

**Handbook of Annual General Shareholders' Meeting
of
Elite Material Co., Ltd.
(EMC)**

Date: 13 June 2017

Time: 9:00am Taipei time

Place: No. 18, Datong 1st Road,

Guanyin District, Taoyuan City

Taiwan

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**Meeting Agenda
for
Annual General Shareholders' Meeting
of
Elite Material Co., Ltd.**

- 1. Call the meeting to order**
- 2. Chairperson takes chair**
- 3. Chairperson remarks**
- 4. To report:**
 - a. Year 2016 business operations and financial statements
 - b. Review report of Year 2016 business operations and financial statements by the Audit Committee
 - c. Year 2016 employees' compensation and Directors' remuneration
- 5. To discuss and approve proposed resolutions**
 - a. To accept the Year 2016 financial statements
 - b. To approve the proposal for distribution of 2016 profits
 - c. To approve amending the company bylaw of "Procedures for Acquisition and Disposition of Assets of Far Eastern New Century Corporation"
 - d. To approve amending the company bylaw of "Procedures of Endorsements and Guarantees of Elite Material Co., Ltd."
 - e. To approve amending the company bylaw of "Procedures of Capital Lending to Others of Elite Material Co., Ltd."
- 6. Extemporary motion**
- 7. Meeting adjourned**

Reporting Items

1. To report Year 2016 business operations and financial statements

The Year 2016 business report is attached as Attachment I. The 2016 financial statements and independent auditors' audit report by KPMG are attached as Attachments II and III.

The full financial reports prepared and audited by KPMG can be viewed and downloaded at the company website: <http://www.emctw.com/en-global/investors/index/14>; or at the website of MOPS operated by the Taiwan Stock Exchange: <http://mops.twse.com.tw>

2. To report review results of Year 2016 business operations and financial statements by the auditing committee

The review report by the Audit Committee is attached as Attachment IV.

3. To report the information of the employees' compensation and the Directors' remuneration

The information of the employees' compensation and the Directors' remuneration is attached as Attachment V.

Proposed resolutions

1. To accept the Year 2016 business report and financial statements

The Board of Directors proposes and recommends that each shareholder vote FOR the acceptance of the Year 2016 business report and financial statements.

Explanatory Notes:

- i. EMC's Year 2016 business report and financial statements, including balance sheet, income statement, statement of changes in shareholders' equity, and statement of cash flows, have been resolved to accept by the 5th board meeting of the 10th term, and have been examined by and determined to be correct and accurate by the Audit Committee of EMC. We thereby submit this report.
- ii. The Year 2016 business report, financial statements, independent auditors' audit report, and the review report of the Audit Committee are attached as Attachments I, II, III, and IV.
- iii. Please accept the aforesaid business report and financial statements

2. To approve the proposal for distribution of 2016 profits

The Board of Directors proposes and recommends that each shareholder vote FOR the distribution of 2016 profits.

Explanatory Notes:

- i. Cash dividends to common share holders: Totaling NT\$1,499,056,258. Each common share holder will be entitled to receive a cash dividend of NT\$4.7 per share.
- ii. The fractional dollar amount which is less than one New Taiwan Dollar, if there is any, will not be distributed and will be recognized by the company as other income.
- iii. After being approved at the Annual General Shareholders' Meeting, it is proposed that the Chairman of EMC be authorized to determine the record date and the payment date that the cash dividends will be distributed to common share holders.
- iv. Should EMC subsequently repurchase its common shares or issue new common shares according to Article 28-2 of the ROC Securities and Exchange Law and other relevant regulations, the total number of common shares outstanding may change, and the ultimate cash to be distributed to each common share may need to be adjusted accordingly. It is proposed that the Chairman of EMC be authorized to adjust the cash to be distributed to each common share, based on the total amount of profits resolved to be distributed and the number of actual common shares outstanding on the record date for distribution.
- v. The 2016 profit allocation proposal is attached as Attachment VI.
- vi. The proposal was resolved by the 5th board meeting of the 10th term convened on 16th March 2017.
- vii. Please approve the aforesaid proposal for the distribution of 2016 profits.

3. To approve amending the company bylaw of “Procedures for Acquisition and Disposition of Assets of Elite Material Co., Ltd.”

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments of the company bylaw.

Explanatory Notes:

- i. Pursuant to the letter issued by Financial Supervisory Commission (Letter No. FSC Fa-Tse 10600012965), it is proposed that Article 9, Article 13, Article 18, Article 26, of the company bylaw of “Procedures for Acquisition and Disposal of Assets of Elite Material Co., Ltd.” be amended.
- ii. The overview table of “Procedures for Acquisition and Disposal of Assets of Elite Material Co., Ltd.” Before and After amendments is attached as Attachment VII.
- iii. The proposal was reviewed and accepted by the 1st term Audit Committee in the 4th meeting held on 16th March 2017, and afterwards resolved by the 5th board meeting of the 10th term convened on the same day.
- iv. Please approve the proposal for the amendments of the aforesaid bylaw.

4. To approve amending the company bylaw of “Procedures of Endorsements and Guarantees of Elite Material Co., Ltd.”

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments of the company bylaw.

Explanatory Notes:

- i. Pursuant to the letter issued by Taiwan Stock Exchange Corporation (Letter No. Tai-Zheng-Shan-E 1051804939), it is proposed that Article 6 of the company bylaw of “Procedures of Endorsements and Guarantees of Elite Material Co., Ltd.” be amended.
- ii. The overview table of “Procedures of Endorsements and Guarantees of Elite Material Co., Ltd.” Before and After amendments is attached as Attachment VIII.
- iii. The proposal was reviewed and accepted by the 1st Auditing Committee in the 3rd meeting held on 22nd December 2016, and afterwards resolved by the 4th board meeting of the 10th term convened on the same day.
- iv. Please approve the proposal for the amendments of the aforesaid bylaw.

5. To approve amending the company bylaw of “Procedures of Capital Lending to Others of Elite Material Co., Ltd.”

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments of the company bylaw.

Explanatory Notes:

- i. Pursuant to the letter issued by Taiwan Stock Exchange Corporation (Letter No. FSC Tai-Zheng-Shan-E 1051804939), it is proposed that Article 4 of the company bylaw of “Procedures of Endorsements and Guarantees of Elite Material Co., Ltd.” be amended.
- ii. The overview table of “Procedures of Capital Lending to Others of Elite Material Co., Ltd.” Before and After amendments is attached as Attachment IX.
- iii. The proposal was reviewed and accepted by the 1st term Audit Committee in the 3rd meeting held on 22nd December 2016, and afterwards resolved by the 4th board meeting of the 10th term convened on the same day.
- iv. Please approve the proposal for the amendments of the aforesaid bylaw.

Extemporary motion:

Attachment I

Year 2016 Business report

I. Year 2016 business results

i. Execution results of business plan

- a. Kunshan production site, China: Monthly production capacity has achieved 1.35 million sheets.
- b. Zhongshan production site, China: Monthly production capacity has achieved 950,000 sheets.
- c. Guanying production site, Taiwan: Monthly production capacity has achieved 500,000 sheets.

Unit: NT\$ thousands

Items	Year 2016
Revenue	22,069,584
Gross profit	5,765,539
Operating profit	3,938,694
Income before tax	3,917,191
Net income	2,774,009

Note: Numbers are presented on consolidated basis. The net income of year 2016 includes the net income of NT\$3,654 thousand belongs to the minority interests.

ii. Summary of cash flow statements

Unit: NT\$ thousands

Items	Year 2016
Net cash provided by operating activities	2,600,572
Net cash used in investing activities	520,486
Net cash used in financing activities	1,534,300
Effects of changes in foreign exchange rate on cash and cash equivalents	(226,971)
Increase in cash in reporting period	318,815

iii. Analysis of profitability

Items	Year 2015	Year 2016
Return on assets (%)	14.08	15.14
Return on equities (%)	26.78	27.46
Percentage of paid-in capital (%)	Operating profit	102.33
	Income before tax	104.90
Net margin (%)	11.46	12.57
Earnings per share (NT Dollar)	7.55	8.70

iv. Results of research and development:

New product successfully developed by the company in 2016:

1. Eco-friendly ultra-low signal loss High-Tg laminates for radio frequency transmission
2. Eco-friendly ultra-low signal loss laminates with high dimensional stability for radio frequency transmission

In addition, the company obtained 12 patents from the US, and received a number of quality certifications for the halogen-free eco-friendly laminates. Ultra-low signal loss eco-friendly base materials were continuously submitted to international companies for testing to obtain quality certifications. Eco-friendly laminates with high layer-count for high-frequency radio signal transmission and electronic devices adopted by automotive vehicles have received quality certifications from end customers, and full mass production for the said products has been commenced. For the increasing proficiency in mass production ability of the company and the reliable quality of eco-friendly products, EMC has the confidence to cement the leading position of the company in the global laminate market.

II. Summary of Year 2016 business plan

i. Operating strategy

- a. To obtain more quality certifications for laminates used by automotive vehicles
- b. To seek for international strategically cooperative alliance
- c. To promote proactively laminates with increasingly higher thermal reliability
- d. To create more applications for high density interconnect (HDI) board and to promote the consumption of such products

ii. Sales volume target

Production site	CCL (Sheet)	Prepreg (roll)	Mass Lam (000 panels)
Guanyin, Taiwan	6,666,601	156,459	
Kunshan, China	13,985,500	243,290	
Zhongshan, China	9,103,078	181,311	
Hsinchu, Taiwan			1,828
Total	29,755,179	581,060	1,828

a. Expected sales volume target:

Copper clad laminates (CCLs): 29,775,179 sheets/year
Prepreg (PP): 581,060 rolls/year
Mass Lam (M/L): 1,828 thousand panels/year

b. Significant production and sales policies:

- (a) To pursue the most appropriate inventory volume by coordinating production and sales activities, in order to improve the utilization efficiency of the working capital
- (b) To improve the production yield rate in order to meet the rising demand from clients

- (c) To increase the sales volume of eco-friendly products in compliance with the environmental regulations of the European Union (EU)

III. Effects from changes in competitions, regulations, and business environment on the future development strategy of the company

i. Priorities of the future development strategy of EMC:

- a. To create stronger customers' loyalty by continuous raising of service quality and insists on advancing customers' satisfaction
- b. To enhance operating results by precisely executing the internal control policy and the management decisions
- c. To develop varieties of base materials consumed by high-frequency laminates with increasingly higher thermal reliability, in order to meet the rising demand from the proliferating cloud services.

ii. Effects from changes in competitions, regulations, and business environment:

In year 2017, a steady recovery in global economy subsequent to a multi-year vicissitudes in growth pattern appears to be the consensus view of the market. Taiwan economy, highly export-oriented, would have the opportunity to ride on the worldwide upward trend. Provided the positive development at the macroeconomic situation, EMC has the confidence that the demand of laminate will remain healthy, or in a better scenario, the growth can be accelerated. To take advantage of the opportunity, EMC plans: 1) to increase the percentage of sales derived from halogen-free base materials, as we believe handsets and other consumer electronic devices would entirely adopt halogen-free materials since environment consciences will be an irreversible trend; 2) to increase sales from high-frequency laminates with higher thermal reliability; 3) to advance services to customers to cement current market share, and actively cultivate potential customers; 4) to better execute the performance evaluation of the company employees and strictly implement self-examination system.

Chairman & President: Dong, Ding-Yu

Directors of Accounting Department: Sara Yen

**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

Attachment II

Year 2016 Financial Statements – consolidated basis

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
ELITE MATERIAL CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2016 and 2015
(Expressed in Thousands of New Taiwan Dollars)

	2016.12.31		2015.12.31	
	Amount	%	Amount	%
ASSETS				
Current Assets:				
1100 Cash and cash equivalents (Notes (6)(a))	\$ 4,230,085	22	3,911,270	22
1150 Notes receivable, net (Notes (6)(c))	289,730	1	245,500	1
1170 Accounts receivable, net (Notes (6)(c))	7,433,370	39	6,527,270	37
1200 Other receivables, net (Notes (6)(c))	7,393	-	16,448	-
1310 Inventories (Notes (6)(d))	2,074,544	11	1,790,378	10
1470 Other current assets	106,972	1	85,128	1
	<u>14,132,084</u>	<u>74</u>	<u>12,575,984</u>	<u>71</u>
Non-Current Assets:				
1523 Non-current available-for-sale financial assets (Notes (6)(b))	18,229	-	18,534	-
1600 Property, plant and equipment (Note (6)(f))	4,622,571	24	4,656,802	26
1780 Intangible assets	5,062	-	3,286	-
1840 Deferred tax assets (Note (6)(i))	53,833	-	24,286	-
1900 Other non-current assets	294,835	2	310,738	2
1920 Guarantee deposits paid	14,227	-	13,674	-
1985 Long-term prepaid rents	91,934	-	102,495	1
	<u>5,100,691</u>	<u>26</u>	<u>5,131,835</u>	<u>29</u>
Total assets	\$ 19,232,775	100	\$ 17,707,819	100
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities:				
Short-term borrowings (Notes (6)(g))	\$ 130,449	1	12,605	-
Current financial liabilities at fair value through profit or loss (Notes (6)(b))	17,008	-	18,335	-
Accounts payable	5,042,103	26	4,474,140	25
Other payables	1,276,646	7	1,132,092	6
Current tax liabilities	354,433	2	311,617	2
Current provisions (Note (6)(j))	62,883	-	20,101	-
Long-term borrowings, current portion (Note (6)(a))	350,000	2	312,500	2
Other current liabilities, others	13,315	-	13,839	-
	<u>7,246,837</u>	<u>38</u>	<u>6,295,239</u>	<u>35</u>
Non-Current liabilities:				
Long-term borrowings (Note (6)(a))	870,900	5	1,219,700	7
Non-current provisions for employee benefits (Notes (6)(k))	31,080	-	7,971	-
Deferred tax liabilities (Notes (6)(i))	556,942	2	477,179	3
Guarantee deposits received	15,044	-	15,960	-
	<u>1,473,966</u>	<u>7</u>	<u>1,720,810</u>	<u>10</u>
Total liabilities	\$ 8,720,803	45	\$ 8,016,049	45
Equity attributable to owners of parent (Note (6)(m)):				
Share capital	3,189,211	17	3,175,071	18
Capital surplus	443,632	3	432,549	2
Retained earnings:				
Legal reserve	979,661	5	740,737	4
Accumulated profit and loss	6,014,995	31	4,876,106	28
Other equity	(126,586)	(1)	456,175	3
Non-controlling interests	11,039	-	11,162	-
Total equity	10,511,972	55	9,691,780	55
Total liabilities and equity	\$ 19,232,775	100	\$ 17,707,819	100

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

ELITE MATERIAL CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2016 and 2015

(Expressed in Thousands of New Taiwan Dollars)

