, the related shares of income before tax from the associate under the equity method for the years then ended amounting to NT$(192,908) thousand and NT$(99,606) thousand representing 10.45% and (14.02)% of the Company's consolidated income before tax, and the related shares of other comprehensive income from the associate under the equity method for the years then ended amounting to NT$(4,108) thousand and NT$12,346 thousand representing 3.80% and (32.80)% 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.

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 2019 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, 2019 and 2018.

Hong,Mao-Yi

Cheng,Ching-Piao

Ernst & Young
February 10th, 2020
Taipei, Taiwan,
Republic of China

<u>Notice to Readers</u>

The accompanying consolidated 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.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2019 and 2018

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of December 31, 2019		As of December 31, 2018	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	$10,712,103	26	$10,068,669	24
1110	Financial assets at fair value through profit or loss	4, 6(2)	1,338,832	3	1,017,095	2
1136	Financial assets measured at amortized cost	4, 6(3)	423,057	1	498,338	1
1150	Notes receivable, net	4, 6(5)	4,918	-	241	-
1170	Accounts receivable, net	4, 6(6)	3,609,565	9	3,472,879	8
1180	Accounts receivable - related parties,net	6(6), 7	111,323	-	349,315	1
1200	Other receivables,net		332,623	1	264,785	1
1210	Other receivables - related parties	7	5,901	-	5,781	-
1310	Inventories, net	4, 6(7)	2,452,975	6	3,269,317	8
1410	Prepayments		150,538	-	158,390	-
1470	Other current assets		198,672	1	189,759	-
11xx	Total current assets		19,340,507	47	19,294,569	45
	Non-current assets					
1517	Financial asset at fair value through OCI	4, 6(4)	50,000	-	50,000	-
1550	Investment accounted for under equity method	4, 6(8)	538,259	1	735,275	2
1600	Property, plant and equipment, net	4, 6(9), 8, 9	19,675,900	47	19,737,268	46
1755	Right-of-use assets	4, 6(23)	382,091	1	-	-
1780	Intangible assets, net	4, 6(10)	30,753	-	14,529	-
1840	Deferred tax assets	4, 6(27)	13,800	-	12,411	-
1900	Other non-current assets	6(11), 7, 8	88,069	-	316,354	1
1915	Prepayment for equipment	6(9), 9	1,583,966	4	2,463,548	6
15xx	Total non-current assets		22,362,838	53	23,329,385	55
1xxx	Total Assets		$41,703,345	100	$42,623,954	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, 2019 and 2018
(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2019		As of December 31, 2018	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(12)	$4,096,101	10	$3,340,483	8
2130	Contract liability	4, 6(21)	72,626	-	134,800	-
2150	Notes payable		37,176	-	39,505	-
2170	Accounts payable		2,224,571	5	2,233,609	6
2200	Other payables	6(13), 7	2,804,217	7	3,110,009	7
2230	Current income tax liabilities	4, 6(27)	179,575	1	361,313	1
2280	Lease liability	4, 6(23)	113,937	-	-	-
2300	Other current liabilities	6(14)	1,238,150	3	931,741	2
2365	Refund liability	4, 6(15)	74,865	-	47,739	-
21xx	Total current liabilities		10,841,218	26	10,199,199	24
	Non-current liabilities					
2540	Long-term loans	6(16), 8	1,888,054	5	2,600,806	6
2570	Deferred tax liabilities	4, 6(27)	8,623	-	5,563	-
2580	Lease liability	4, 6(23)	58,143	-	-	-
2600	Other non-current liabilities	6(17)	69,607	-	69,864	-
25xx	Total non-current liabilities		2,024,427	5	2,676,233	6
2xxx	Total liabilities		12,865,645	31	12,875,432	30
31xx	Equity attributable to shareholders of the parent					
3100	Capital	6(19)				
3110	Common stock		4,510,738	11	4,508,410	11
3200	Capital surplus	6(19)	6,637,742	16	6,140,942	14
3300	Retained earnings	6(19)				
3310	Legal reserve		3,647,505	9	3,612,556	8
3320	Special reserve		100,384	-	77,677	-
3350	Unappropriated earnings		10,882,980	26	13,646,659	32
3400	Other components of equity		(211,996)	(1)	(203,356)	-
3500	Treasury Stock	6(19)	(332)	-	(738)	-
36xx	Non-controlling interests	6(19)	3,270,679	8	1,966,372	5
3xxx	Total equity		28,837,700	69	29,748,522	70
	Total liabilities and equity		$41,703,345	100	$42,623,954	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, 2019 and 2018

