

Stock Code: 6282



2015 Annual Meeting of  
Shareholders

Meeting Handbook

Meeting date: June 17, 2015

Meeting place: No. 159, Sec. 3, Danjin Rd., Tamsui District,  
New Taipei City, Taiwan (R.O.C.)

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**AcBel Polytech Inc.**  
**Procedure for 2015 Annual Meeting of**  
**Shareholders**

- I. Call the Meeting to Order
- II. Chairman Remarks
- III. Report Items
- IV. Ratification Items
- V. Discussion and Election Items
- VI. Ad Hoc Motions
- VII. Adjournment

# AcBel Polytech Inc.

## Agenda of 2015 Annual Meeting of Shareholders

Time: June 17, 2015 (Wednesday), 9:00 AM

Place: No. 159, Sec. 3, Danjin Rd., Tamsui Dist., New Taipei City

I. Call the Meeting to Order

II. Chairman Remarks

III. Report Items

- (1) 2014 Business Report and 2015 Business Outlook
- (2) Supervisor's Review of 2014 Financial Statements

IV. Ratification Items

- (1) 2014 Financial Statements proposed for Ratification
- (2) 2014 Earnings Distribution proposed for Ratification

V. Discussion and Election Items

- (1) Proposal of Amendment to "Articles of Incorporation" for Resolution
- (2) Proposal of Election of the 18<sup>th</sup> Term of Directors and Supervisors
- (3) Proposal of Release of the Prohibition on Directors from Participation in Competitive Business for Resolution

VI. Ad Hoc Motions

VII. Adjournment

# **Report Items**

## Report Item 1

Proposed by the Board

Subject: 2014 business report and 2015 business outlook are reported for review.

Explanation: Please refer to the following page for business report

# **Business Report**

Reviewing 2014, global economic recovery slowed down. In the second half of the year, as affected by such factors as withdrawal of US from QE policy, economic sanctions of American and European countries against Russia, raising of consumer tax in Japan, slow down of economic growth in China, geopolitics complication in Mid East, and possible spreading of West African Ebola virus etc., major international economic research institutions commonly revised economic growth rate downward though, performance was still better than 2013.

Looking into 2015, US economic fundamentals continue to improve, Euro Zone economics require QE policy to recover growth path. The strength of economic recovery of emerging economies led by China is restricted due to affection of structural adjustment. The geopolitics development in Mid East and the degree of spreading of West African Ebola virus still continue to influence prices of raw materials, and continue to bring uncertainty to economic recovery in 2015. Due to postponement of orders from partial customers and internal transformation, revenues and profits of AcBel in 2014 decreased over previous year. Looking forward to 2015, as global economics gradually recover and new orders are added, AcBel will use stricter attitude to accomplish the commitment to objectives and the expectation of shareholders to AcBel. I hereby report to each shareholder 2014 operating results and 2015 business outlook of AcBel.

## **2014 Operating Results**

AcBel's consolidated operating revenues of 2014 were \$24,085 million, a slight decrease of 2.1% YoY, net income after tax was \$1,101 million, a decrease of 11.8% YoY, and earnings per share after tax was \$2.11.

In respect of global personal computer (PC) market in 2014, due to transition from new to old Windows and slow-down of Tablet, the demand of PC in the second half of the year re-warmed, and revenues of AcBel from "end" consumer power supply products continued to grow by virtue of close cooperation with existing customers. In aspect of "cloud", due to postponement of orders from partial customers, the performance was not good as expected; however, by virtue of internal adjustment and transformation, we still continued to cultivate and explore customer base of data center, servo, storage, and high speed networking products (the bridge connecting "cloud" and "end"), in order to maintain continual and steady growth of industrial power supply products.