		2016		2015	
		Amount	%	Amount	%
4000	Operating revenue (Note (6)(p))	\$ 22,069,584	100	20,869,717	100
5000	Operating costs (Note (6)(d))	(16,304,045)	(74)	(15,805,387)	(76)
	Gross profit from operations	<u>5,765,539</u>	<u>26</u>	<u>5,064,330</u>	<u>24</u>
	Operating expenses:				
6100	Selling expenses	(1,035,767)	(5)	(1,183,770)	(6)
6200	Administrative expenses	(588,341)	(2)	(448,953)	(2)
6300	Research and development expenses	(202,737)	(1)	(182,457)	(1)
	Total operating expenses	<u>1,826,845</u>	<u>8</u>	<u>1,815,180</u>	<u>9</u>
	Net operating income	<u>3,938,694</u>	<u>18</u>	<u>3,249,150</u>	<u>15</u>
	Non-operating income and expenses (Note (6)(r)):				
7010	Other income	22,762	-	7,300	-
7020	Other gains and losses	(17,053)	-	109,992	1
7050	Finance costs	(27,212)	-	(35,792)	-
	Total non-operating income and expenses	<u>(21,503)</u>	<u>-</u>	<u>81,500</u>	<u>1</u>
	Profit before income tax	<u>3,917,191</u>	<u>18</u>	<u>3,330,650</u>	<u>16</u>
7951	Less: Tax expense (Note (6)(l))	<u>(1,143,182)</u>	<u>(5)</u>	<u>(938,463)</u>	<u>(4)</u>
	Profit	<u>2,774,009</u>	<u>13</u>	<u>2,392,187</u>	<u>12</u>
	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement from defined benefit plans	(29,655)	-	22,110	-
8349	Income tax expense related to components of other comprehensive income that will not be reclassified to profit or loss	<u>5,042</u>	<u>-</u>	<u>(3,758)</u>	<u>-</u>
	Total items that will not be reclassified subsequently to profit or loss	<u>(24,613)</u>	<u>-</u>	<u>18,352</u>	<u>-</u>
8360	Items that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign statements	(702,914)	(3)	(158,930)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>119,361</u>	<u>-</u>	<u>26,833</u>	<u>-</u>
	Total items that will be reclassified subsequently to profit or loss	<u>(583,553)</u>	<u>(3)</u>	<u>(132,097)</u>	<u>(1)</u>
	Other comprehensive income	<u>(608,166)</u>	<u>(3)</u>	<u>(113,745)</u>	<u>(1)</u>
	Total comprehensive income	<u>\$ 2,165,843</u>	<u>10</u>	<u>2,278,442</u>	<u>11</u>
	Profit, attributable to:				
	Profit, attributable to owners of parent	\$ 2,770,355	13	2,389,239	12
	Profit, attributable to non-controlling interests	<u>3,654</u>	<u>-</u>	<u>2,948</u>	<u>-</u>
		<u>\$ 2,774,009</u>	<u>13</u>	<u>2,392,187</u>	<u>12</u>
	Comprehensive income attributable to:				
	Comprehensive income, attributable to owners of parent	\$ 2,162,981	10	2,276,577	11
	Comprehensive income, attributable to non-controlling interests	<u>2,862</u>	<u>-</u>	<u>1,865</u>	<u>-</u>
		<u>\$ 2,165,843</u>	<u>10</u>	<u>2,278,442</u>	<u>11</u>
	Earnings per share (Note (6)(o))				
	Basic earnings per share (dollars)	<u>\$ 8.70</u>		<u>7.55</u>	
	Diluted earnings per share (dollars)	<u>\$ 8.65</u>		<u>7.46</u>	

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
ELITE MATERIAL CO., LTD AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2016 and 2015
 (Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Parent						
	Share capital	Retained Earnings			Other Equity		
	Ordinary Shares	Capital Surplus	Legal Reserve	Unappropriated Retained Earnings	Difference on Translation of Foreign Statements	Total Equity Attributable to Owners of Parent	Non-controlling Interests
Balance as of January 1, 2015	\$ 3,159,941	419,305	586,667	3,412,810	587,189	8,166,112	9,297
Profit for the year ended December 31, 2015	-	-	-	2,389,239	-	2,389,239	2,948
Other comprehensive income for the year ended December 31, 2015	-	-	-	18,332	(131,014)	(112,682)	(1,083)
Total comprehensive income for the year ended December 31, 2015	-	-	-	2,407,571	(131,014)	2,276,557	1,865
Earnings distribution:							
Legal reserve	-	-	133,870	(133,870)	-	-	-
Cash dividends	-	-	-	(790,425)	-	(790,425)	-
Conversion of convertible bonds	-	2,168	-	-	-	2,168	-
Conversion of certificates of bonds-to-ordinary shares	1,600	(384)	-	-	-	1,016	-
Due for repayment of convertible bonds	-	(1,224)	-	-	-	(1,224)	-
Issuance of shares for exercise of employee stock options	13,510	11,144	-	-	-	24,654	-
Recognized compensation costs on employee stock options	-	1,740	-	-	-	1,740	-
Balance as of December 31, 2015	3,173,051	432,549	740,737	4,876,106	456,175	9,680,618	11,162
Profit for the year ended December 31, 2016	-	-	-	2,770,355	-	2,770,355	3,654
Other comprehensive income for the year ended December 31, 2016	-	-	-	(24,613)	(582,761)	(607,374)	(792)
Total comprehensive income for the year ended December 31, 2016	-	-	-	2,745,742	(582,761)	2,162,981	2,862
Earnings distribution:							
Legal reserve	-	-	238,924	(238,924)	-	-	-
Cash dividends	-	-	-	(1,367,929)	-	(1,367,929)	-
Issuance of shares for exercise of employee stock options	14,160	11,031	-	-	-	25,191	-
Recognized compensation costs on employee stock options	-	32	-	-	-	32	-
Changes in non-controlling interests	-	-	-	-	-	-	(7,965)
Balance as of December 31, 2016	\$ 3,189,211	443,632	979,661	6,014,905	(126,586)	10,500,913	11,029
							(7,965)
							10,511,972

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

ELITE MATERIAL CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2016 and 2015

(Expressed in Thousands of New Taiwan Dollars)

	2016	2015
Cash flows from operating activities :		
Profit before tax	\$ 3,917,191	3,330,650
Adjustments:		
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	466,091	535,229
Amortization	2,580	1,767
Provision for doubtful accounts	7,294	(2,947)
Loss (profit) on financial assets or liabilities at fair value through profit or loss	(24)	19,904
Interest expenses	27,212	35,709
Interest income	(22,762)	(7,300)
(Gains) loss from disposal and retirement of property, plant and equipment, net	316	6,209
Share-based payment	52	1,740
Discount amortization on convertible bonds convert to Interest expense	-	83
Gain on repayment of convertible bonds	-	(1,224)
Total adjustments to reconcile net income to net cash provided by operating activities	480,759	589,170
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
Notes receivable	(48,630)	(17,372)
Accounts receivable	(1,334,594)	263,121
Other receivables	8,256	39,601
Inventories	(399,756)	30,065
Other current assets	(34,005)	(6,572)
Other assets	2,631	5,198
Total changes in operating assets, net	(1,806,098)	314,041
Changes in operating liabilities, net:		
Accounts payable	848,664	(335,147)
Other payable	35,332	134,226
Provision	45,443	(8,072)
Other current liabilities	6,759	7,275
Net defined benefit liabilities	(6,546)	(5,756)
Total changes in operating liabilities, net	929,652	(207,474)
Total changes in operating assets and liabilities, net	(876,446)	106,567
Total Adjustments	(395,687)	695,737
Cash inflow generated from operations	3,521,504	4,026,387
Interest received	22,804	7,310
Interests paid	(27,244)	(36,315)
Income taxes paid	(916,492)	(422,743)
Net cash provided by operating activities	2,600,572	3,574,639
Cash flows from investing activities:		
Acquired of property, plant and equipment	(518,764)	(233,854)
Disposal of property, plant and equipment	2,095	1,045
Acquired of intangible assets	(4,522)	(3,457)
Decrease in guarantee deposits paid	705	2,664
Net cash used in investing activities	(520,486)	(233,602)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	123,233	(885,769)
Decrease in short-term notes and bills payable	-	(199,626)
Proceeds from long-term borrowings	-	1,535,481
Repayments from long-term borrowings	(311,300)	(1,237,500)
Decrease in guarantee deposit received	(530)	(1,615)
Dividends paid	(1,370,894)	(791,303)
Exercise of employee stock options	25,191	24,654
Due for repayment of convertible bonds	-	(6,700)
Net cash used in financing activities	(1,534,300)	(1,562,378)
Foreign exchange rate effects	(226,971)	(36,308)
Net increase in cash and cash equivalents	318,815	1,742,351
Cash and cash equivalents, beginning of year	3,911,270	2,168,919
Cash and cash equivalents, end of year	\$ 4,230,085	3,911,270

(English Translation of Financial Statements and Report Originally Issued in Chinese)
ELITE MATERIAL CO., LTD.

December 31, 2016 and 2015

(Expressed in Thousands of New Taiwan Dollars)

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(English Translation of Financial Statements and Report Originally Issued in Chinese)
ELITE MATERIAL CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2016 and 2015

(Expressed in Thousands of New Taiwan Dollars)

		2016		2015	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Note (6)(p))	\$ 6,025,659	100	5,852,231	100
5000	Operating costs (Note (6)(d))	<u>(4,713,871)</u>	<u>(78)</u>	<u>(4,629,473)</u>	<u>(79)</u>
	Gross profit (loss) from operations	1,311,788	22	1,222,758	21
5910	Less: Unrealized gains	1,046	-	973	-
5920	Add: Realized gains	<u>973</u>	<u>-</u>	<u>1,489</u>	<u>-</u>
	Gross profit from operations, net	<u>1,311,715</u>	<u>22</u>	<u>1,223,274</u>	<u>21</u>
	Operating expenses:				
6100	Selling expenses	(228,190)	(4)	(224,776)	(4)
6200	Administrative expenses	(322,831)	(5)	(217,967)	(4)
6300	Research and development expenses	<u>(92,184)</u>	<u>(2)</u>	<u>(74,330)</u>	<u>(1)</u>
6300	Total operating expenses	<u>643,205</u>	<u>11</u>	<u>517,073</u>	<u>9</u>
	Net operating income	668,510	11	706,201	12
	Non-operating income and expenses:				
7010	Other income (Note (6)(r))	2,460	-	1,452	-
7020	Other gains and losses (Note (6)(r))	(17,300)	-	28,190	-
7370	Share of profit of associates and joint ventures accounted for using equity method	2,793,523	46	2,220,063	38
7050	Finance costs (Note (6)(r))	<u>(27,005)</u>	<u>-</u>	<u>(30,393)</u>	<u>(1)</u>
	Total non-operating income and expenses	<u>2,751,678</u>	<u>46</u>	<u>2,219,312</u>	<u>37</u>
7900	Profit before income tax	3,420,188	57	2,925,513	49
7951	Less: Tax expense	<u>(649,833)</u>	<u>(11)</u>	<u>(536,274)</u>	<u>(9)</u>
	Profit	<u>2,770,355</u>	<u>46</u>	<u>2,389,239</u>	<u>40</u>
	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement from defined benefit plans	(29,655)	-	22,110	-
8349	Income tax expense related to components of other comprehensive income that will not be reclassified to profit or loss	<u>5,042</u>	<u>-</u>	<u>(3,758)</u>	<u>-</u>
		<u>(24,613)</u>	<u>-</u>	<u>18,352</u>	<u>-</u>
8360	Items that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign statements	(702,122)	(12)	(157,847)	(3)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>119,361</u>	<u>2</u>	<u>26,833</u>	<u>-</u>
	Total items that will be reclassified subsequently to profit or loss	<u>(582,761)</u>	<u>(10)</u>	<u>(131,014)</u>	<u>(3)</u>
	Other comprehensive income after tax	<u>(607,374)</u>	<u>(10)</u>	<u>(112,662)</u>	<u>(3)</u>
	Total comprehensive income	<u>\$ 2,162,981</u>	<u>36</u>	<u>2,276,577</u>	<u>37</u>
	Basic earnings per share (Note (6)(o)) (dollars)	<u>\$ 8.70</u>		<u>7.55</u>	
	Diluted earnings per share (Note (6)(o)) (dollars)	<u>\$ 8.65</u>		<u>7.46</u>	

(English Translation of Financial Statements and Report Originally Issued in Chinese)
ELITE MATERIAL CO., LTD.

STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2016 and 2015
(Expressed in Thousands of New Taiwan Dollars)

	Share capital	Retained Earnings			Other Equity	Total
	Ordinary Shares	Capital Surplus	Legal Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Statements	
Balance as of January 1, 2015	\$ 3,159,941	419,305	586,867	3,412,810	587,189	8,166,112
Profit for the year ended December 31, 2015	-	-	-	2,389,239	-	2,389,239
Other comprehensive income for the year ended December 31, 2015	-	-	-	18,352	(131,014)	(112,662)
Total comprehensive income for the year ended December 31, 2015	-	-	-	2,407,591	(131,014)	2,276,577
Earnings distribution:						
Legal reserve	-	-	153,870	(153,870)	-	-
Cash dividends	-	-	-	(790,425)	-	(790,425)
Conversion of convertible bonds	-	2,168	-	-	-	2,168
Conversion of certificates of bonds-to-ordinary shares	1,600	(584)	-	-	-	1,016
Due for repayment of convertible bonds	-	(1,224)	-	-	-	(1,224)
Issuance of shares for exercise of employee stock options	13,510	11,144	-	-	-	24,654
Recognized compensation costs on employee stock option	-	1,740	-	-	-	1,740
Balance as of December 31, 2015	3,175,051	432,549	740,737	4,876,106	456,175	9,680,618
Profit for the year ended December 31, 2016	-	-	-	2,770,355	-	2,770,355
Other comprehensive income for the year ended December 31, 2016	-	-	-	(24,613)	(582,761)	(607,374)
Total comprehensive income for the year ended December 31, 2016	-	-	-	2,745,742	(582,761)	2,162,981
Earnings distribution:						
Legal reserve	-	-	238,924	(238,924)	-	-
Cash dividends	-	-	-	(1,367,929)	-	(1,367,929)
Issuance of shares for exercise of employee stock options	14,160	11,031	-	-	-	25,191
Recognized compensation costs on employee stock option	-	52	-	-	-	52
Balance as of December 31, 2016	\$ 3,189,211	443,632	979,661	6,014,995	(126,586)	10,500,913

Note: For the years ended December 31, 2016 and 2015, rewards of directors of \$35,627 and \$30,474 and employees of \$106,881 and \$91,422, respectively, were estimated and recognized as current expense.

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

ELITE MATERIAL CO., LTD.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2016 and 2015

(Expressed in Thousands of New Taiwan Dollars)

	2016	2015
Cash flows from operating activities:		
Profit before tax	\$ 3,420,188	2,925,513
Adjustments:		
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	149,662	165,755
Amortization	1,537	1,339
Provision for doubtful accounts	6,519	(2,185)
Loss (profit) on financial assets or liabilities at fair value through profit or loss	1,968	-
Investment gains (losses) recognized under equity method	(2,793,523)	(2,220,063)
Interest expenses	27,005	30,310
Interest income	(2,460)	(1,452)
(Gains) loss from disposal and retirement of property, plant and equipment, net	(544)	2,395
Share-based payment	52	1,740
Discount amortization on convertible bonds convert to Interest expense	-	83
Gain on repayment of convertible bonds	-	(1,224)
Total adjustments to reconcile net income to net cash provided by operating activities	(2,609,784)	(2,023,302)
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
Notes receivable	(27,511)	10,246
Accounts receivable	(74,116)	(176,713)
Other receivables	11,298	49,377
Inventories	(88,867)	121,181
Deferred revenues	(20)	(1,174)
Other current assets	(6,532)	231
Other assets	(11,118)	(7,726)
Total changes in operating assets, net	(196,866)	(4,578)
Changes in operating liabilities, net:		
Accounts payable	5,794	43,690
Other payable	89,458	66,058
Provision	14,749	(1,554)
Other current liabilities	(334)	652
Net defined benefit liabilities	(6,546)	(5,756)
Total changes in operating liabilities, net	103,121	103,090
Total changes in operating assets and liabilities, net	(93,745)	98,512
Total Adjustments	(2,703,529)	(1,924,790)
Cash inflow generated from operations	716,659	1,000,723
Interest received	2,506	1,457
Dividends received	1,758,157	414,262
Interests paid	(27,071)	(30,109)
Income taxes paid	(471,541)	(89,126)
Net cash provided by operating activities	1,978,710	1,297,207
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(347,106)	(70,710)
Disposal of property, plant and equipment	1,935	316
Acquisition of intangible assets	(2,334)	(2,056)
Increase in guarantee deposits paid	(20)	(3,253)
Net cash used in investing activities	(347,525)	(75,703)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	13,693	(381,714)
Decrease in short-term notes and bills payable	-	(199,626)
Repayment of convertible bonds	-	(6,700)
Proceeds from long-term borrowings	-	1,535,481
Repayments from long-term borrowings	(311,300)	(1,237,500)
Increase in guarantee deposits paid	(26)	(4,832)
Dividends paid	(1,367,929)	(790,425)
Exercise of employee stock options	25,191	24,654
Net cash used in financing activities	(1,640,371)	(1,060,662)
Net increase in cash and cash equivalents	(9,186)	160,842
Cash and cash equivalents, beginning of year	653,223	492,381
Cash and cash equivalents, end of year	\$ 644,037	653,223

Attachment III

The Independent Auditors' Report by KPMG – consolidated report

To the Board of Directors of Elite Material Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Elite Material Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2016 and 2015, the consolidated statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2016 and 2015, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2016 and 2015, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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.

1. Revenue recognition

Please refer to Note 4(n) "Revenue" and Note 6(p) "Revenue" of the consolidated financial statements.