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

Code	Items	Notes	2019 Amount	2019 %	2018 Amount	2018 %
4000	Operating revenues	4, 6(21), 7	$22,327,410	100	$23,727,929	100
5000	Operating costs	7	(19,566,671)	(88)	(18,341,427)	(77)
5900	Gross profit		2,760,739	12	5,386,502	23
6000	Operating expenses	7				
6100	Sales and marketing		(1,201,128)	(5)	(1,020,613)	(4)
6200	General and administrative		(1,289,240)	(6)	(1,349,219)	(6)
6300	Research and development		(1,924,984)	(9)	(2,218,438)	(10)
6450	Expected credit gains (losses)	4, 6(22)	4,388	-	(6,582)	-
	Total operating expenses		(4,410,964)	(20)	(4,594,852)	(20)
6900	Operating income (loss)		(1,650,225)	(8)	791,650	3
7000	Non-operating incomes and expenses					
7010	Other incomes	6(25), 7	183,741	1	242,177	1
7020	Other gains or losses	6(25), 7	(43,130)	-	(102,465)	-
7050	Finance costs	6(25)	(143,736)	(1)	(121,234)	(2)
7060	Share of the profit or loss of associates and joint ventures	6(8)	(192,908)	(1)	(99,606)	-
	Total non-operating incomes and expenses		(196,033)	(1)	(81,128)	(1)
7900	Income (loss) before income tax		(1,846,258)	(9)	710,522	2
7950	Income tax expenses	4, 6(27)	(101,010)	-	(299,482)	(1)
8200	Net income (loss)		(1,947,268)	(9)	411,040	1
8300	Other comprehensive income (loss)	6(26)				
8310	Item that not be reclassified to profit or loss					
8311	Actuarial gain (loss) from defined benefit plans		(4,727)	-	(3,312)	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		(99,236)	-	(46,672)	-
8370	Share of the other comprehensive income (loss) of associates and joint ventures		(4,108)	-	12,346	-
	Total other comprehensive income (loss), net of tax		(108,071)	-	(37,638)	-
8500	Total comprehensive income (loss)		$(2,055,339)	(9)	$373,402	1
8600	Net income (loss) attributable to:					
8610	Stockholders of the parent		$(2,025,332)	(9)	$349,485	1
8620	Non-controlling interests		78,064	-	61,555	-
			$(1,947,268)	(9)	$411,040	1
8700	Total comprehensive income (loss) attributable to:					
8710	Stockholders of the parent		$(2,113,080)	(9)	$323,467	1
8720	Non-controlling interests		57,741	-	49,935	-
			$(2,055,339)	(9)	$373,402	1
9750	Earnings (losses) per share-basic (in NTD)	6(28)	$(4.52)		$0.78	
9850	Earnings (losses) per share-diluted (in NTD)	6(28)	$(4.52)		$0.78	

(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, 2019 and 2018

(Amounts Expressed In Thousands of New Taiwan Dollars)

		Equity Attributable to Shareholders of the Parent										
				Retained Earnings			Others					
		Capital	Capital Surplus	Legal Reserve	Special reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unearned Employee Benefit	Treasury Stock	Total	Non-controlling Interests	Total Equity
Code	Items	3100	3200	3310	3320	3350	3410	3490	3500	31XX	36XX	3XXX
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 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 (loss)	-	-	-	-	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
A1	Balance as of January 1, 2019	$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
	Appropriation and distribution of 2018 earnings											
B1	Legal reserve			34,949		(34,949)				-		-
B3	Special reserve				22,707	(22,707)				-		-
B5	Cash dividends-common shares					(676,261)				(676,261)		(676,261)
D1	Net income (loss) for 2019					(2,025,332)				(2,025,332)	78,064	(1,947,268)
D3	Other comprehensive income (loss), net of tax, for 2019.					(4,727)	(83,021)			(87,748)	(20,323)	(108,071)
D5	Total comprehensive income (loss)	-	-	-	-	(2,030,059)	(83,021)	-	-	(2,113,080)	57,741	(2,055,339)
M7	Change in equity for ownership of subsidiaries		491,065							491,065	1,303,433	1,794,498
O1	Non-controlling interests increase (decrease)										(56,867)	(56,867)
T1	Employee restricted shares for cancellation and others	2,328	5,735			297		74,381	406	83,147		83,147
Z1	Balance as of December 31, 2019	$4,510,738	$6,637,742	$3,647,505	$100,384	$10,882,980	$(183,404)	$(28,592)	$(332)	$25,567,021	$3,270,679	$28,837,700