In respect of green energies, fuel cells continued to develop new generation products with customers, smart grids continued to explore domestic and foreign markets; LED outdoor lighting products has won tenders of part area in Taiwan market and made delivery in cooperation with “Sunset Plan for Finsen Lamp” implemented by the government last year. Due to such factors as prohibition of use of commercial indoor lighting in each country, the development of the policies of replacement of traditional lamps, continual decline of LED prices, the commercial indoor lighting market has been gradually growing, and AcBel used its excellent mechanism and heat dissipation technologies accumulated for years to aggressively step in indoor lighting products, which are expected to contribute to profits in this year. In respect of vehicle electronic products, the project applied in last year is gradually realized. Key components and equipment of vehicle power conversion project have received active contact for cooperation from several international large firms, and several products have been installed in electric vehicle for testing. In addition, charging devices for electric vehicles, including peripheral charging related equipment power of on-board electronic, charging pillars, were aggressively explored. Medical and home care equipments were also delivered successively to customers and new products were developed in last year. These green energy products would be the dynamics of subsequent growth of AcBel.

### **Operation environment and development strategies**

Under the circumstance of continual global economic recovery, part factors might restrict overall development, but major international economic research institutions are still cautiously optimistic for the development in 2015. On the other side, shortage of labor population in China is increasing year by year, and various basic wages are increasing at the rate approximate to two decimals, leading to the pressure of the raising of labor costs. It is expected that the labor demand in China is still one of the topics we must face.

“Providing total solution to be your leading edge green power partner” is always the operation guidelines followed by the Company to provide industrial sectors with energy saving products and solutions based on our design ability in power conversion for a long time. While exercising corporate social responsibility, we endeavor to feedback shareholders and to acquire recognition from the society and industrial sectors by continual innovation, promotion of operating performance and profit. For the development of products, we continually input innovative elements in “cloud” and “end” products, toward the development of

high precise and high efficiency, At the same time, we also develop fundamental equipment and platform for smart grids, with a view to apply the experiences in smart grids in every place of the world. In addition, we also make overall arrangement for future products relating to powers for green energy, LED lighting, medical care, and electric vehicle and peripheral equipments, with a view to become the leading innovative company in the energy industry. Furthermore, we also pay attention to market trend and customer status, listen to voices of customers, and create brand value with customers, in order to become an indispensable best partner.

In 2014, AcBel was rewarded “Happy Enterprise of the Fourth Term from Labor Bureau of Taipei City Government”, which means that AcBel does not forget the concept of obtaining from the society and using for the society, and exercising corporate social responsibility by actual feedback to the society in the course of pursuing its growth.

### **2015 Business Outlook**

After financial tsunami, the global economics present the status of slow recovery. In recent years, economic developments in Europe, American, and emerging market tend to positive gradually. AcBel also holds the optimistic attitude and use strict internal operation to face it. Facing fast conversion of global market and strong pressure from competition though, AcBel still insists on starting from “innovation”, “harmony” and “surpass”, thinking about the value provided by enterprises, creating differentiation edge by core ability, and systematically conceiving competition niche. At the same time, we also focus to accomplish the objectives of dual growth of revenue and profit.

AcBel Polytech Inc.

Chairman: Hsu Sheng-Hsiung

President: Kao Ching-Shang

Chief Accountant: Yeh Jin-Mao

## Report Item 2

Proposed by the Board

Subject: Supervisor's review report on 2014 financial statements is reported for review.

Explanation: 1. 2014 financial statements of the Company have been audited by CPA and the independent auditor's report has been issued thereon. Such financial statements, business report and earnings distribution proposal have also been reviewed by supervisors, and the review report thereon is presented.

2. The CPA is requested to read the independent auditors' report.
3. The supervisor is requested to read the review report.

## **Independent Auditors' Report**

To the Board of Directors  
Acbel Polytech Inc.:

We have audited the accompanying balance sheets of Acbel Polytech Inc. as of December 31, 2014 and 2013, and the statements of comprehensive income, changes in equity, and cash flows for the years ended December 31, 2014 and 2013. These annual parent company only financial reports are the responsibility of the Company's management. Our responsibility is to express an opinion on these annual parent company only financial reports based on our audits.

We conducted our audits in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" in the Republic of China and generally accepted auditing standards. Those standards and regulations require that we plan and perform the audit to obtain reasonable assurance about whether the annual parent company only financial reports are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual parent company only financial reports. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual parent company only financial reports. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the annual parent company only financial reports referred to above present fairly, in all material respects, the financial position of Acbel Polytech Inc. as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years ended December 31, 2014 and 2013, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers.