Description of key audit matter:

The recognition of revenue is based on the fact that the Group has transferred all its ownership and the significant risk of its products to the customers. The judgment on the arrival date of the products involves uncertainty under the FOB destination which is stated in the sales contracts between the Group and the customers. The Group still needs to take the risk of the products before they are delivered to customers. Therefore, the recognition of revenue was considered to be one of the key audit matters in the audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included: assessing the accounting policies on the recognition timing of sales revenue and the appropriateness of related internal controls; testing the effectiveness of implementation of internal control ; performing cut-off test for recognition of revenue on the period before and after the balance sheet date to assess the rationality to the recognition timing of sales revenue.

2. Valuation of accounts receivable

Please refer to Note (4)(g) “financial instruments” and Note (6)(c) “accounts receivable and other receivables” of the consolidated financial statements.

Description of key audit matter:

Assessment of accounts receivable involves uncertainty due to the credit risk resulting from characteristics of industry and industrial economic situation. In addition, the recognition on impairment loss of accounts receivable was based on the policy of the Group and the assessment of the management. The assessment is based on the subjective judgment of the management, which was also why the reason on the assessment of accounts receivable involved uncertainty. Therefore, the assessment on impairment of accounts receivable was considered to be one of the key audit matters in our audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included: understanding the policy 、 approach and rationality of data on the valuation of accounts receivable; inspecting whether the Group’s management has executed the credit assessment to the top ten newly-added customer; obtaining aging analysis of accounts receivable to verify the completeness and accuracy, and understanding how the management evaluate the collectability of accounts receivable which were past due but not impaired; inspecting the collection situation after balance sheet date in order to make sure the rationality to allowance for accounts receivable that has been assessed by the Group’s management on balance sheet date; evaluating the reasonableness and the completeness of disclosure of impairment loss if the carrying amount of accounts receivable exceeds the amount to be recovered.

3. Allowance for Inventory Valuation

Please refer to Note (4)(h) "Inventories" and Note (6)(d)"Inventories" of the consolidated financial statements.

Description of key audit matter:

The printed circuit board and other electronic components are the major products of the Group. Inventories have specific life cycle due to their attributes. Apart from this, the Group prepared certain amounts of security stock to meet the delivery date required by the customers. Inventories are stated at the lower of cost or net realizable value. Consequently, there may be situations that the net realizable value of inventory will exceed its cost. In addition, the Group would purchase the materials in advance for the expected sales orders. The cancellation or the change of orders, and the change of the material used or quantities of the material may lead to product obsolescence. Therefore, the recognition on allowance for inventory valuation and obsolescence loss was considered to be one of the key audit matters in the audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included: assessing the allowance for loss due to price decline, obsolete, and slow moving inventories to determine whether policy of the Group is applied; selecting samples to examine their net realizable values to verify the accuracy and completeness of inventory aging report; reassessing the accuracy of allowance for inventory valuation and obsolescence loss according to the Group's accounting policy; performing a retrospective review to evaluate the completeness of disclosure for allowance for inventories

Other Matter

Elite Material Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2016 and 2015, on which we have issued an unmodified opinion.

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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 the 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 Group's internal control.
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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

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 the consolidated financial statements of the current period 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.

The engagement partners on the audit resulting in this independent auditors' report are Liu-Fong Yang and Ying-Ju Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 16, 2017

Notes to Readers

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

The auditor's report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditor's report and consolidated financial statements, the Chinese version shall prevail.

The Independent Auditors' Report by KPMG

– parent-alone report

To the Board of Directors of Elite Material Co., Ltd.:

Opinion

We have audited the financial statements of Elite Material Co., Ltd. ("the Company"), which comprise the balance sheets as of December 31, 2016 and 2015, the statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2016 and 2015, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Refer to Note 4(n) "Revenue" and Note 6(p) "Revenue" to the financial statements.

Description of key audit matter:

The recognition of revenue is based on the fact that the Company has transferred all its ownership and the significant risk of its products to the customers. The judgment on the arrival date of the products involves uncertainty under the FOB destination which is stated in the sales contracts between the Company and the customers. The Company still needs to take the risk of the products before they are delivered to customers. Therefore, the recognition of revenue was considered to be one of the key audit matters in the audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included: assessing the accounting policies on the recognition timing of sales revenue and the appropriateness of related internal controls; testing the effectiveness of implementation of internal control ; performing cut-off test for recognition of revenue on the period before and after the balance sheet date to assess the rationality to the recognition timing of sales revenue.

2. Valuation of accounts receivable

Please refer to Note (4)(f) “financial instruments” and Note (6)(c) “accounts receivable and other receivables” of the financial statements.

Description of key audit matter:

Assessment of accounts receivable involves uncertainty due to the credit risk resulting from characteristics of industry and industrial economic situation. In addition, the recognition on impairment loss of accounts receivable was based on the policy of the Company and the assessment of the management. The assessment is based on the subjective judgment of the management, which was also why the reason on the assessment of accounts receivable involved uncertainty. Therefore, the assessment on impairment of accounts receivable was considered to be one of the key audit matters in our audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included: understanding the policy 、approach and rationality of data on the valuation of accounts receivable; inspecting whether the Company’s management has executed the credit assessment to the top ten newly-added customer; obtaining aging analysis of accounts receivable to verify the completeness and accuracy, and understanding how the management evaluate the collectability of accounts receivable which were past due but not impaired; inspecting the collection situation after balance sheet date in order to make sure the rationality to allowance for accounts receivable that has been assessed by the Company’s management on balance sheet date; evaluating the reasonableness and the completeness of disclosure of impairment loss if the carrying amount of accounts receivable exceeds the amount to be recovered.

3. Allowance for Inventory Valuation

Please refer to Note (4)(g) “Inventories” and Note (6)(d) “Inventories” of the financial statements.

Description of key audit matter:

The printed circuit board and other electronic components are the major products of the Company. Inventories have specific life cycle due to their attributes. Apart from this, the Company prepared certain amounts of security stock to meet the delivery date required by the customers. Inventories are stated at the lower of cost or net realizable value. Consequently, there may be situations that the net realizable value of inventory will exceed its cost. In addition, the Company would purchase the materials in advance for the expected sales orders. The cancellation or the change of orders, and the change of the material used or quantities of the material may lead to product obsolescence. Therefore, the recognition on allowance for inventory valuation and obsolescence loss was considered to be one of the key audit matters in the audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included: assessing the allowance for loss due to price decline, obsolete, and slow moving inventories to determine whether policy of the Company is applied; selecting samples to examine their net realizable values to verify the accuracy and completeness of inventory aging report; reassessing the accuracy of allowance for inventory valuation and obsolescence loss according to the Company's accounting policy; performing a retrospective review to evaluate the completeness of disclosure for allowance for inventories

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, 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 are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 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 Company's internal control.
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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the 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 the financial statements of the current period 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.

The engagement partners on the audit resulting in this independent auditors' report are Liu-Fong Yang and Ying-Ju Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 16, 2017

Notes to Readers

The accompanying financial statements are intended only to present the statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.


The auditor's report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditor's report and financial statements, the Chinese version shall prevail.

Attachment IV

Review report by the auditing committee

To the 2017 General Shareholders' Meeting of Elite Material Co., Ltd.,

In accordance with Article 219 of the Company Act, we have examined the Business Report, the Resolution for Allocation of Surplus Profit, the Financial Statements submitted by the Board of Directors for the year ending 2016 which had been audited by independent auditors, Mr. Leou Fong Yang and Ms. Celia Chen of KPMG, and the auditing report signed by the said independent auditors, and found them in order. We thereby submit the report.



Yeh, Chia Hsiu

Convener of the auditing committee of Elite Material Co., Ltd.

16 March 2017

**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

Attachment V

Information of employees' compensation and Directors' remuneration in Year 2016

Unit: NT\$ Dollar		
		<u>Year 2016</u>
Earnings before tax, employee's compensation, and Directors' remuneration	\$	3,562,695,965
Accumulated losses		-
Distributable earnings to employees and Directors	\$	<u>3,562,695,965</u>
Employees' compensation (3% of the distributable earnings)	\$	106,880,879
Directors' remuneration (1% of the distributable earnings)	\$	35,626,960

The said employees' compensation and Directors' remuneration will be distributed in cash.

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Attachment VI

Elite Material Co., Ltd. Profit Allocation Proposal of Year 2016

Unit: NT dollar

Net income of 2016	2,770,355,246
Less:	
10% legal reserve	277,035,525
Special reserve of earnings	126,585,669
Other comprehensive loss (actuarial adjustment of defined benefit plan of Year 2016)	24,613,419
Plus:	
Unappropriated retained earnings of previous years	3,269,252,839
Earnings available for distribution as of 31 December 2016	5,611,373,472
Distribution items:	
Cash dividends to common share holders (NT\$4.7 per share)	1,499,056,258
Stock dividends to common share holders	-
(Cash dividend per common share is calculated based on a total number of shares outstanding of 318,948,140.)	
Total distribution	1,499,056,258
Unappropriated earnings	4,112,317,214

Note:

1. Pursuant to the Article 36 of Elite Material Co., Ltd. Articles of Incorporation, the distribution order of Year 2016 net income is prior to other distributable items.
2. The number of shares outstanding is decided based on the actual number of outstanding shares as of 16 March 2017.

Chairman & President: Dong, Ding-Yu

Director of Accounting Department: Sara Yen

**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

Attachment VII

Overview of the Elite Material Co., Ltd. Bylaws on “Procedures for Acquisition and Disposition of Assets” amendments

Article 9	Current Articles	Proposed Changes	Reasons
	<p>In the case of real property or equipment acquired or disposed by the Company other than as a result of transactions with the <u>government</u>, entrusted construction on the Company's own property, entrusted construction on land leased by the Company, or acquisition or disposition of equipment for business operation purposes, where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report; furthermore, the following provisions shall be complied with:</p> <p>(The remaining paragraphs of this Article are not amended; therefore, please refer to Attachment XII for the full text.)</p>	<p>In the case of real property or equipment acquired or disposed by the Company other than as a result of transactions with the <u>government, government agencies</u>, entrusted construction on the Company's own property, entrusted construction on land leased by the Company, or acquisition or disposition of equipment for business operation purposes, where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report; furthermore, the following provisions shall be complied with:</p>	<p>Amended Paragraph 1, as the possibility for the government and government agencies to manipulate the price in the case of transaction of real property or equipment is little, obtaining a valuation report from professional appraiser can be waived.</p>
Article 13	Current Articles	Proposed Changes	Reasons
	<p>The Company shall, if it acquires or disposes real property from or to related parties, or if it acquires or disposes other assets except real property from or to related parties and the said transaction amount is twenty per cent (20%) of the paid-in capital of the Company, or ten per cent (10%) of the total assets of the Company, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of <u>domestic money market funds</u>, submit to the Audit Committee and the Board of Directors for approval of the following information prior to the signing of the transaction contract and making payments:</p>	<p>The Company shall, if it acquires or disposes real property from or to related parties, or if it acquires or disposes other assets except real property from or to related parties and the said transaction amount is twenty per cent (20%) of the paid-in capital of the Company, or ten per cent (10%) of the total assets of the Company, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of <u>money market funds offered by domestic investment trust companies</u>, submit to the Audit Committee and the Board of Directors for approval of the following information prior to the signing of the transaction contract and making payments:</p>	<p>Amended Paragraph 1. “Domestic money market funds” shall be limited to the money market funds offered by domestic investment trust companies, which have received the approval for operation from the Financial Supervisory Commission pursuant to</p>

	(The remaining items and paragraphs of this Article are not amended; therefore, please refer to Attachment XII for the full text.)		Securities Investment Trust and Consulting Act.
Article 18	Current Articles	Proposed Changes	Reasons
	<p>The Company shall, prior to the Board of Directors' meeting to approve proposed mergers, demergers, acquisitions or transfer of shareholding by way of its resolution, seek opinions from accountants, lawyers or securities underwriters in respect of the share swap ratio, acquisition price or distribution of cash to shareholders or the propriety for other assets, the said opinions to be forwarded to the Board of Directors for their discussion.</p> <p><u>In case of the Company merging a subsidiary whose total issued shares or paid-in capital are one hundred percent (100%) owned by the Company, or in case of the merge of subsidiaries whose total issued shares or paid-in capital are one hundred percent (100%) owned by the Company, the aforesaid opinions are not needed.</u></p>	<p>The Company shall, prior to the Board of Directors' meeting to approve proposed mergers, demergers, acquisitions or transfer of shareholding by way of its resolution, seek opinions from accountants, lawyers or securities underwriters in respect of the share swap ratio, acquisition price or distribution of cash to shareholders or the propriety for other assets, the said opinions to be forwarded to the Board of Directors for their discussion.</p>	<p>Paragraph 2 deleted for redundancy. In accordance with the Business Mergers and Acquisitions Act, the said merge in the original text is, in its nature, re-organization within one entity; therefore, matters about share swap ratio, acquisition price or distribution of cash to shareholders or the propriety for other assets do not occur.</p>
Article 26	Current Articles	Proposed Changes	Reasons
	<p>Under any of the following circumstances, the Company when acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by FSC designated in the appropriate format (in the prescribed format and via the Internet-based information system) within two (2) days commencing immediately from the date of occurrence of the event:</p> <p>1) Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 per cent (20%) or more of paid-in capital, 10 per cent (10%) or more of the Company's</p>	<p>Under any of the following circumstances, the Company when acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by FSC designated in the appropriate format (in the prescribed format and via the Internet-based information system) within two (2) days commencing immediately from the date of occurrence of the event:</p> <p>1) Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 per cent (20%) or more of paid-in capital, 10 per cent (10%) or more of the Company's</p>	