(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, 2019 and 2018

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2019	2018
AAAA	Cash flows from operating activities:		
A10000	Income (loss) before income tax	$(1,846,258)	$710,522
A20000	Adjustments:		
A20010	Income and expense adjustments:		
A20100	Depreciation (including right-of-use assets)	4,575,488	4,187,071
A20200	Amortization	39,561	25,898
A20300	Expected credit losses (gains)	(4,388)	6,582
A20400	Net gain of financial assets at fair value through P/L	(5,783)	(5,383)
A20900	Interest expense	143,736	121,234
A21200	Interest income	(60,887)	(62,377)
A21900	Cost of share based payment	80,477	82,525
A22300	Share of profit or loss of associates and joint ventures	192,908	99,606
A22500	Gain on disposal of property, plant and equipment	(8,651)	(1,014)
A23700	Impairment loss on non financial assets	12,149	49,770
A30000	Changes in operating assets and liabilities:		
A31110	Financial assets at fair value through profit or loss	(315,954)	542,121
A31130	Notes receivable	(4,677)	1,515
A31150	Accounts receivable	(132,277)	(126,400)
A31160	Accounts receivable - related parties	237,992	(15,615)
A31180	Other receivables	(68,594)	(55,310)
A31190	Other receivables - related parties	(120)	462
A31200	Inventories	816,342	(1,141,603)
A31220	Prepayments	1,852	102,176
A31240	Other current assets	(8,913)	(25,783)
A31990	Long-term prepaid rents	-	10,075
A32125	Contract liabilities	(62,174)	(2,148)
A32130	Notes payable	(2,329)	(5,299)
A32150	Accounts payable	(9,038)	(292,427)
A32180	Other payables	(129,656)	64,786
A32230	Other current liabilities	685	8,636
A32240	Net defined benefit liability	(4,112)	(4,118)
A32990	Refund liability	27,126	47,739
A33000	Cash generated from operations	3,464,505	4,323,241
A33100	Interest received	61,642	61,385
A33300	Interest paid	(143,748)	(114,595)
A33500	Income tax paid	(281,090)	(167,452)
AAAA	Net cash provided by (used in) operating activities	3,101,309	4,102,579

Code	Items	2019	2018
BBBB	Cash flows from investing activities:		
B00040	Acquisition (disposal) of financial assets measured at amortized cost	75,281	(75,281)
B02700	Acquisition of property, plant and equipment	(4,212,790)	(4,814,540)
B02800	Proceeds from disposal of property, plant and equipment	458,469	9,753
B03800	Decrease (increase) in refundable deposits	3,988	(12,405)
B04500	Acquisition of intangible assets	(55,835)	(17,644)
BBBB	Net cash provided by (used in) investing activities	(3,730,887)	(4,910,117)
CCCC	Cash flows from financing activities:		
C00100	Increase in (repayment of) short-term loans	755,618	43,086
C01600	Increase in long-term loans	1,781,000	1,800,000
C01700	Repayments of long-term loans	(2,181,137)	(621,450)
C03000	Increase (decrease) in deposits received	(872)	(5,869)
C04020	Cash payments for the principal portion of the lease liability	(136,418)	-
C04500	Cash dividends	(676,261)	(669,000)
C04600	Issuance of restricted stock	5,985	48,410
C05800	Increase (decrease) in non-controlling interests	1,737,631	-
CCCC	Net cash provided by (used in) financing activities	1,285,546	595,177
DDDD	Effect of exchange rate changes	(12,534)	(60,982)
EEEE	Increase (decrease) in cash and cash equivalents	643,434	(273,343)
E00100	Cash and cash equivalents at beginning of period	10,068,669	10,342,012
E00200	Cash and cash equivalents at end of period	$10,712,103	$10,068,669

(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, 2019

Item	Amount (In: NT$)
Beginning retained earnings	$12,912,742,232
Less: Other comprehensive income (loss) in 2019 -Actuarial gain/loss of defined benefit	(4,727,347)
Add: Adjustment of employee restricted stocks	297,657
Less: Net loss after tax in 2019	(2,025,332,039)
Special reserve	(83,020,969)
Distributable earnings	10,799,959,534
Less: Cash dividend to shareholders (NT$1.0 per share)	(451,039,005)
Unappropriated retained earnings	$10,348,920,529