February 26, 2015

## **Independent Auditors' Report**

To the Board of Directors  
Acbel Polytech, Inc.:

We have audited the accompanying consolidated balance sheets of Acbel Polytech Inc. and subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for the years ended December 31, 2014 and 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the generally accepted auditing standards and the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" in the Republic of China. Those standards and regulations require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Acbel Polytech Inc. and subsidiaries as of December 31, 2014 and 2013, and the results of their consolidated operations and their consolidated cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuer, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the Financial Supervisory Commission R.O.C..

Acbel Polytech Inc. has prepared annual parent company only financial reports as of and for the years ended December 31, 2014 and 2013, on which we have issued an unqualified opinion.

February 26, 2015

# Supervisor's Review Report

The 2014 financial statements prepared by the Board of Directors have been audited by CPAs Wang Yi-Wen and Kuo Kuan-Ying of KPMG. The financial statements, business report and earnings distribution proposal have been reviewed by us as supervisors of the Company. We deem no inappropriateness on these documents. Therefore, this review report is presented in accordance with Article 219 of the Company Law. Please review.

To:

The 2015 Annual Meeting of Shareholders

AcBel Polytech Inc.

Supervisors:

Chiu Ping-Ho

Hu Shih-Fang

China Development Industrial Bank

Representative: Liu Tse-Sheng

Date: February 26, 2015

# **Ratificaiton Items**

## Ratification Item 1

Proposed by the Board

Subject: 2014 financial statements are proposed for ratification.

Explanation: 1. 2014 business report and financial statements of the Company have been adopted by resolution at the meeting of board of directors and have been submitted to and then have been reviewed by supervisors (earnings distribution proposal is listed in ratification item 2).

2. Business report (refer to pages 4~6), financial statements (refer to pages 12~23) are proposed for ratification.

Resolution:

**ACBEL POLYTECH INC.**

**Balance Sheets**

**December 31, 2014 and 2013**  
**(expressed in thousands of New Taiwan dollars)**

Assets	<u>December 31, 2014</u>		<u>December 31, 2013</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b>Current assets:</b>				
Cash and cash equivalents	\$ 179,756	1.1	868,856	5.4
Current derivative financial assets for hedging	6,409	-	8,433	0.1
Current debt instrument investment without active market	200,000	1.3	977,674	6.0
Notes receivable, net	114	-	717	-
Notes receivable due from related parties, net	-	-	4,531	-
Accounts receivable, net	3,876,244	24.1	4,524,609	27.9
Accounts receivable due from related parties, net	1,000,580	6.2	360,520	2.2
Other receivables, net	7,308	-	23,552	0.1
Inventories, net	2,413,392	15.0	2,293,029	14.2
Prepayments and other current assets	133,788	0.8	45,942	0.3
	<u>7,817,591</u>	<u>48.5</u>	<u>9,107,863</u>	<u>56.2</u>
<b>Non-current assets :</b>				
Non-current financial assets at cost	1,000	-	1,000	-
Non-current debt instrument investment without active market	800,000	5.0	-	-
Investments accounted for using equity method	6,142,881	38.1	5,755,514	35.5
Property, plant and equipment, net	1,138,346	7.1	1,120,685	6.9
Deferred tax assets	134,470	0.8	153,291	1.0
Other non-current assets	86,536	0.5	64,077	0.4
	<u>8,303,233</u>	<u>51.5</u>	<u>7,094,567</u>	<u>43.8</u>
<b>Total assets</b>	<b><u>\$ 16,120,824</u></b>	<b><u>100.0</u></b>	<b><u>16,202,430</u></b>	<b><u>100.0</u></b>