<p>total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds, bonds under repurchase and resale agreements, or <u>subscription or redemption of domestic money market funds</u>;</p> <p>2) Undertaking merger, demerger, acquisition or shareholding transfer;</p> <p>3) Loss in derivative trade in an amount exceeding the limits for all trades or individual trade; and</p> <p>4) <u>Transactions relating to assets other than those stipulated hereinabove, or undertaking investments in Mainland, where their transaction amounts reach twenty per cent (20%) of the Company's paid-in capital or equal or greater than NT\$300 million, with the following exceptions:</u> <u>a. Sale and purchase of government bonds;</u> <u>b. Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, subscription of corporate bonds and bank debentures without an equity nature in the domestic primary market, or subscription of securities by a securities firm as an underwriter of the issuing company in the primary market or in accordance with relevant regulations specified by the GreTai Securities Market;</u> <u>c. Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds;</u> <u>d. The assets so acquired or disposed are equipment for business purposes and in which the counterparties are not related parties, and that the transaction amount is less than NT\$ 500 million;</u> <u>e. The assets so acquired or disposed are real property for construction purpose and in which the counterparties are not related parties, and that the transaction amount is less than NT\$500 million; and</u> <u>f. Real property obtained by way of</u></p>	<p>total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds, bonds under repurchase and resale agreements, or <u>subscription or redemption of domestic money market funds offered by domestic investment trust companies</u>;</p> <p>2) Undertaking merger, demerger, acquisition or shareholding transfer;</p> <p>3) Loss in derivative trade in an amount exceeding the limits for all trades or individual trade; and</p> <p>4) <u>The assets so acquired or disposed are equipment for business purposes and in which the counterparties are not related parties, and that the transaction amount is:</u> <u>a. Less than NT\$ 500 million; while the paid-in capital of the counterparty is less than NT\$10,000 million; and</u> <u>b. Less than NT\$1,000 million; while the paid-in capital of the counterparty reaches NT\$10,000 million or more.</u> <u>5) The assets so acquired or disposed are real property for construction purpose and in which the counterparties are not related parties, and that the transaction amount is less than NT\$500 million;</u> <u>6) Real property obtained by way of entrusted construction on own land, engaging others to construct on rented land, division of property or profits deriving from sale of property following joint-development, where the projected amount to be invested in the transaction less than NT\$500 million;</u> <u>7) Transactions relating to assets other than those stipulated hereinabove, or undertaking investments in Mainland, where their transaction amounts reach twenty per cent (20%) of the Company's paid-in capital or equal or greater than NT\$300 million, with the following exceptions:</u> <u>a. Sale and purchase of government bonds;</u> <u>b. Securities trading by investment professionals on foreign or domestic</u></p>	<p>Amended Item 1) of Paragraph 1. The reason for the amendment is stipulated in the amending reason of Article 9.</p> <p>Amended Item 4) of Paragraph 1. The publicly disclosure criteria is added for the transaction of the counterparty has a paid-in capital exceeding NT\$1,000 million.</p> <p>Items 5), 6), and 7) are added to increase the scope of the public disclosure items for better transparency.</p>
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	<p><u>entrusted construction on own land, engaging others to construct on rented land, division of property or profits deriving from sale of property following joint-development, where the projected amount to be invested in the transaction less than NT\$500 million;</u></p> <p>The calculation of transaction amount for the prescribed items is as follows:</p> <ol style="list-style-type: none"> 1) Each single transaction amount; 2) Cumulative amount for transactions with the same counterparty within one (1) year or acquisition or disposal of subject matters of similar nature; 3) Cumulative amount for acquisition or disposition (separate accounting for cumulative amounts in respect of acquisitions and disposals) of real property under the same development project within one (1) year; or 4) Cumulative amount for acquisition or disposition (separate accounting for cumulative amounts in respect of acquisitions and disposals) of the same securities within one (1) year. <p>"Within one (1) year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedures need not be counted toward the transaction amount.</p> <p>The Company shall on a monthly basis, and before the 10th day of each month, enter at the information and reporting website appointed by the FSC, all derivative trades undertaken for the preceding month by the Company and its</p>	<p><u>securities exchanges or over-the-counter markets, subscription of corporate bonds and bank debentures without an equity nature in the domestic primary market, or subscription of securities by a securities firm as an underwriter of the issuing company in the primary market or in accordance with relevant regulations specified by the GreTai Securities Market; and</u></p> <p><u>c. Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds offered by domestic investment trust companies.</u></p> <p>The calculation of transaction amount for the prescribed items is as follows:</p> <ol style="list-style-type: none"> 1) Each single transaction amount; 2) Cumulative amount for transactions with the same counterparty within one (1) year or acquisition or disposal of subject matters of similar nature; 3) Cumulative amount for acquisition or disposition (separate accounting for cumulative amounts in respect of acquisitions and disposals) of real property under the same development project within one (1) year; or 4) Cumulative amount for acquisition or disposition (separate accounting for cumulative amounts in respect of acquisitions and disposals) of the same securities within one (1) year. <p>"Within one (1) year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedures need not be counted toward the transaction amount.</p> <p>The Company shall on a monthly basis, and before the 10th day of each month, enter at the information and reporting website appointed by the FSC, all derivative trades undertaken for the preceding month by the Company and its</p>	
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	<p>non-public subsidiaries.</p> <p>Where there are errors and omissions for which corrections are required in the Company's public announcement and reports in conformity with regulations, <u>the Company shall cause all of the items to be re-published.</u></p> <p>The Company shall file at its premises all contracts, minutes of meetings, record books, valuation reports and opinions of accountants, lawyers or securities underwriters relating to its acquisition or disposition of assets for a minimum of five (5) years, unless otherwise stipulated by the law.</p>	<p>non-public subsidiaries.</p> <p>Where there are errors and omissions for which corrections are required in the Company's public announcement and reports in conformity with regulations, <u>the Company shall cause all of the items to be re-published within two (2) days, commencing immediately from the date of the said errors and omissions found by the Company.</u></p> <p>The Company shall file at its premises all contracts, minutes of meetings, record books, valuation reports and opinions of accountants, lawyers or securities underwriters relating to its acquisition or disposition of assets for a minimum of five (5) years, unless otherwise stipulated by the law.</p>	<p>In consistence with the Article 27 of the Procedures, Paragraph 5 is amended.</p>
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**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

Attachment VIII

Overview of the Elite Material Co., Ltd. Bylaws on “Procedures of Endorsements and Guarantees” amendments

Article 6	Current Articles	Proposed Changes	Reasons
	<p>The aggregate amount of endorsements and guarantees issued by the Company shall be no more than the Company's Latest Net Worth at the time the endorsements and guarantees are issued. The total amount of the Company's endorsements and guarantees provided for any individual company shall be limited to fifty per cent (50%) of the Company's Latest Net Worth.</p> <p>Companies with whom the Company has business relationships are those the Company sells products to and/or provides with service.</p>	<p>The aggregate amount of endorsements and guarantees issued by the Company shall be no more than the Company's Latest Net Worth at the time the endorsements and guarantees are issued. The total amount of the Company's endorsements and guarantees provided for any individual company shall be limited to fifty per cent (50%) of the Company's Latest Net Worth.</p> <p>Companies with whom the Company has business relationships are those the Company sells products to and/or provides with service; <u>however, subsidiaries of the Company are excluded.</u></p> <p><u>Where the Company provides endorsement and guarantees as a result of business transactions, it should separately assess whether the amount of endorsement and guarantee is comparable to the value involved in such business transactions. The value involved in the business transactions refers to the value represented by sales or transactions contemplated by the parties during the year immediately prior to such provision of endorsements/guarantees, and shall be limited to ten per cent (10%) of the Company's Latest Net Worth.</u></p>	<p>Wordings of Paragraph 2 amended to clarify the meaning.</p> <p>Paragraph 3 are added in accordance with the Letter issued by the Taiwan Stock Exchange Corporation (Letter Tai-Zen-Shan-(1)-Zi No. 1051804939).</p>
	<p>The aggregate amount of endorsements and guarantees issued by the Company to those said in the preceding paragraph shall be limited to ten percent (10%) of the Company's Latest Net Worth.</p> <p>The aggregate amount of endorsements and guarantees issued by the Company and its subsidiaries shall be no more than the Company's Latest Net Worth at the time the endorsements and guarantees</p>	<p>The aggregate amount of endorsements and guarantees issued by the Company to those said in the preceding paragraph shall be limited to ten percent (10%) of the Company's Latest Net Worth.</p> <p>The aggregate amount of endorsements and guarantees issued by the Company and its subsidiaries shall be no more than the Company's Latest Net Worth at the time the endorsements and guarantees</p>	

	<p>are issued. The total amount of endorsements and guarantees made by the Company and its subsidiaries for any individual company shall be limited to fifty per cent (50%) of the Company's Latest Net Worth.</p> <p>Where endorsements/guarantees are made to the Company's subsidiaries, net worth of those falls below 50% of their paid-in capital, the Company shall closely monitor the financial conditions, operations, and credit standings of such subsidiaries. Should collaterals be provided, the Company shall also monitor the change in the value of the said collaterals. Where any materially adverse event occurs, the Company shall terminate such endorsements/guarantees or take other appropriate actions. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.</p>	<p>are issued. The total amount of endorsements and guarantees made by the Company and its subsidiaries for any individual company shall be limited to fifty per cent (50%) of the Company's Latest Net Worth.</p> <p>Where endorsements/guarantees are made to the Company's subsidiaries, net worth of those falls below 50% of their paid-in capital, the Company shall closely monitor the financial conditions, operations, and credit standings of such subsidiaries. Should collaterals be provided, the Company shall also monitor the change in the value of the said collaterals. Where any materially adverse event occurs, the Company shall terminate such endorsements/guarantees or take other appropriate actions. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.</p>	
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**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

Attachment IX

Overview of the Elite Material Co., Ltd. Bylaws on “Procedures of Capital Lending to Others” amendments

Article 4	Current Articles	Proposed Changes	Reasons
	<p>Limits on the Total Amount of Lending and Respective Subjects:</p> <p>1) The total amount of loans extended by the Company to the Borrowers as set forth in Article 3 above shall not exceed thirty per cent (30%) of the net worth of the last period audited or reviewed by its accountants ("the Company's Latest Net Worth").</p> <p>2) The total amount of loans extended by the Company to the Business Partners <u>shall not exceed the three per cent (3%) of the Company's Latest Net Worth.</u></p> <p>3) The total amount of loans extended by the Company to all Companies Seeking Short-Term Financing shall not exceed ten percent (10%) of the Company's Latest Net Worth.</p>	<p>Limits on the Total Amount of Lending and Respective Subjects:</p> <p>1) The total amount of loans extended by the Company to the Borrowers as set forth in Article 3 above shall not exceed thirty per cent (30%) of the net worth of the last period audited or reviewed by its accountants ("the Company's Latest Net Worth").</p> <p>2) The total amount of loans extended by the Company to the Business Partners <u>shall not exceed fifty per cent (50%) of the amount of orders placed, sales or transactions contemplated by the parties in the most recent year, or three per cent (3%) of the Company's Latest Net Worth, whichever is lower. The aggregate amount of loans extended in such case shall not exceed thirty per cent (30%) of the Company's Latest Net Worth.</u></p> <p>3) The total amount of loans extended by the Company to all Companies Seeking Short-Term Financing shall not exceed ten percent (10%) of the Company's Latest Net Worth. <u>The aggregate amount of loans extended in such case shall not exceed thirty per cent (30%) of the Company's Latest Net Worth.</u></p>	<p>Items 2 and 3 of this Article are amended in accordance with the Letter issued by the Taiwan Stock Exchange Corporation (Letter Tai-Zen-Shan-(1)-Zi No. 1051804939).</p>

**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

Attachment X

Articles of Incorporation of Elite Material Co., Ltd.

As last amended on 13 March 2016

Chapter 1. General Provisions

Article 1 The Company is duly incorporated under the provisions of the Company Act of the Republic of China, and shall be called “台光電子材料股份有限公司” and “ELITE MATERIAL CO., LTD.” In English.

Article 2 The Company's businesses are as follows:

- 1) CC01080 Manufacturing of electronic components
- 2) CB01020 Manufacturing of business machines
- 3) CC01110 Manufacturing of computers and the peripherals
- 4) C801010 Basic chemical industry
- 5) C801990 Manufacturing of other chemical materials
- 6) C901990 Manufacturing of other non-metallic mineral products
- 7) F401010 International commerce
- 8) ZZ99999 Except where permits are required, to run operations not forbidden or limited by laws and regulations

Article 3 The Company may, where its businesses require, provide guarantee subject to approval of the Board of Directors.

Article 4 Where the Company invests in other companies and becomes a shareholder with limited liability; its total investment may exceed 40% of its paid-up capital as stipulated under Article 13 of the Company Law, subject to approval of the Board of Directors.

Article 5 The Company is incorporated in Taoyuan City, Taiwan, the Republic of China. Other domestic and international branches may be established where it deems necessary.

Article 6 Deleted.

Chapter 2. Shares

Article 7 The Company's total capital shall be Four Billion New Taiwan Dollar

(NT\$4,000,000,000) divided into 400,000,000 shares of NT\$10 each. The Board of Directors is authorized to issue the un-issued shares in separate trenches.

Out of the above total capital amount, One Hundred and Fifty Million New Taiwan Dollar (NT\$150,000,000) shall be divided into 15,000,000 shares of NT\$10 each, to be issued as stock options for employees to subscribe.

Article 7-1 The Company may issue employees' stock options with an exercise price lower than the prevailing market price of the ordinary shares, provided such issue is approved by a resolution of the Shareholders' Meeting, and the resolution shall be made with more than half of the total amount of shareholders with issued share present, and with the agreement of more than two third of the agreement of the shareholders present. The issue of the employees' stock options can be carried out at different stages within one year effective from the day proposal resolved by the Shareholders' Meeting.

Article 7-2 Should the Company buy back shares, it may resell those shares to employees at an price lower than the average buy-back price, provided, the resell shall be approved by a resolution at the upcoming Shareholders' Meeting, and the resolution shall be made with more than half of the total amount of shareholders with issued share presented, and with the agreement of more than two third of the agreement of the shareholders presented.

Article 8 The Company's share certificates shall be assigned with serial numbers, and shall be issued following the signatures or seals by three (3) Directors or more and the authentication by the relevant authorities or the registration organizations as approved by the authorities in compliance with law.

Article 8-1 Shares issued by the Company are not required to be evidenced by share certificates, provided that they shall be recorded at the Securities Central Depository Enterprises.

Article 9 The shareholders shall register the real name/title and address/domicile at the shareholders' roster with the sample of the seal at the Company as the seal shall be considered as a certificate. If the shareholder's seal is lost or destroyed, the shareholder shall immediately notify the Company in written notification, and thereafter, the shareholder shall publicly announce the invalidation of the seal at newspapers circulating the location of the Company headquarters, and apply for the renewal of the seal to the Company.

Article 10 In terms of the stock certificates assignment/transfer of the Company, the assignor/transferor shall endorse at the stock certificates and register the name of the assignee at the certificates, and fill the stock transfer application form. After the Company registers the assignee's name and residential address at the

shareholders' roster, the transfer shall be considered as accomplished. Assignment/transfer of shares shall not be set up as a defense against the Company, unless name/title and residence/domicile of the assignee/transferee have been recorded in the shareholders' roster.

Article 11 In case that the stock certificate is lost, destroyed or not being able to identify, matters about renewal or re-issuance of a new stock certificate shall be dealt with according to the provisions of "Regulations Governing the Administration of Shareholder Services of Public Companies".

Article 12 The Company may charge a fee depending on the costs for matters such as the change the owner's name, the transfer of ownership, the re-issuance, or the replacement of a stock certificate.

Article 13 Registration of share transfer shall be closed within sixty (60) days prior to General Shareholders' Meeting, or within thirty (30) days prior to Extraordinary Shareholders' Meeting or within five (5) days prior to the record date on which Company distributes the dividends or bonuses.

Chapter 3. Shareholders' Meeting

Article 14 The Company's Shareholders' Meeting is divided into two types: ordinary and extraordinary meetings. The ordinary meeting is convened at least once every year in compliance with the regulation within six months after the end of the every fiscal year. The extraordinary meeting shall be convened when necessary.

Article 15 The procedure and execution matters at the Shareholders' Meeting are the following:

- 1) Formulation and amendment of the Articles of Incorporation.
- 2) Election of Directors.
- 3) The review and examination of the reports prepared by the Board of Directors and the auditing report prepared by the Audit Committee.
- 4) The decision to increase or decrease capital.
- 5) Resolution to allocate earnings and dividends.
- 6) Resolution of other important matters.

Article 16 Notices of General Shareholders' Meeting shall be in writing and delivered to the shareholders along with a public notice thirty (30) days before the General Shareholders' Meeting and fifteen (15) days before the Extraordinary Shareholders' Meeting. The said notices shall specify the date, place and reasons for calling the Shareholders' Meeting.

Article 17 Unless otherwise stipulated by the Company Act, a quorum shall be present at the Shareholders' Meeting if shareholders representing more than half of the shares issued by the Company are in attendance, and resolutions at the said assembly shall be passed if approved by a majority of the shareholders in attendance. Pursuant to the regulations of the competent authority, the Company's shareholders may exercise the voting right via electronic transmission, and shall be deemed to have attended the said shareholders' meeting in person. Matters about electronic voting shall comply with all relevant laws and regulations. When the number of shareholders present does not constitute the quorum prescribed in this article, but those present represent one-third or more of the total number of issued shares, a tentative resolution may be passed by a majority of those present. A notice of such tentative resolution shall be given to each of the shareholders, and reconvene a Shareholders' Meeting within one month. In the aforesaid meeting of shareholders, if the tentative resolution is again adopted by a majority of those present who represent one-third or more of the total number of issued shares, such tentative resolution shall be deemed to be an officially approved resolution.

Article 18 Except in the circumstances set forth in Article 179 of the Company Act, a shareholder shall have one voting power in respect of each share in his/her/its possession.

Article 19 Shareholders may by way of power of attorney stamped with the seal of the Company appoint proxies to attend the said Shareholders' Meeting. A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the company no later than five (5) days prior to the meeting date of the Shareholders' Meeting. In case two or more written proxies are received from one shareholder, the first one received by the company shall prevail; unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later. Except for trust enterprises or share registration agencies approved by the securities management authorities, when one shareholder is entrusted by two or more shareholders, the voting right represented by the said shareholder shall not exceed 3% of the voting rights of total shares issued. Where it has so exceeded, the voting right in excess shall not be included. The person who acts as the proxy need not to be a shareholder of the Company.

Article 20 The Chairman of Board shall be the Chairman of the meeting in Shareholders Meeting convened by the Board of Directors. In case the Chairman is absent or cannot exercise the powers, the Vice Chairman shall act in behalf of it. In case the Chairman and the Vice Chairman are absent and cannot exercise the powers, the Chairman shall assign a Director to act in behalf of it. If the Chairman does

not assign any agent, the Directors shall assign one person to act in behalf of it.