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 6: Share certificates of the Company shall be in registered form, signed or sealed by directors representing the company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance. The issued shares may be exempted from printing any share certificate, provided that such issuance shall register the issued shares with a centralized securities depository enterprise agency and follow the regulations of that agency.	**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.	According to Article 161-2 and 162 of "Company Act" to revise the contents.
Article 15： The Company set up seven to eleven 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 enough insurance for all its directors to cover the legal liability that might incur in mal-practice of its Company's business. The board meeting is authorized to resolve the remuneration for the executive directors, no matter the Company makes profit or not, based on the degree of their participation and contribution to the Company's operations in reference to the industry level.	**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.	1.Adjust the number of directors. 2.According to Article 196 of "Company Act" to add.
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	**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	Added a description of distributable earnings for clarity.

After amendment	Before amendment	Explanation
reserve; 4. Set aside or reverse special reserve in accordance with law and regulations; 5.The remaining portion after the above-mentioned, accounted for as distributable earnings from current year, plus the undistributed earnings from prior years, i.e. accumulated distributable earnings, can be distributed to shareholders based on the proposal submitted by the board and approved by shareholders. If any, will be recommended by the Board of Directors and resolved in the shareholders' meeting. 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; a in addition thereto a report of such distribution shall be submitted to 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. 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.	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. 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. 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. 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.	
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. The fifteenth revised was	**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,	Additional revision date.

After amendment	Before amendment	Explanation
May 29, 2019. The sixteenth revised was May 28, 2020.	2011. The twelfth revised was June 18, 2012. The thirteenth revised was May 27, 2016. The fourteenth revised was May 26, 2017. The fifteenth revised was May 29, 2019.	

Attachment VI

Kinsus Interconnect Technology Corp.

Comparison amendment to

Practical Guidance for Lending to Others amendment table

After amendment	Before amendment	Explanation
Article 4: The ceiling for aggregate and individual amount available for lending the ceiling for the aggregate amount for the Company to lending to others is 20% of the equity except otherwise regulated by authority. While, that for individual amount if for affiliates or subsidiaries is 10% of the equity based on the most recent financial statements and the lower of the business transaction amount and 10% of the aggregate amount if for non-related parties with business transactions. The business transactions amount refers to the purchase amount or the sales amount of the goods between the parties, whichever is higher. When there is a lending for funding needs between offshore subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company, or overseas subsidiaries that are wholly owned by the Company, the ceilings for aggregate and individual amounts are 20% and 10% of the Company's equity, respectively, and lending period shall not exceed one year. When a responsible person of a company violates paragraph 1 or the proviso of the preceding paragraph, the responsible person shall bear joint and several liability with the borrower for repayment; if the company suffers damage, the responsible person also shall be liable for damages.	**Article 4:** The ceiling for aggregate and individual amount available for lending the ceiling for the aggregate amount for the Company to lending to others is 20% of the equity except otherwise regulated by authority. While, that for individual amount if for affiliates or subsidiaries is 10% of the equity based on the most recent financial statements and the lower of the business transaction amount and 10% of the aggregate amount if for non-related parties with business transactions. The business transactions amount refers to the purchase amount or the sales amount of the goods between the parties, whichever is higher. When there is a lending for funding needs between offshore subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company, the ceilings for aggregate and individual amounts are 20% and 10% of the Company's equity, respectively, and lending period shall not exceed one year.	1. To specify that lending among wholly owned overseas subsidiaries or lending granted by overseas subsidiaries to the parent company in Taiwan are free from the restriction of amount and duration of loan. 2. The responsible person of a company who has violated the provisions of the preceding Paragraph shall be liable, jointly and severally with the borrower, for the repayment of the loan at issue and for the damages, if any, to company resulted there-from in accordance with Article 15 of the Company Act.

After amendment	Before amendment	Explanation
Article 6: 1.~3. Omit. 4. Scope of authorization The proposal of lending to others, after credit-investigation by financial department, shall be submitted to the general manager for review and the board meeting for resolution. <u>Opinions of each independent director shall be taken into full consideration and any objections raised by independent directors and its reasons shall be recorded in the minutes of the Board of Directors meeting.</u> Fund-lending between the Company and its subsidiaries, or among the subsidiaries, shall be approved by the board of directors of the lending company, which board may authorize its chairman to lend funds to a specific borrowing counterparty, within a certain pre-approved monetary amount and within a period not exceeding one year, in one or several drawdowns or via a revolving credit line. The “certain pre-approved monetary amount” mentioned above is no more than 10% of the net worth of the most recent financial statements with respect to the Company and subsidiaries to lend to any single enterprise except for the provision specified in Item#2, article#4.	**Article 6:** 1.~3. Omit. 4. Scope of authorization The proposal of lending to others, after credit-investigation by financial department, shall be submitted to the general manager for review and the board meeting for resolution. Fund-lending between the Company and its subsidiaries, or among the subsidiaries, shall be approved by the board of directors of the lending company, which board may authorize its chairman to lend funds to a specific borrowing counterparty, within a certain pre-approved monetary amount and within a period not exceeding one year, in one or several drawdowns or via a revolving credit line. The “certain pre-approved monetary amount” mentioned above is no more than 10% of the net worth of the most recent financial statements with respect to the Company and subsidiaries to lend to any single enterprise except for the provision specified in Item#2, article#4.	To revise wording according to Article 14-3 Item#2 of Securities and exchange Act.
Article 12: <u>The Procedures shall be approved by more than half of the Audit Committee members before submitting for further approval from the Board of Directors and the Shareholders’ Meeting. If approval of more than half of the Audit Committee members is not obtained, the Procedures may only be further processed if approved by more than two-thirds of all directors, provided that the resolution of the Audit Committee is recorded in the minutes of the Board of Directors meeting. Where any director expresses dissent and is recorded in the minutes or a written statement, the Company shall submit the dissenting opinion to the Shareholders’ Meeting. Any amendment is subject to the same procedures.</u> <u>When the Procedures is submitted for</u>	**Article 12:** The practical guidance should be agreed by the audit committee, resolved by the meeting of Board of Directors and implemented after being proposed to shareholders for final approval. The procedures for amendment are the same. The enacted date was at May 15, 2002. The first revised was January 30, 2003. The second revised was June 16, 2009. The third revised was June 18, 2010. The fourth time revised was June 18, 2012. The fifth time revised was June 17, 2013. The sixth time revised was June 19, 2014. The seventh revised was May 26, 2017.	1. To revise wording according to Article 14-3 Item#2 of Securities and exchange Act And Article 8 of the ”Practical Guidance for public Company’s Lending to others and Endorsement/ Guarantee. 2. Additional revision date.

After amendment	Before amendment	Explanation
discussion by the Board of Directors, opinions of each independent directors shall be taken into full consideration. If any independent director objects to or expresses reservations about any matter, the objection or reservation shall be recorded in the minutes of the Board of Directors meeting. The enacted date was at May 15, 2002. The first revised was January 30, 2003. The second revised was June 16, 2009. The third revised was June 18, 2010. The fourth time revised was June 18, 2012. The fifth time revised was June 17, 2013. The sixth time revised was June 19, 2014. The seventh revised was May 26, 2017. The eighth revised was May 28, 2020.		

Attachment VII

Kinsus Interconnect Technology Corp.

Comparison for amendment to

Practical Guidance for Endorsement & Guarantee

After amendment	Before amendment	Explanation
Article 6: 1.~2. Omit. 3. Authorization When providing endorsement/guarantee to another company, the Company shall evaluate the risks and prepare an evaluation report and may require the endorsee/guarantee company to provide collaterals if deemed needed. The endorsement/guarantee shall be pre-approved by the board of directors except for some urgent situations that may be approved by chairman, authorized by the board of directors as limited as mentioned in previous article, and submitted to the following board meeting for ratification. <u>The opinions, either agreement, objection or qualified opinion, of independent directors shall be taken into consideration and be recorded in the minutes of the Board of Directors meeting.</u> In case the above limits have to be exceeded to accommodate business needs, the approval from the Audit Committee and a resolution of the Board of Directors should be obtained and over half of all the directors should jointly endorse the potential loss that may be brought about by the excess of limits. The Board of Directors should also revise the Guidance and has it ratified at the Shareholders' Meeting. If the revised Guidance are not ratified at the Shareholders' Meeting, the Board of Directors should furnish a plan containing a timetable to withdraw the excess portion. The opinions, either agreement, objection or qualified opinion, of independent directors shall be taken into consideration and <u>be recorded in the minutes of the Board of Directors meeting.</u> If the party to whom the Company provided endorsement and/or guarantee no longer satisfies the criteria set forth in Article 2 herein, or the amount of	**Article 6:** 1.~2. Omit. 3. Authorization When providing endorsement/guarantee to another company, the Company shall evaluate the risks and prepare an evaluation report and may require the endorsee/guarantee company to provide collaterals if deemed needed. The endorsement/guarantee shall be pre-approved by the board of directors except for some urgent situations that may be approved by chairman, authorized by the board of directors as limited as mentioned in previous article, and submitted to the following board meeting for ratification. <u>The opinions, either agreement or objection, of independent directors shall be taken into consideration</u> and specified in the board meeting minutes when resolving the endorsement/guarantee. In case the above limits have to be exceeded to accommodate business needs, the approval from the Audit Committee and a resolution of the Board of Directors should be obtained and over half of all the directors should jointly endorse the potential loss that may be brought about by the excess of limits. The Board of Directors should also revise the Guidance and has it ratified at the Shareholders' Meeting. If the revised Guidance are not ratified at the Shareholders' Meeting, the Board of Directors should furnish a plan containing a timetable to withdraw the excess portion. <u>The opinions, either agreement or objection, of independent directors shall be taken into consideration and specified in the board meeting minutes when resolving the endorsement/guarantee</u>. If the party to whom the Company provided endorsement and/or guarantee no longer satisfies the criteria set forth in Article 2 herein, or the amount of endorsement and/or guarantee exceeded the limits due to	To revise wording according to Article 14-3 of Securities and exchange Act.