Article 21 Resolutions adopted at a Shareholders' Meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The preparation and distribution of the minutes of Shareholders' Meeting as aforesaid may be effected by means of public notice. The minutes of Shareholders' Meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes, together with the register of shareholders' attendance and the proxies' powers of attorney, shall be kept persistently throughout the life of the company.

Chapter 4. Directors

Article 22 There shall be seven (7) to nine (9) Directors of the Company, who are elected and appointed from the persons with disposing capacity at the Shareholders' Meeting.

There shall be three (3) Independent Directors among the total number of Directors in the preceding paragraph.

Directors shall be elected from among the nominees listed in the roster of director candidates by adopting the candidate nomination system specified in Article 192-1 of Company Act. The election of Directors and Independent Directors shall be pursued according to the number of position required and shall be held together; provided, however, that the Independent and non-Independent Directors elected shall be calculated separately.

Article 22-1 In compliance with Article 14-4 of Securities and Exchange Act, the Company shall establish the Audit Committee comprising of all Independent Directors. The Committee, to substitute Supervisors, shall perform the duties specified in the Company Act, the Securities and Exchange Act, and other laws and regulations.

Matters about members, powers and authorities, and other relevant functional procedures of the Audit Committee shall comply with relevant laws, regulations, and the Company's Articles and Procedures. The rules of organization of the Audit Committee shall be established otherwise by the Board of Directors.

Article 23 The respective appointments of Directors are for a period of 3 years. They may be reappointed following their re-election. In case no election of new Directors is effected after expiration of the term of office of existing directors, the term of office of out-going Directors shall be extended until the time new Directors have been

elected and assumed their office. However, the competent authority may, ex officio, order the company to elect new directors within a given time limit; and if no re-election is effected after expiry of the given time limit, the out-going directors shall be discharged ipso facto from such expiration date.

Article 24 The authorities that the Board of Directors may exercise and the business it may conduct are as follows:

- 1) Resolve to propose amendment of the Articles of Incorporation and to approve important procedures and rules.
- 2) To approve the establishment and abolition of business branch(es).
- 3) The approval of annual financial budget, the examination of financial statements, and the review, supervision and implementation of the annual business plan.
- 4) Resolve to propose earnings distribution, loss make-up, capital increase, or capital reduction.
- 5) Resolve to approve the investment on other businesses by the Company, and the acquisition of equity shares of others.
- 6) To appoint and discharge the certified public accountants of the Company.
- 7) To propose the transfer of the right of lien, selling, rental, pledge, mortgage or any other action to the whole or material parts of the Company's property or business.
- 8) To approve the financing application from, providing guarantee to, make acceptance payment to, make capital lending to or borrowing from financial institutions and any other third parties with a total amount of NT\$ Twenty Million or more. When the total dollar amount is less than NT\$ Twenty Million for the aforesaid business activities, the person-in-charge may execute in advance; however, shall report to the most upcoming meeting of the Board of Directors. Any monetary payment for a single purpose shall not be divided and made directly to avoid the examination of the Board of Directors.
- 9) To approve the capital expenditure, being included in the annual budget, of which the total amount is NT\$ Fifty Million or more and the capital expenditure, not being included in the annual budget, of which the total amount is NT\$ Ten Million or more. For capital expenditure of which the total amount is more than NT\$ Five Million and less than NT\$ Ten Million, the person-in-charge may make the payment in advance; however, shall report to the most upcoming meeting of the Board of Directors. Any capital expenditure payment made for a single purpose shall not be divided and made directly to avoid the examination of the Board of Directors.
- 10) To approve the endorsement/guarantee provided and make acceptance payment in the name of the Company, of which the total amount is NT\$ Ten Million or more.
- 11) To approve the signing of contracts of which the validness will sustain for one year or more and of which the total contemplated amount is NT\$ Fifty Million

or more.

- 12) To approve major transactions between the Company and the related parties including affiliated enterprises.
- 13) To hire and dismiss the managerial personal with a level of Vice General Manager or higher for the Company.
- 14) To approve the acquisition, transfer, and authorization of the proprietary technologies, patents, trademarks, and copyrights, and to approve, amend, and terminate the contracts for technology cooperation.
- 15) Other powers and duties being authorized by laws, the Articles of Incorporation, and resolutions of the Shareholders' Meetings.

Article 25 The Board of Directors of the Company shall comprise all directors. A Chairman and a Vice Chairman to externally represent the Company shall be elected from among the Directors by a majority vote at a meeting attended by over two-thirds of the Directors. The duties and powers of Chairman and Vice Chairman shall comply with laws, the Articles of Incorporation, and resolutions of Board of Directors meetings and Shareholders' Meetings.

Article 26 Meetings of the Board of Directors shall be convened in compliance with the Company Act. A written notice of convening meetings shall be given to each Director by mail, fax, or electronic transmission.

The Chairman of the Board of Directors shall internally preside the meeting of the Board of Directors. In case the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, the Vice Chairman shall act on his behalf. Where the Vice Chairman is also unavailable, the Chairman shall appoint a Director to act on his behalf, failing which the Board of Directors shall nominate from among them a person to act on behalf of the Chairman of the Company.

Article 27 Unless otherwise stipulated by the Company Act, a quorum shall be present at the Board of Directors if it is attended by more than half of the Directors, and a resolution passed if approved by a majority of the Directors in attendance.

When the number of vacancies in the Board of Directors of a company equals to one third of the total number of Directors, the Board of Directors shall call, within sixty (60) days, a special meeting of shareholders to elect succeeding Directors to fill the vacancies.

Article 28 When a Director is unable to personally attend the meeting of the Board of Directors, s/he may entrust another Director to represent her/him with a written proxy and therein the scope of authority with reference to the subjects to be discussed at the meeting is stated. A Director may accept the appointment to act as the proxy referred to in the paragraph of one other Director only. In case a

meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 29 Deleted.

Article 30 Deleted.

Article 31 The remunerations of Chairman, Vice Chairman, and Directors who conduct the Company businesses are authorized the Board of Directors to determine, with reference to the levels of similar domestic and international industries.

Article 32 Upon the request of the Board of Directors, managerial personnel may attend meetings of the Board of Directors. Except Directors, attendees of meetings of the Board of Directors may not have voting rights.

Article 32-1 Liability insurance programs covering the Chairman, the Vice Chairman, and each Director may be purchased by the Company.

Chapter 5. Managers

Article 33 The Company may have managerial personnel. The appointment, dismissal, and compensation of managerial personnel shall comply with Article 29 of the Company Act.

Article 34 The President and General Managers of the Company shall not do anything for himself/herself/themselves or on behalf of another person that is within the scope of the company's business.

Chapter 6. Accounting

Article 35 At the end of fiscal year of the Company, the Board of Directors shall in accordance with law furnish 1) business reports; 2) financial statements; 3) profits distribution or loss makeup proposal and various documents and statements, and the same shall be submitted for approval at the General Shareholders' Meeting.

Article 36 The distribution of dividends shall take into consideration the changes in the outlook for the Company's businesses, the financial situation and the return on shareholders' equity that have an impact on future capital needs and taxation. Dividends shall be distributed at the ratio as set forth in these Articles of

Incorporation aimed at maintaining the stability of dividend distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing dividends, the cash dividends shall not be less than twenty per cent (20%) of the aggregate sum of dividends distributed in the same year. During the year losses occur, the Company may choose not to pay dividends.

Apart from paying all its income taxes in the case where there are profits at the end of the year, the Company shall make up for accumulated losses in past years. Where there is still balance, ten per cent (10%) of which shall be set aside by the Company as legal reserve. The Company shall also set aside certain portion of the profits as special reserve as required by Article 41 of the Securities and Stock Exchange Act, or by resolutions of Shareholders' Meetings.

While the Company distributes earnings to the shareholders, the paid-out amount shall be more than ten per cent (10%) but less than seventy per cent (70%) of the distributable earnings, which equals to earnings realized after deducting legal, special and all other required reserves, but together with undistributed profits from previous years.

Depending on the business operating results, the earnings to be distributed to shareholders shall be proposed by the Board of Directors, and submitted to the Shareholders' Meeting and decided by the resolution from in the Shareholder's Meeting.

Judging from the actual business circumstances, the Board of Directors may propose to adjust the amount of earnings to be distributed to shareholders, and submit to the Shareholders' Meetings for the resolution to distribute.

Article 36-1 In case the Company makes profits for the year, three per cent (3%) shall be allocated for the employees compensation, and no more than one point two per cent (1.2%) for the remuneration of Directors. However, in case there are accumulated losses carried on the accounting book of the Company, profits shall be reserved for the make-up of accumulated losses before distribution.

In case shares or cash is distributed as employees' compensation, those employees can be distributed shall include the employees of affiliated enterprises meeting certain criteria. The distribution method shall otherwise be formed by the Board of Directors.

Chapter 7. Supplementary

Article 37 All matters not covered herein shall be undertaken in accordance with the Company Act of the Republic of China and the other relevant law and regulations.

Article 38 These Articles of Incorporation were drafted on February 25th 1992, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at the shareholders' meetings.

First amendment on March 12th, 1992,
Second amendment on January 5th, 1993,
Third amendment on July 7th, 1993,
Fourth amendment on January 23rd, 1995,
Fifth amendment on December 15th, 1995,
Sixth amendment on May 17th, 1996,
Seventh amendment on May 30th, 1997,
Eighth amendment on July 30th, 1997,
Ninth amendment on May 28th, 1999,
Tenth amendment on May 16th, 2000,
Eleventh amendment on May 25th, 2001,
Twelfth amendment on June 11th, 2002,
Thirteenth amendment on November 12th, 2003,
Fourteenth amendment on November 12th, 2004,
Fifteenth amendment on June 29th, 2005,
Sixteenth amendment on June 15th, 2006,
Seventeenth amendment on June 13th, 2007,
Eighteenth amendment on June 13th, 2008,
Nineteenth amendment on June 16th, 2009,
Twentieth amendment on June 14th, 2010,
Twenty-first amendment on June 13th, 2012
Twenty-second amendment on June 15th, 2015, and
Twenty-third amendment on June 13th, 2016.

**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

Attachment XI

Meeting Rules of Stockholders of Elite Material Co., Ltd.

As last amended on 13 March 2016

1. Purpose: The meeting rules of stockholders (hereinafter as “Rules”) is to specify related matters for the Annual General Shareholders’ Meetings and the Extraordinary Shareholders’ Meetings.
2. Scope of application: General Shareholders’ Meeting and Extraordinary Shareholders’ Meetings.
3. Rules of Procedure:

- 1) The Company’s Shareholders’ Meeting shall follow these “Rules” unless it is otherwise regulated by law and regulations.
- 2) A signature book shall be provided for the shareholders who attend the Shareholders’ Meeting for signature, or the shareholders who attend the Shareholders Meeting shall hand in signed attendance cards in replacement of the signature. The number of attending shares shall be calculated with the signature book or the attendance cards. When Shareholders’ Meeting is convened, the voting power of a shareholder may be exercised in writing or by way of electronic transmission, provided, however, that the method for exercising the voting power shall be described in the shareholders' meeting notice to be given to the shareholders if the voting power will be exercised in writing or by way of electronic transmission. A shareholder who exercises his/her/its voting power at a Shareholders Meeting in writing or by way of electronic transmission as set forth in this Paragraph shall be deemed to have attended the said Shareholders' Meeting in person, but shall be deemed to have waived his/her/its voting power in respect of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said Shareholders' Meeting.

The attendance of the shareholders at the meeting shall be calculated on the basis of shares. The total number of attending shares shall be calculated with the number of shares represented by attendance cards together with the number of shares of which shareholders exercising voting power via the electronic transmission.

- 3) The shareholder’s presence and voting shall be calculated with the number of

shares. The total number of attending shares shall be calculated with the number of shares represented by attendance cards together with the number of shares of which shareholders exercising voting power via the electronic transmission.

- 4) The location for Stockholders' Meeting shall be the Company's place of business or a place convenient for attendance by stockholders (or by proxies) that is suitable to holding of this meeting. The meeting shall be held between 9:00AM and 3:00PM.

For a Shareholders' Meeting convened by the Board of Directors, the Chairman of the Board of Directors shall preside at the meeting. If the Chairman of the Board of Directors is on leave or unable to exert the rights, the Vice Chairman of the Board of Directors shall preside instead. If the position of Vice Chairman is vacant or the Vice Chairman is on leave or unable to exert the rights, the Chairman of the Board of Directors shall designate a Managing Director to preside at the meeting. If the position of Managing Director is vacant, the Chairman shall designate a Director to preside at the meeting. If no director is so designated, the Chairman of the meeting shall be elected by the Board of Directors from among themselves.

For a Shareholders' Meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting.

- 5) The Company may appoint lawyers, accountants or related personnel to attend the Shareholders' Meeting.

The personnel in charge of handling the affairs of the meeting shall wear identification badge or armband.

- 6) The complete processes of the meeting shall be recorded by voice and video recorders and all the records shall be kept by the Company for a minimum period of at least one year.
- 7) The chairperson shall announce starting of the meeting when the attending stockholders (or proxies) represent more than half of the total shares issued in public. The chairperson may announce postponement of meeting if the legal quorum is not present after the designated meeting time. Such postponement is limited to two times and the aggregated postponed time shall not exceed one hour. If quorum is still not present after two postponements but the attending stockholders (or proxies) represent more than one third of the total shares issued in public, tentative resolution/s may be passed with respect to ordinary resolution/s by a majority of those present, according to Paragraph 1 of Article 175 of the Company Act.

According to Article 174 of the Company Act, after proceeding with the aforesaid tentative resolutions, the chairperson may put the tentative resolutions for re-voting over the meeting if and when the shares represented by the attending stockholders (or proxies) reached the legal quorum.

- 8) If the Shareholders' Meeting is convened by the Board of Directors, the agenda shall be designated by the Board of Directors. The meeting shall proceed in accordance with the designated agenda and shall not be amended without resolutions.

If the meeting is convened by person, other than the Board of Directors, having the convening right, the provision set out in the preceding paragraph shall apply *mutatis mutandis*.

Except with stockholders' resolution, the chairperson shall not declare adjournment of the meeting before the first two matters set out in the agendas (including extemporary motions) are concluded.

When the meeting is adjourned by resolution, the stockholders shall not elect another chairperson to continue the meeting at the same location or another venue. During the meeting, if the chairperson declares adjournment of the meeting in violation of the Rules, a new chairperson may be elected by a resolution to be adopted by a majority of the voting rights represented by the shareholders attending the said meeting to continue the proceedings of the meeting.

- 9) The stockholders (or proxies) shall complete statement slip setting out the number of his/her attendance card, name and statement brief before speaking, and the chairperson will designate the order in which each person is to speak during the session.

No statement will be considered to have been made if the stockholder (or proxies) merely completes the statement slip without speaking at the meeting. If there are any discrepancies between the content of the statement slip and the speech made, the statement to be adopted shall be the statement confirmed.

When a stockholder (or proxy) is speaking, other stockholder (or proxy) shall not interrupt without consent of the chairperson and the speaking stockholder (or proxy). Any disobedient of the preceding rule shall be prohibited by the chairperson.

- 10) For the same proposal, each person shall not speak more than two (2) times. The lasting period for the said person to speak each time shall be limited to 5 minutes. The chairperson may restrain stockholders (or proxies) from speaking if that stockholders (or proxies) speak overtime, speak beyond the allowed frequency or content of the speech is beyond the scope of the proposal.
- 11) When a juristic person is a stockholder, only one representative shall be appointed to attend the meeting. If more than two representatives were appointed to attend the meeting, only one representative is allowed to speak for the same proposal.
- 12) After speaking by the attending stockholder (or proxy), the chairperson may reply in person or assign relevant officer to reply.
- 13) Over the proposal discussion, the chairperson may conclude the discussion in a

timely manner and where necessary announce discussion is closed. For proposal in which discussion has been concluded or closed, the chairperson shall submit it for voting.

- 14) The personnel responsible for overseeing and counting of the votes for resolutions shall be appointed by the chairperson. The person responsible for vote overseeing shall be of the stockholder status. The results of voting shall be reported on the spot and kept for records.
- 15) During the meeting, the chairperson may at his/her discretion declare time for break.
- 16) In regards to the resolution of proposals, unless otherwise provided for in the relevant law and regulation or Company's Articles of Incorporation, resolution shall be passed by a majority of the voting rights represented by the stockholders (or proxies) attending the meeting.

When proposals are put to vote, the Chairman may decide to adopt to vote-by-case, or vote at one or different stages and counted respectively for each of the items (including the election).

- 17) If there are amendments or substitute proposals for the same proposal, the sequence of which to be put to vote shall be decided by the chairperson. If one of the two proposals has been approved, the other shall be deemed rejected without requirement to put it to vote.
- 18) The chairperson may maintain the meeting order by instructing the security guards. The security guards shall wear the armband for identification when helping maintaining the venue order.
- 19) The Rules herein take effect after approval at the Shareholders' Meeting, the same applies for any amendments.

**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

Attachment XII

Procedures for Acquisition and Disposition of Assets of Elite Material Co., Ltd.

As last amended on 13 March 2016

Article 1 The Procedures are made in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies promulgated by the Financial Supervisory Commission (hereinafter referred to as FSC) of Executive Yuan, Taiwan Government.

Article 2 Acquisition or disposition of assets by the Company shall be carried out in accordance with these "Procedures for Acquisition and Disposition of Assets of Elite Material Co., Ltd." ("Procedures"); provided, where another law or regulation provides otherwise, such provisions shall govern.

Article 3 Assets in the Procedures include:

- 1) Securities: stocks, government bonds, corporate bonds, bank debentures, beneficiary certificates of mutual funds, depository receipts, call/put warrants, asset-backed securities and other investments;
- 2) Real estate (including land, houses and buildings, investment properties, rights to use land, and inventory carried by construction companies) and equipment;
- 3) Club memberships;
- 4) Patents, copyrights, trademarks, licenses and other intangible assets;
- 5) Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables);
- 6) Derivative products;
- 7) Assets acquired or disposed through merger, spin-off, acquisition, or transfer of shares in accordance with laws;
- 8) Other major assets.

Article 4 Terms used in the Procedures are defined as follows:

- 1) Derivatives: Forward contracts, option contracts, futures contracts, leverage contracts, and swap contracts and compound contracts combining the 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, and long-term purchase (sales) agreements;
- 2) Assets acquired or disposed through mergers, demergers, acquisitions or

transfer of shares: 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 therefore (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 an act of 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, dates of Boards of Directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the Regulatory Authorities is required, the earlier of the above date or the date of receipt of approval by the Regulatory Authorities shall apply; Patents, copyrights, trademarks, licenses and other intangible assets;
- 6) Mainland area investment: 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.

Article 5 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 shall not be a related party of any party to the transaction.

Article 6 Where the approval of the Board of Directors is required in respect of acquisition or disposition of material assets pursuant to the Procedures or by virtue of other law, such matters shall be approved by more than half of all Audit Committee members, and approved by a resolution of the Board of Directors.

According to the Procedures, the matters that shall be approved by the Audit Committee shall receive consent by a resolution made by more than half members of all Audit Committee members. If not, the matters shall be approved by the Board of Directors with two-thirds of all Directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes. The Audit Committee members and the Board of Directors members as stated will only calculate the members in present position.

Article 7

- 1) Prior to the Company acquiring real estate and equipment, the Procurement Office, the Administrative Department, or other responsible units shall evaluate the reason of acquisition, the targeted asset, the counterparty of the transaction, the transaction price, terms of payment and collection, and the reference to determine the transaction price, and then execute the transaction in compliance with the Article 24 of the Articles of Incorporation of Elite Material Co., Ltd.
- 2) Prior to the Company disposing real estate and equipment, the Administrative Department or other responsible units shall evaluate the target assets of disposition, the counterparty of the transaction, the transaction price, terms of payment and collection, reference to determine the transaction price. All relevant information shall be submitted to the Board of Directors for approval before undertaking the said transaction. After being authorized by the Board of Directors, the Chairman of the Company may have the authority to undertake transactions, which the total dollar amount is not in excess of certain pre-determined level.
- 3) Paragraph 1 and 2 of this Article may apply to the acquisition and disposition of real estate and equipment not for business purpose, provided the total dollar amount is not in excess of the limit specified in the paragraph 1 of the Article 28 of the Procedures.
- 4) In the case of acquiring or disposing securities held for long-term purpose, the Finance/Accounting Department or other responsible units shall undertake the relevant financial analysis and projection of potential returns as well as evaluation of potential investment risks in relation to the said investment. In addition, prior to the date of transaction occurred, the finance/accounting units or other responsible units shall obtain financial statements of the target company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and submit all relevant information to the Board of Directors for approval.
- 5) Paragraph 4 may apply to the acquisition and disposition of the securities held for short-term purpose. In addition, the Board of Directors may authorize the Chairman to undertake investments and approve the transaction with a dollar amount not exceeding the limit specified in the Paragraph 2-3 of the Article 28 of the Procedures.
- 6) Investments by the Company in stocks, corporate bonds, and securities issued through private placement that are not traded on centralized exchange markets or over the counter markets and the total dollar amount of the said investment needs to announce to the public or report to FSC, the investment shall obtain the approval by a resolution of the Board of Directors prior to the date of the transaction occurred.

Article 8 Where the position of independent director has been created, when matters about

the acquisition and disposition of assets are submitted for discussion by the Board of Directors pursuant to the preceding paragraphs, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

Article 9 In the case of real property or equipment acquired or disposed by the Company other than as a result of transactions with the government, entrusted construction on the Company's own property, entrusted construction on land leased by the Company, or acquisition or disposition of equipment for business operation purposes, where their transaction value is the amount equivalent to twenty per cent (20%) of the Company's paid-in capital or NT\$ 300 million or above, the Company shall, prior to the date of the transaction occurred, require professional appraiser to furnish their valuation report; furthermore, the following provisions shall be complied with:

- 1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.
- 2) Where the transaction amount is NT\$ 1 billion or more, two (2) or more professional appraisers shall be engaged to provide their appraisals.
- 3) Where the appraisal prices from professional appraiser come under one of the following, unless the appraisal prices of acquired assets are higher than the transaction price, or the appraisal prices of assets being disposed are lower than the transaction price, accountants shall be engaged to handle the matter pursuant to the provisions of Auditing Standards No. 20 promulgated by R.O.C. Accounting Research and Development Foundation (hereinafter as ARDF); furthermore the said accountants shall be required to provide their opinions in respect of the reasons for such discrepancy and the fairness of the transaction price:
 - i) The appraisal results differ from the transaction amount by twenty per cent (20%) or greater;
 - ii) The difference between the appraisal result provided by two or more professional appraisers and the transaction price is ten per cent (10%) or greater.
- 4) Report made by the professional appraiser shall not be dated beyond three (3) months prior to the date of the contract; however where an appropriate value published during the same period but not exceeding six (6) months, the original professional appraiser may issue its opinion in respect of the said value.

Article 10 The Company acquiring or disposing of securities shall, prior to the date of the

transaction occurred, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is twenty per cent (20%) of the Company's paid-in capital or NT\$300 million or more, the Company shall, prior to the date of the transaction occurred, also engage a certified public accountant to provide an opinion regarding the reasonableness of the transaction price. Should the aforesaid accountant needs to refer to experts' opinions, Auditing Standards No. 20 published by the ARDF shall be abided by. This requirement does not apply, however, to publicly quoted price of securities that have an active market, or where otherwise provided by regulations of the FSC.

"Within one (1) year" as used in Paragraph 2 of Article 26 refers to the year preceding the date of occurrence of the current transaction. Items that the Company has obtained the appraisal reports of professional appraisers or accountants' opinions in accordance with the Procedures need not be counted toward the transaction amount.

Article 11 Where real property or other fixed assets are acquired or disposed by way of judicial auctions, documentary proof furnished by the courts may replace appraisal reports or accountants' opinions.

Article 12 Where acquiring or disposing real property from or to related parties, the Company shall pursuant to the provisions of this Procedures undertake the relevant resolution and appraisal of the fairness of transaction conditions, etc., and shall pursuant to the provisions of this Procedures obtain appraisal reports made by professional appraisers or accountants' opinions when the transaction amount is ten per cent (10%) of the total assets of the Company or more.

The transaction amount referring in the preceding paragraph shall be calculated in accordance with Paragraph 2 of Article 10.

In deciding whether the other party to the transaction is a related party, in addition to the forms as provided by law, the Company shall also consider the substantive relationship.

Article 13 The Company shall, if it acquires or disposes real property from or to related parties, or if it acquires or disposes other assets except real property from or to related parties and the said transaction amount is twenty per cent (20%) of the paid-in capital of the Company, or ten per cent (10%) of the total assets of the Company, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, submit to the Audit Committee and the Board of Directors for approval of the following information prior to the signing of the transaction contract and making payments:

- 1) Purpose of acquiring or disposing the said assets, its necessity and projected benefits;
- 2) Reasons for transacting with related parties;
- 3) Information relating to the appraisal of the fairness of the proposed transaction conditions pursuant to Article 14 and Article 15 herein, when acquiring real property from related parties;
- 4) Date and price of acquisition by the related party, party to the transaction and relationship between the said party and the Company and related party;
- 5) Forecast of monthly cash income within one (1) year from the date of the contract; furthermore evaluation shall be conducted in respect of the necessity of the transaction and the fairness of the use of fund;
- 6) Pursuant to the paragraph 1 of Article 13, the appraisal reports made by the professional appraisers or accountants' opinions; and
- 7) Restrictions on this transaction and other key contractual issues.

The transaction amount referring in the preceding paragraph shall be calculated in accordance with Paragraph 2 of Article 26. "Within one (1) year" as used in Paragraph 2 of Article 26 refers to the year preceding the date of occurrence of the current transaction. Items that the Company has obtained the consent of the Audit Committee and the approval of the Board of Directors in accordance with the Procedures need not be counted toward the transaction amount.

Article 14 In the case of the Company or Subsidiaries obtaining or disposing equipment used for operational purpose, the Board of Directors may authorize the Chairman to approve or disapprove the transaction under a pre-determined amount pursuant to the Paragraphs 1 and 2 of Article 7 in the Procedures. The said transactions shall be submitted to the immediate following meeting of the Board of Directors for ratification.

In the case of the Company obtaining real property from related parties, it shall evaluate the fairness of the transaction costs in the following manner:

- 1) In addition to the related party's transaction price, the necessary interest on funding and the costs to be borne by the purchaser. "Necessary interest on funding" shall be calculated by the weighted average interest rate over the period during which the asset is purchased on the amount of money borrowed by the Company in its purchase of the said asset, subject to it being not higher than the maximum interest rate charged by non-financial institutions as published by the Ministry of Finance.
- 2) In the case of related party having previously pledged the subject matter with financial institutions, the total appraised value for the subject matter by the said financial institution for the purposes of the extension of the loan shall be used, subject to the total cumulative amount of loans by the said financial institution not being lesser than seventy per cent (70%) of the appraised value of such subject matter and that the loan period was for a period of one (1) year

or more. The aforesaid shall not apply where the said financial institution and the party to the transaction are themselves related parties.

Where both the land and the buildings on it are purchased in total, the transaction costs for both the land and the buildings shall be separately evaluated using either of the abovementioned methods.

In the case of the Company acquiring real property from related parties, in addition to the appraisal of the costs of the said real property in the manner provided above, the Company shall furthermore engage accountants to review and provide their opinions in respect of the same.

Under any one of the following circumstances in which the Company acquires real property from related parties, it need only undertake provisions of Article 13; the evaluation of fairness of transaction cost as provided for in Paragraphs 2, 3, and 4 hereunder shall not apply:

- 1) The related party having obtained the real property by way of inheritance or gift;
- 2) The time lapse between the related party's contract for acquisition of the real property and this transaction exceeds five (5) years; or
- 3) The Company obtaining the real property by way of joint-development contract entered with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.

Article 15 Where the evaluated results pursuant to items 1) and 2) of Paragraph 2 in Article 13 are lower than the transaction price, the Company shall follow Article 16 of the Procedures; however, under one of the following situations, with the objective evidence, professional appraisal for the real property and the accountants' opinion of the fairness of the transaction being provided, the aforesaid shall not apply:

- 1) The related party having undertaken construction on undeveloped land or rental land may offer evidence in respect of its conformity to one the following conditions:
 - a. The undeveloped land being valued in the methods provided hereinabove, and the buildings being valued by adding reasonable development profits to their construction costs, and the total amount exceeding the actual transaction price. "Reasonable development profits" herein shall comprise of the average gross profit margin of the related party's construction department within the last three (3) years, or the latest gross profit margin for the construction industry published by the Ministry of Finance, whichever is the lower;
 - b. Successful transactions by non-related parties involving other floors of the same subject matter or of the neighboring areas within the past one (1) year, with comparable space size, and their transaction conditions being comparable to those of transactions with evaluations of acceptable price difference between floor levels or areas in accordance with the practice for

sale and purchase of real property.

- c. Successful rental cases by non-related parties involving other floors of the subject matter within the past one (1) year and with non-related parties, their conditions being comparable to those of rental agreements in which there are estimates of acceptable difference between floor levels in accordance with the practice for rental of real property.
- 2) The Company providing evidence that the transaction conditions of its purchase of real property from related party are comparable with those successful cases within the neighboring areas within the past one (1) year and between non-related parties and with approximately similar space.

"Successful cases within the neighboring areas" shall in principle include those in the same or adjacent street and within a radius of five hundred (500) meters of the subject matter or where their published current values are approximately similar. "Approximately similar space" shall in principle include the spaces of those transacted cases between non-related parties that are not less than fifty per cent (50%) of that of the subject matter. "Within one (1) year" shall refer to the year preceding the date of occurrence of the said transaction.

Article 16 Where the appraisal results pursuant to Articles 14 and 15 are all lower than the transaction price, the Company shall undertake the following:

- 1) With respect to the difference between the transaction price for the real property and the evaluated costs, set aside special profit/loss reserve, in compliance with Article 41(1) of the Securities and Exchange Act, which shall not be distributed as cash dividends or allocated in the form of stock dividends. Where investors of the Company that adopt the equity accounting in respect of their investments in the Company are public companies, the investor shall set aside special profit/loss reserve for the amount according to their respective shareholding;
- 2) The Independent Directors shall undertake measures in compliance with Article 218 of the R.O.C. Company Act; and
- 3) The shareholders' meeting shall be informed of measures under items 1) and 2) hereinabove, with details of the transaction to be disclosed in the Company's annual report or prospectus.

Where the Company has set aside a special reserves under 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 premium, or they have been disposed of, or adequate compensation had been made, or status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and FSC has given its consent.

When the Company obtains real property from a related party, it shall also comply with the provisions of the preceding paragraphs 1 and 2 if there is other evidence indicating that the acquisition was not an arm's length transaction.

Article 17 While engaging in acquisition and disposition of derivative products, the Company shall comply with the "Procedures to engage in financial derivative trading of Elite Material Co., Ltd."

Article 18 The Company shall, prior to the Board of Directors' meeting to approve proposed mergers, demergers, acquisitions or transfer of shareholding by way of its resolution, seek opinions from accountants, lawyers or securities underwriters in respect of the share swap ratio, acquisition price or distribution of cash to shareholders or the propriety for other assets, the said opinions to be forwarded to the Board of Directors for their discussion.

In case of the Company merging a subsidiary whose total issued shares or paid-in capital are one hundred percent (100%) owned by the Company, or in case of the merge of subsidiaries whose total issued shares or paid-in capital are one hundred percent (100%) owned by the Company, the aforesaid opinions are not needed.

Article 19 Public companies involved in the merger, demerger or acquisition shall, prior to their respective shareholders' meeting, compile public documents addressed to their shareholders, which documents shall set out the key contractual terms of the said merger, demerger or acquisition as well as relevant issues including experts' opinions abovementioned as reference, forwarded to their shareholders along with the notices of shareholders' meeting to vote for or against the said merger, demerger or acquisition. Without prejudice to the aforesaid, it shall not apply where pursuant to other laws and regulations, shareholders' resolutions are not required in respect of mergers, demergers or mergers.

Where there is insufficient quorum, votes or other legal restrictions for convening shareholders' meetings of any of the companies involved in the merger, demerger or acquisition, such that the shareholders' meeting or resolutions cannot be convened or passed or where the proposal has been voted against, the said companies shall immediately publicly disclose the occurrence, reasons, subsequent measures and projected dates for shareholders' meetings.