After amendment	Before amendment	Explanation
endorsement and/or guarantee exceeded the limits due to changes of basis on which the amounts of limits are calculated, the amount of endorsement/guarantee or the excess of limits shall be eliminated upon the maturity of the original contract or the updated contract. This situation shall be reported to the board of directors. The endorsement/guarantee made in accordance with Item 2, Article 3 of this Guidance, between the subsidiaries, whose voting shares are at least 90% owned, directly or indirectly, by the Company, shall be submitted to the Board of Directors for approval in advance, provided, however, this approval requirement shall not apply to endorsement/guarantee made between subsidiaries in which the Company holds, directly or indirectly, 100% of the voting shares.	changes of basis on which the amounts of limits are calculated, the amount of endorsement/guarantee or the excess of limits shall be eliminated upon the maturity of the original contract or the updated contract. This situation shall be reported to the board of directors. The endorsement/guarantee made in accordance with Item 2, Article 3 of this Guidance, between the subsidiaries, whose voting shares are at least 90% owned, directly or indirectly, by the Company, shall be submitted to the Board of Directors for approval in advance, provided, however, this approval requirement shall not apply to endorsement/guarantee made between subsidiaries in which the Company holds, directly or indirectly, 100% of the voting shares.	
Article 11: The Procedures shall be approved by more than half of the Audit Committee members before submitting for further approval from the Board of Directors and the Shareholders' Meeting. If approval of more than half of the Audit Committee members is not obtained, the Procedures may only be further processed if approved by more than two-thirds of all directors, provided that the resolution of the Audit Committee is recorded in the minutes of the Board of Directors meeting. Where any director expresses dissent and is recorded in the minutes or a written statement, the Company shall submit the dissenting opinion to the Shareholders' Meeting. Any amendment is subject to the same procedures. When the Procedures is submitted for discussion by the Board of Directors, opinions of each independent directors shall be taken into full consideration. If any independent director objects to or expresses reservations about any matter, the objection or reservation shall be recorded in the minutes of the Board of	**Article 11:** The practical guidance should be agreed by the audit committee, resolved by the meeting of Board of Directors and implemented after being proposed to shareholders for final approval. The procedures for amendment are the same. The enacted date was at May 15, 2002. The first revised was June 28, 2003. The second revised was June 19, 2006. The third revised was June 16, 2009. The fourth time revised was June 18, 2010. The fifth time revised was June 18, 2012. The sixth time revised was June 17, 2013. The seventh revised was June 19, 2014. The eighth revised was May 26, 2017.	1. To revise wording according to Article 14-3 of Securities and exchange Act and Article 11 of the" Practical Guidance for public Company's Lending to others and Endorsement/ Guarantee. 2. Additional revision date.

After amendment	Before amendment	Explanation
Directors meeting. The enacted date was at May 15, 2002. The first revised was June 28, 2003. The second revised was June 19, 2006. The third revised was June 16, 2009. The fourth time revised was June 18, 2010. The fifth time revised was June 18, 2012. The sixth time revised was June 17, 2013. The seventh revised was June 19, 2014. The eighth revised was May 26, 2017. The ninth revised was May 28, 2020.		