Article 20 A company participating in a merger, demerger, 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, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

A company participating in a transfer of shares shall call 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.

When participating in a merger, demerger, acquisition, or transfer of shares of another company which has its shares listed on an exchange or has its shares

traded on an over-the-counter market, the Company shall prepare a full written record of the following information and retain it for five (5) years for reference:

- 1) Basic identification data for personnel: 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, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
- 2) Date 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.
- 3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.

When participating in a merger, demerger, acquisition, or transfer of shares of another company who has its shares listed on an exchange or has its shares traded on an over-the-counter market, the Company shall, within two (2) days commencing immediately from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out at preceding paragraph "basic identification data for personnel" and "date of material events" to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an over-the-counter market, the Company shall sign an agreement with such company whereby the latter is required to abide by the previous provisions.

Article 21 All persons involved in or aware of the proposals relating to the merger, demerger or acquisition of their companies or transfer of shareholding shall furnish in writing their undertaking to maintain confidentiality, and shall not, prior to the information being publicly disclosed, not disclose the contents of the said proposal, or on their own names or in the names of other persons, trade in the shares and other securities of an equity nature, of all the companies involved in the said merger, demerger, acquisition or transfer of shareholding.

Article 22 Except under the following circumstances, which circumstances shall be also stipulated in the contracts for merger, demerger, acquisition or shareholding transfer for the purposes of variations to the terms therein, the Company shall not change the share swap ratio or acquisition price:

- 1) Increase in share capital by way of new issues; issuance of convertible bonds; distribution of stock dividends without consideration; issuance of corporate bonds attached with warrants; issuance of special shares attached with warrants; issuance of warrants or other securities of equity nature;

- 2) Disposal of the Company's major assets such that the Company's finances and businesses will be affected;
- 3) Occurrence of major disasters and major transformation in technology such that the shareholders' equity or the price of its stock will be affected;
- 4) Adjustments by any of the companies involved in the said merger, demerger, acquisition or shareholding transfer resulting from treasury stock in accordance with law;
- 5) Changes in the corporate entity or number of companies involved in the said merger, demerger, acquisition or shareholding transfer; and
- 6) Other terms stipulated in the contracts as being variable, and which have already been publicly disclosed.

Article 23 When participating in a merger, demerger, acquisition or shareholding transfer of other companies, the Company shall sign contracts stipulating the following items:

- 1) Measures for breach of contract;
- 2) Principles for handling shares or securities of an equity nature that have been issued by extinguished companies as a result of merger or companies prior to their demerger or shares that have been acquired following a buyback program;
- 3) The principles for handling treasury stock by the companies involved and the quantity associated therewith in accordance with law subsequent to the record date on which the share-swap ratio is set;
- 4) Measures to be taken where there are changes in the corporate entity or number of companies involved;
- 5) Projected progress of implementation of proposal and projected completion date;
- 6) Where the proposal could not be completed in time, the relevant measures to be taken such as the date of shareholders' meeting to be convened in accordance with law.

Article 24 Where, following the public disclosure of information relating to the merger, demerger, acquisition or shareholding transfer, any of the companies involved proposes to undergo merger, demerger, acquisition or shareholding transfer with other companies, the completed processes or legal proceeding relating to the original merger, demerger, acquisition or shareholding transfer shall be re-instituted by all of the companies involved (re-acted upon), except where there is a reduction in the number of companies involved, and the shareholders' meeting had resolved and authorized the Board of Directors to undertake variations, in which case the companies involved shall not be required to convene another shareholders' meeting for new resolutions.

Article 25 Where the companies involved in the merger, demerger, acquisition or shareholding transfer are not public companies, the Company shall execute

contracts with the same, and shall furthermore be in compliance with Articles 20, 21, and 24.

Article 26 Under any of the following circumstances, the Company when acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by FSC designated in the appropriate format (in the prescribed format and via the Internet-based information system) within two (2) days commencing immediately from the date of occurrence of the event:

- 1) Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 per cent (20%) or more of paid-in capital, 10 per cent (10%) or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds, bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds;
- 2) Undertaking merger, demerger, acquisition or shareholding transfer;
- 3) Loss in derivative trade in an amount exceeding the limits for all trades or individual trade; and
- 4) Transactions relating to assets other than those stipulated hereinabove, or undertaking investments in Mainland, where their transaction amounts reach twenty per cent (20%) of the Company's paid-in capital or equal or greater than NT\$300 million, with the following exceptions:
 - a. Sale and purchase of government bonds;
 - b. Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, subscription of corporate bonds and bank debentures without an equity nature in the domestic primary market, or subscription of securities by a securities firm as an underwriter of the issuing company in the primary market or in accordance with relevant regulations specified by the GreTai Securities Market;
 - c. Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds;
 - d. The assets so acquired or disposed are equipment for business purposes and in which the counterparties are not related parties, and that the transaction amount is less than NT\$ 500 million;
 - e. The assets so acquired or disposed are real property for construction purpose and in which the counterparties are not related parties, and that the transaction amount is less than NT\$500 million; and
 - f. Real property obtained by way of entrusted construction on own land, engaging others to construct on rented land, division of property or profits deriving from sale of property following joint-development, where the projected amount to be invested in the transaction less than NT\$500 million;

The calculation of transaction amount for the prescribed items is as follows:

- 1) Each single transaction amount;
- 2) Cumulative amount for transactions with the same counterparty within one (1) year or acquisition or disposal of subject matters of similar nature;
- 3) Cumulative amount for acquisition or disposition (separate accounting for cumulative amounts in respect of acquisitions and disposals) of real property under the same development project within one (1) year; or
- 4) Cumulative amount for acquisition or disposition (separate accounting for cumulative amounts in respect of acquisitions and disposals) of the same securities within one (1) year.

"Within one (1) year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedures need not be counted toward the transaction amount.

The Company shall on a monthly basis, and before the 10th day of each month, enter at the information and reporting website appointed by the FSC, all derivative trades undertaken for the preceding month by the Company and its non-public subsidiaries.

Where there are errors and omissions for which corrections are required in the Company's public announcement and reports in conformity with regulations, the Company shall cause all of the items to be re-published.

The Company shall file at its premises all contracts, minutes of meetings, record books, valuation reports and opinions of accountants, lawyers or securities underwriters relating to its acquisition or disposition of assets for a minimum of five (5) years, unless otherwise stipulated by the law.

Article 27 Where any of the following events has occurred following the Company's public announcement and reports in respect of its transactions pursuant to regulations, the Company shall within two (2) days, commencing immediately from the date of the occurrence of the said events, undertake public announcement and report in respect of the relevant information at the website appointed by FSC:

- 1) Amendment, termination or cancellation of the contracts relating to the original transaction;
- 2) Failure of merger, demerger, acquisition or shareholding transfer to be completed at the prescribed dates; and
- 3) Change to the originally publicly announced and reported information.

Article 28 Where the Company obtaining real properties not for business purpose, other fixed assets, other assets and securities for transaction purpose, the maximum amount is listed as follows:

- 1) Total investments in real properties not for business purpose, other fixed

assets, other assets shall not exceed ten per cent (10%) of the total paid-in capital of the Company.

- 2) Total aggregate investments in securities for transaction purpose shall not exceed ten per cent (10%) of the total paid-in capital of the Company.
- 3) Total amount of individual security the Company may invest for transaction purpose shall not exceed five per cent (5%) of the total paid-in capital of the Company.

“Securities” hereinabove refer to those prescribed in Paragraph 1 of Article 3 of the Procedures and held by the Company for short-term transaction purpose.

Article 29 Where the subsidiaries are not local public companies, the Company shall undertake the public announcement and report in respect of the said subsidiaries' acquisition or disposal of assets, where the same are required to be disclosed pursuant to the provisions of "Regulations Governing Acquisition or Disposition of Assets by Public Companies".

For public announcement and reports of subsidiaries, "twenty per cent (20%) of the paid-in capital, or ten per cent (10%) of the total assets" stipulated in Item 1) of Paragraph 1) of Article 26 shall mean the paid-in capital and the total assets of the parent company alone.

“Ten per cent (10%) of the total assets” hereinabove mentioned in the Procedures shall be calculated based on the financial statements of the parent company alone for the most recent period, certified or reviewed by a certified public accountant.

In the case of a company whose shares have no par value or a par value other than NT\$10, for the calculation of transaction amounts of twenty per cent (20%) of paid-in capital under the Procedures, ten per cent (10%) of equity attributable to owners of the parent shall be substituted.

Article 30 In the event that any employee undertaking the matters with respect herewith are found to be in breach of provisions herein in material aspect or causing damage to the Company, the Company shall discipline the said persons in accordance with the internal rules on employee rewards and punishments and the relevant personnel regulations.

Article 31 The amendment of these Procedures shall be approved by the Audit Committee and the Board of Directors, and shall furthermore be submitted for approval at the shareholders' meeting. The Company shall also forward the Directors' dissents recorded in the meeting minutes or written statements to the Audit Committee.

The subsidiaries shall also formulate and implement their respective "Procedures for Acquisition and Disposition of Assets" in accordance with the provisions of "Regulations Governing Acquisition and Disposition of Assets by Public Companies". A copy of the said procedures shall be submitted to the Company's

Board of Directors for approval. The aforesaid shall also apply to amendments to the said procedures.

**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

Attachment XIII

Procedures of Endorsements and Guarantees of Elite Material Co., Ltd.

As last amended on 13 March 2016

Article 1 All endorsements and guarantees of the Company and its subsidiaries shall be in compliance with these "Procedures of Endorsements and Guarantees" ("Procedures").

Article 2 The Procedures is made based on the Executive Order [Order (91) Tai-Tsai-Zen (6) No. 0910161919] issued by the Securities and Futures Commission of Ministry of Finance on 18th December 2002, and has been amended based on the Executive Order [Order Jin-Guan-Zen-Shen-Zi No. 1010029874] issued by the Financial Supervisory Commission (hereinafter referred as "FSC") on 6th July 2012.

Article 3 All endorsements and guarantees referred to herein shall have the meaning set forth below:

- 1) Financing endorsements and guarantees, including:
 - a. Bills discounting financing;
 - b. Endorsements or guarantees made to meet the financing needs of another companies; and
 - c. Issuance of a separate bills to a non-financial enterprise as security to meet the financing needs of the Company.
- 2) Customs duty endorsements and guarantees refer to an endorsement or guarantee for the Company itself or another company with respect to customs duty matters.
- 3) Other endorsements and guarantees refer to those beyond the scope of the above sub-paragraphs.

Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall be governed by these Procedures.

Article 4 The Company may make endorsements/guarantees for the following companies:

- 1) Companies with whom the Company has business relationships;
- 2) A company in which the Company directly and indirectly holds more than fifty per cent (50%) of the voting shares; and
- 3) A company that directly and indirectly holds more than fifty per cent (50%) of the voting shares in the Company.

Subsidiaries, whose voting shares are ninety per cent (90%) owned, directly or indirectly, by the Company, may make endorsements/guarantees for each other, provided that the amount of endorsements and guarantees made by such subsidiaries shall be less than ten per cent (10%) of the Company's net worth, which is the latest number audited or reviewed by the certified public accountant ("the Company's Latest Net Worth"), and provided the said endorsements/guarantees shall obtain prior consent of the Audit Committee and then approval by a resolution of a Board of Directors meeting. The aforesaid amount ceiling shall not apply to subsidiaries whose voting shares are one hundred per cent (100%) owned, directly or indirectly, by the Company.

Subsidiaries and holding companies as referred to herein these Procedures shall be those as determined under the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

The financial reports of the Company are prepared according to IFRSs, the net worth in the Procedures is referred to the balance sheet equity attributable to the owners of the parent company under the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

The above restrictions in Paragraph 2 of this Article shall not apply to the circumstance where all shareholders make endorsements/ guarantees for their jointly invested companies in proportion to their shareholding percentages.

Article 5 Prior to the provision of endorsements or guarantees, the responsible unit shall prepare the relevant information and documents and submit such to the Audit Committee for approval, and then the Board of Directors for approval. Under the following circumstances, the Board of Directors may authorize the Chairman to approve such provision, subject to ratification by the Audit Committee and Board of Directors in the upcoming meeting:

- 1) The provision is in compliance with the Articles of Incorporation of Elite Material Co., Ltd.;
- 2) The amount of endorsement and guarantee made shall be no more than the amount authorized by the Board of Directors to the Chairman; and
- 3) The aggregate amount of endorsement and guarantee is in compliance with Article 6.

Where the Company proposes to provide an endorsement and/or guarantees as a result of business transactions which is in conformity with the conditions set out herein but exceed the limit as stipulated in these Procedures as a result of business needs, it shall submit to the Audit Committee, then acquire the approval of the Board of Directors and the joint guarantee by more than half of the Directors in respect of the possible loss incurred by the excessive guarantee, as well as amendment to these Procedures subject to ratification by the Shareholders' Meeting. In the event that the Shareholders' Meeting raises objection, the Company shall formulate a proposal to cancel the excess within stipulated time

limit.

- Article 6 The aggregate amount of endorsements and guarantees issued by the Company shall be no more than the Company's Latest Net Worth at the time the endorsements and guarantees are issued. The total amount of the Company's endorsements and guarantees provided for any individual company shall be limited to fifty per cent (50%) of the Company's Latest Net Worth.

Companies with whom the Company has business relationships are those the Company sells products to and/or provides with service.

The aggregate amount of endorsements and guarantees issued by the Company to those said in the preceding paragraph shall be limited to ten percent (10%) of the Company's Latest Net Worth.

The aggregate amount of endorsements and guarantees issued by the Company and its subsidiaries shall be no more than the Company's Latest Net Worth at the time the endorsements and guarantees are issued. The total amount of endorsements and guarantees made by the Company and its subsidiaries for any individual company shall be limited to fifty per cent (50%) of the Company's Latest Net Worth.

Where endorsements/guarantees are made to the Company's subsidiaries, net worth of those falls below 50% of their paid-in capital, the Company shall closely monitor the financial conditions, operations, and credit standings of such subsidiaries. Should collaterals be provided, the Company shall also monitor the change in the value of the said collaterals. Where any materially adverse event occurs, the Company shall terminate such endorsements/ guarantees or take other appropriate actions. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.

- Article 7 The Company shall make endorsements/guarantees in compliance with the followings:

- 1) When endorsements/guarantees are made or terminated by the Company and its subsidiaries, the responsible unit is required to fill in the "Form of Application/Termination for Endorsements and/or Guarantees", stating companies making the said endorsements/guarantees, companies to be secured, types, reasons and amounts, and seek for the approval from the Chairman.
- 2) The Company shall each month publish and report the endorsements/guarantees it and its subsidiaries provided and their balance amounts as of the end of last month, in compliance with the rules of the FSC.

- 3) Prior to the provision of endorsements and/or guarantees, the following items shall be evaluated:
 - a. necessity and rationale of the endorsements/guarantees;
 - b. credit standing and risk evaluation of the party to be secured under such endorsements/guarantees;
 - c. impact on the Company's operation, financial condition and shareholders' interests; and
 - d. whether collaterals are required and appraised values of such collaterals.
- 4) The Company's endorsements and guarantees shall be made based on the "Application for Endorsements and/or Guarantees" duly filled by the company requiring the same. The Company shall set up specific files and record in details of the name of the company secured by endorsements/guarantees provided, the relevant amount, the date of resolved by the Audit Committee, the date of resolved by the Board or that on which the Chairman had approved, the date of endorsements and guarantees, and matters of due diligence as required in the preceding paragraph.
- 5) Where the parties secured by such endorsements/guarantees fail to comply with these Procedures or the amounts have exceeded the limits as a result of changes in the circumstances, the Company shall prepare improvement plans and forward the same to the Audit Committee. Rectification shall be completed within the time frame stipulated in improvement plans.
- 6) The Company's internal audit office shall conduct at least a quarterly audit of these Procedures and make written records on the status of implementation in details. In the event of major irregularities, the internal audit office shall inform the Audit Committee of the same in writing.
- 7) The Board of Directors shall take into account the opinions of the Independent Directors and furthermore record in the minutes of such meetings the Independent Directors' consenting or dissenting opinions and the reasons in holding a meeting discussing the conditions abovementioned, these Procedures or providing endorsements and/or guarantees.
- 8) According to these Procedures, the matters shall be approved by the Audit Committee, if the matters have not been approved by more than half members of all Audit Committee members, the matters shall be approved by the Board of Directors with two-thirds of all Directors and the resolution of Audit Committee shall be recorded in the minutes of Board of Directors meeting. The Audit Committee members and the Board of Directors members as stated will only calculate the members in present position.

Article 8 Safekeeping of the seal designated for the provision of endorsements and guarantees:

- 1) The Company shall use its seal registered with the Ministry of Economic Affairs as the designated seal for the provision of endorsements and guarantees.

- 2) When subsidiaries of the Company are registered overseas, the aforesaid seal shall be replaced by the seal registered with the local authority or by a letter of guarantee signed by a person authorized by the Board of Directors.
- 3) The designated seal for the provision of endorsements and guarantees of the Company shall be handed to appointed persons for safekeeping; use of the said seals shall be in conformity with the Company's regulations. The Board of Directors shall give its approval for the appointment of or changes to the person tasked with the safekeeping of seals.
- 4) Where the Company provides guarantees for foreign companies, its letter of guarantee shall be signed by a person authorized by the Board of Directors.

Article 9 Matters about public announcement:

- 1) The Company shall before the 10th day of each month publish and report the endorsements/guarantees it and its subsidiaries provided and their balance amounts as of the end of last month.
- 2) Where limits of the Company's endorsements/guarantees set below have occurred, the Company shall publish and report within two (2) days commencing immediately from the date of occurrence:
 - a. The aggregate balance of endorsements/guarantees provided by the Company and its subsidiaries has reached fifty per cent (50%) or more of the Company's Latest Net Worth; or
 - b. The balance of endorsements/guarantees provided by the Company and its subsidiaries for an individual company has reached twenty per cent (20%) or more of the Company's Latest Net Worth; or
 - c. The balance of endorsements/guarantees provided by the Company and its subsidiaries for an individual company has reached Ten Million New Taiwan Dollars (NT\$10,000,000) or more and the aggregate amount of all endorsements/guarantees, any investment of a long-term nature in, and balance of loans to, such company has reached thirty per cent (30%) of the Company's Latest Net Worth; or
 - d. The additional individual endorsement/guarantee provided by the Company or its subsidiary has reached Thirty Million New Taiwan Dollars (NT\$30,000,000) or more and has reached 5% or more of the Company's Latest Net Worth.
- 3) The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to any subparagraph of the preceding paragraph.
- 4) The "public announcement and report" referred to herein shall be those entered into the website designated by the FSC for reporting information.
- 5) "Date of occurrence" in these Procedures means the date of contract signing, date of payment, dates of Boards of Directors' resolutions, or other date that can confirm the counterparty and monetary amount of the transaction,

whichever date is earlier.

Article 10 The Company shall assess the status of endorsements/guarantees provided and reserve an appropriate amount to offset against contingent loss. The Company shall furthermore disclose the relevant information in its financial statements and provide the certified accountants with relevant materials for them to carry out the necessary audit processes.

Article 11 Endorsements/guarantees provided by the Company shall be in compliance with the Regulations and these Procedures. In the event that any managers or person undertaking the matters with respect herewith are found to be in breach of provisions herein in material aspect or causing damage to the Company, the Company shall discipline the said persons in accordance with the internal rules on employee reward and punishments and the relevant personnel regulations.

Article 12 The amendment of these Procedures shall be approved by the Audit Committee, then resolved by the Board of Directors, then forwarded to the Shareholders' Meeting for approval. Directors' dissents recorded in the meeting minutes or written statements shall also be forwarded by the Company to the Audit Committee and Shareholders' Meeting for discussion.

**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

Attachment XIV

Procedures of Capital Lending to Others of Elite Material Co., Ltd.

As last amended on 13 March 2016

Article 1 All capital lending to others by the Company and its subsidiaries shall be in compliance with these "Procedures of Capital Lending to Others" ("Procedures").

Article 2 The Procedures is made based on the Executive Order [Order (91) Tai-Tsai-Zen (6) No. 0910161919] issued by the Securities and Futures Commission of Ministry of Finance on 18th December 2002, and has been amended based on the Executive Order [Order Jin-Guan-Zen-Shen-Zi No. 1010029874] issued by the Financial Supervisory Commission (hereinafter referred as "FSC") on 6th July 2012.

Article 3 Unless otherwise under any of the following circumstances, the capital of a company shall not be lend to any shareholder of the company or any other person:

- 1) Those companies who have business relationships with the Company ("Business Partners"); and
- 2) Those companies, to whom the Company and its subsidiaries can provide endorsements and/or guarantees in accordance with the "Procedures of Endorsements and Guarantees of Elite Material Co., Ltd.", have short-term financing needs ("Companies Seeking Short-Term Financing").

"Companies Seeking Short-Term Financing" in (2) above refers to only:

- 1) A company in which the Company directly and indirectly holds more than fifty per cent (50%) of the voting shares; and
- 2) A company that directly and indirectly holds more than fifty per cent (50%) of the voting shares in the Company.

Article 4 Limits on the Total Amount of Lending and Respective Subjects

- 1) The total amount of loans extended by the Company to the Borrowers as set forth in Article 3 above shall not exceed thirty per cent (30%) of the net worth of the last period audited or reviewed by its accountants ("the Company's Latest Net Worth").
- 2) The total amount of loans extended by the Company to the Business Partners shall not exceed the three per cent (3%) of the Company's Latest Net Worth.
- 3) The total amount of loans extended by the Company to all Companies Seeking Short-Term Financing shall not exceed ten percent (10%) of the Company's Latest Net Worth.

- Article 5 The review and evaluation that shall be performed includes the followings:
- 1) necessity and rationale of the loan;
 - 2) the Borrowers' credit standing and risk evaluation;
 - 3) impact on the Company's operation, financial condition and shareholders' interests;
 - 4) whether collaterals are required and appraised values of such collaterals.
 - 5) In the case of extending loans to the Business Partners, the business relationship shall be continuing for one year or more, and the total amount of loans extended shall not exceed fifty per cent (50%) of the sales or transactions contemplated by the parties in the most recent year, or three per cent (3%) of the Company's Latest Net Worth, whichever is lower.
 - 6) In the case of extending loans to Companies Seeking Short-Term Financing, the Borrowers are limited to the Company's subsidiaries which can still operate normally, and the purpose is limited for short-term financing needs, and the total amount shall not exceed ten per cent (10%) of the Company's Latest Net Worth.

- Article 6 Processes for capital lending to others shall include:
- 1) Application: When any Borrower submits its loan application to the Company, the person-in-charge shall make the initial contact and obtain preliminary understanding of the purpose of the loan, and the most recent operating situation and financial status of the borrower. For feasible cases, the meeting minutes shall hence be taken to submit to the President for approval.
 - 2) Credit investigation:
 - a. Finance Department shall collect, analyze and evaluate the credibility status, operating situation, financial position and solvency of the Borrower, and then prepare and submit the evaluation report to the Board of Directors as the reference for risk assessment.
 - b. Frequency of credit investigation:
 - i. For the first-time loan application, the Borrower shall present requisite basic information, financial data and the application to the Company, so as the person-in-charge may perform the credit investigation.
 - ii. For Borrowers who intend to re-finance the loan before the date of repayment, the credit check shall in principle be performed once a year. In the event of a material case, depending on the actual needs, the credit check shall herein be conducted every half year.
 - iii. Provided that the Borrower is of good financial position, and its annual financial statements are reviewed and certified by its appointed Certified Public Accountants, the credit check evaluation report prepared during previous two years, combined with the reviewed and certified financial statements, can be adopted and submitted to the Board of Directors for the purpose of re-financing the loan.

- 3) Notification of loan approval or disapproval:
 - a. After the credit check and evaluation, if the ability of Borrower to service the loan is less than satisfactory and, therefore, the loan application shall be disapproved, the person-in-charge shall submit the reason of disapproval for ratification, and thereupon promptly notify the Borrower.
 - b. For the loan application approved after evaluating the solvency of Borrower, the person-in-charge shall prepare an evaluation report, in which the reason of approval and drafted terms of the loan shall be included, to submit progressively up to the President for ratification.

4) Resolutions of Board of Directors:

The loan application ratified by the President shall receive consent from the Audit Committee, and thereafter, submit to the Board of Directors for approval. The loan can be disbursed only approval is granted by a resolution of a Board of Directors meeting.

When handling loans extended by the Company to its subsidiaries, or loans extended by the Company's subsidiaries to one another, the procedure mentioned in the preceding paragraph shall apply, and shall be resolved by the Board of Directors. For the same Borrower, the Board of Directors may authorize the Chairman to grant multiple drawdown or revolving credit to the said Borrower within one year, provided the total drawdown does not exceed the limit resolved by the Board of Directors. When a loan extended by the Company or its subsidiaries to an individual Borrower, the limit on the aforesaid total amount shall not exceed 10 per cent (10%) of the said Borrower's net worth of the last period financial report audited or reviewed by its accountants.

The Board of Directors shall take into account the opinions of the Independent Directors and furthermore record in the minutes of such meetings the Independent Directors' consenting or dissenting opinions and the reasons in holding a meeting discussing these Procedures or extending loans hereunder.

5) Notice to the Borrower:

Upon approval of a loan case, the person-in-charge shall promptly inform the borrower by written notice, telecom, or internet, and describe in detail the Company's terms of loans to be disbursed, including the amount, maturity date, interest rate, requirements of collateral and guarantor. The Borrower shall, within the time limit, sign the loan agreement and carry out the procedures to create a pledge (or mortgage) on the collateral and for verification and signing of the guarantor, as grounds for disbursing the funds.

6) Contract Signing and Identity Verification:

- a. The person-in-charge for the loan case shall draw up the terms and conditions of the loan agreement. With the ratification by the supervisory personnel and forwarding to the legal consultants for review and

verification, the agreement shall proceed with the signing procedures.

- b. The content of the loan agreement shall conform to the terms and conditions approved for the loan. After signing the loan agreement by the Borrowers and the joint guarantors, the person-in-charge shall complete the procedures of identity verification.

7) Collateral Registration:

When collateral is required to secure the loan, the Borrowers shall provide such collateral and fulfill the legal procedures for mortgage and/or lien to protect the Company's interest.

8) Insurance:

- a. All collateral, except land and securities, shall be covered by fire (property damage) insurance. For vehicles, comprehensive insurance shall be procured. The insured amount shall, in principle, be not less than the appraised value of the collateral. The Company shall be named as the beneficiary of the insurance. The insured object, quantity, location of storage, coverage conditions and endorsements must be consistent with the requirements of the Company.
- b. The person-in-charge shall be mindful of the duration of the insurance. Notice shall be made to the Borrowers to re-new the insurance before its expiration.

9) Disbursement of the Loan:

Once a loan extended case is approved and the security procedures pursuant to the Procedures are implemented, which is checked and found no error by the Finance Department, the loan may be disbursed to the Borrower by issuing a check.

10) Loan term, maturity and interest calculation

- a. The term of loans extended by the Company shall not exceed one year. Upon borrowing, the repayment date shall be specified.
- b. Interest for short term financing shall be calculated on the agreed rate basis which rate is subject to adjustment depending on the costs of fund of the Company and lending rate quoted by commercial banks. Interest receivable shall be collected on monthly basis; where the period is less than one month, the interest receivable shall be calculated based on one full month.

11) Repayment of loan:

- a. Following drawdown of the loans, the Company shall constantly monitor the financial, business and the relevant credit conditions of the Borrowers and guarantor. Where collateral has been provided, the company shall also monitor the change in the value of the said collateral. Two months before the maturity date, the person-in-charge shall write to notify the Borrowers to repay the principal amount of the loan and interest accrued

- on the repayment date, and that extension of repayment is not permitted.
- b. The Borrowers shall immediately repay the principal amount and interest accrued when the loan becomes due and payable. Only then can the relevant evidence of claim such as collateral, IOU and the contract be revoked and returned to the Borrowers.
- 12) Deleted.
- 13) Document Filing of the Loan Cases:
For loan cases handled by the person-in-charge, after the loan disbursement, the relevant evidence of claim such as the contract, promissory note, et cetera, together with the collateral document, insurance policy and correspondence papers shall be filed in order and placed inside the keeping bags. A note of the filed content and the name of the client shall be specified on the bags, submitted to the supervisory personnel for inspection, and sealed accordingly if inspected no error. On the perforation, the seal certification of the person-in-charge and the supervisory personnel shall be stamped. After registering on the registration transcript for safekeeping items, the filed documents shall be archived.

Article 7 The Company shall maintain accounts books for loan extension setting out in details the subjects of loans, their amount, date of approval by the Audit Committee, date of approval by the Board of Directors, loan drawdown date and results of evaluation as required under Article 5 above.

Article 8 The Company's internal audit department shall conduct at least a quarterly audit of these Procedures and status of implementation and make written records in details. In the event of major irregularities, the internal audit department shall inform the Audit Committee of the same.

Article 9 Where the balance of loans has exceeded the limits, or the Borrower fails to comply with these Procedures, as a result of changes in the circumstances, the Company shall prepare improvement plans and forward the same to the Audit Committee. Rectification shall be completed within the time frame stipulated in improvement plans.

According to these Procedures, the matters shall be approved by the Audit Committee, if the matters have not been approved by more than half members of all Audit Committee members, the matters shall be approved by the Board of Directors with two-thirds of all Directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes. The Audit Committee members and the Board of Directors members as stated will only calculate the members in present position.

Article 10 The Company shall before the 10th day of each month publish and report the loans

it and its subsidiaries extended and their balance amounts as of the end of last month. The "publish and report" referred to herein shall be those entered into the website designated by the FSC for reporting information.

Article 11 When limits of the Company's loans extended set below have occurred, the Company shall publish and report them within two (2) days commencing immediately from the date of occurrence:

- 1) The balance of any and all loans extended by the Company and its subsidiaries has reached 20% of the Company's Latest Net Worth; or
- 2) The balance of loans extended by the Company and its subsidiaries to an individual company has reached 10% of the Company's Latest Net Worth; or
- 3) Any additional individual loan extended by the Company or its subsidiary exceeds NT\$10 million and has reached 2% or more of the Company's Latest Net Worth.

The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to item 3 of the preceding paragraph.

"Date of occurrence" in these Procedures means the date of contract signing, date of payment, dates of Boards of Directors' resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.

The financial reports of the Company are prepared according to IFRSs, the net worth in the Procedures is referred to the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 12 The Company shall assess the status of loans extended and reserve an appropriate amount to offset against bad loans. The Company shall furthermore disclose the relevant information in its financial statements and provide the chartered accountants with relevant materials for them to carry out the necessary audit processes.

Article 13 The Company shall extend loans in compliance with the Regulations issued by the Securities and Futures Commission and these Procedures. In the event that any managers or person undertaking the matters with respect herewith are found to be in breach of provisions herein in material aspect or causing damage to the Company, the Company shall discipline the said persons in accordance with the internal rules on employee reward and punishments and the relevant personnel regulations.

Article 14 The amendment of these Procedures shall be approved by the Audit Committee, then resolved by the Board of Directors, then forwarded to the Shareholders' Meeting for approval. Directors' dissents recorded in the meeting minutes or

written statements shall also be forwarded by the Company to the Audit Committee and Shareholders' Meeting for discussion.

**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

Attachment XV

Current shareholding of Directors and Supervisors

Book closure date: 15 April 2017

Position	Name of persons or companies	Date elected	Term (Years)	Shareholding when elected		Current shareholding	
				Share	%	Share	%
Chairman	Dong, Ding-Yu	25 June 2016	3	5,265,766	1.65	5,265,766	1.65
	Yu Chang Investment Co., Ltd.			25,461,477	8.00	25,461,477	8.00
Vice Chairman	Representative appointed: Tsai, Fei Liang	25 June 2016	3	1,775,244	0.56	1,495,244	0.47
	Yu Chang Investment Co., Ltd.			25,461,477	8.00	25,461,477	8.00
Director	Representative appointed: Lee, Wen Shung	25 June 2016	3	0	0.00	0	0.00
Director	Hsieh, Mon Chong	25 June 2016	3	0	0.00	0	0.00
Independent Director	Yeh, Chia Hsiu	25 June 2016	3	0	0.00	0	0.00
Independent Director	Shen, Bing	25 June 2016	3	0	0.00	0	0.00
Independent Director	Chen, Xiang Sheng	25 June 2016	3	0	0.00	0	0.00