**ACBEL POLYTECH INC.**

**Balance Sheets**

**December 31, 2014 and 2013**  
(expressed in thousands of New Taiwan dollars)

<b>Liabilities and equity</b>	<b>December 31, 2014</b>		<b>December 31, 2013</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current liabilities:</b>				
Short-term borrowings	\$ 100,000	0.6	298,050	1.9
Current derivative financial liabilities for hedging	6,033	-	6,696	-
Accounts payable	4,316,981	26.8	4,422,284	27.3
Accounts payable to related parties	707,954	4.4	778,301	4.8
Accrued expenses and other payables	948,970	5.9	1,027,222	6.3
Other current liabilities	287,404	1.8	289,880	1.8
	<u>6,367,342</u>	<u>39.5</u>	<u>6,822,433</u>	<u>42.1</u>
<b>Non-current liabilities:</b>				
Accrued pension liabilities	423,965	2.6	416,600	2.6
Deferred income tax liabilities	311,280	2.0	282,306	1.7
	<u>735,245</u>	<u>4.6</u>	<u>698,906</u>	<u>4.3</u>
<b>Total liabilities</b>	<u>7,102,587</u>	<u>44.1</u>	<u>7,521,339</u>	<u>46.4</u>
Ordinary shares	5,236,493	32.5	5,189,943	32.0
Capital surplus	984,453	6.1	945,475	5.8
Retained earnings:				
Legal reserve	653,206	4.0	528,389	3.3
Unappropriated retained earnings	2,001,377	12.4	1,974,688	12.2
	<u>2,654,583</u>	<u>16.4</u>	<u>2,503,077</u>	<u>15.5</u>
Other equity interest	142,708	0.9	42,596	0.3
<b>Total equity</b>	<u>9,018,237</u>	<u>55.9</u>	<u>8,681,091</u>	<u>53.6</u>
<b>Total liabilities and equity</b>	<u>\$ 16,120,824</u>	<u>100.0</u>	<u>16,202,430</u>	<u>100.0</u>

**ACBEL POLYTECH INC.**

**Statements of Comprehensive Income**

**For the years ended December 31, 2014 and 2013**

**(expressed in thousands of New Taiwan dollars, except net income per share)**

	2014		2013	
	Amount	%	Amount	%
<b>Sales revenue</b>	\$ 21,871,039	100.5	22,676,265	100.4
Less : Sales returns and allowances	110,999	0.5	86,389	0.4
<b>Net sales revenue</b>	21,760,040	100.0	22,589,876	100.0
<b>Cost of sales</b>	18,924,738	87.0	19,724,610	87.3
<b>Gross profit</b>	2,835,302	13.0	2,865,266	12.7
<b>Operating expenses:</b>				
Selling expenses	658,174	3.0	763,089	3.4
Administrative expenses	412,211	1.9	384,212	1.7
Research and development expenses	855,753	3.9	789,320	3.5
	1,926,138	8.8	1,936,621	8.6
<b>Operating income</b>	909,164	4.2	928,645	4.1
<b>Non-operating income and expenses:</b>				
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	211,041	1.0	355,084	1.6
Interest income	44,840	0.2	68,727	0.3
Other income	9,712	-	2,771	-
Foreign exchange gains (losses), net	126,331	0.6	96,414	0.4
Interest expenses	(12,509)	(0.1)	(3,363)	-
Miscellaneous disbursements	(348)	-	(174)	-
Losses on financial assets (liabilities) at fair value through profit or loss	2,174	-	(34,547)	(0.1)
	381,241	1.7	484,912	2.2
<b>Profit before tax</b>	1,290,405	5.9	1,413,557	6.3
Tax expense	189,748	0.9	165,384	0.8
<b>Profit</b>	1,100,657	5.0	1,248,173	5.5
<b>Other comprehensive income :</b>				
Other comprehensive income, before tax, exchange differences on translation	96,376	0.5	87,517	0.4
Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	(14,721)	(0.1)	(4,509)	-
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	2,152	-	10,001	-
Less: Income tax relating to components of other comprehensive income	4,256	-	6,254	-
<b>Other comprehensive income, net</b>	79,551	0.4	86,755	0.4
<b>Comprehensive income</b>	\$ 1,180,208	5.4	1,334,928	5.9
<b>Earnings per share</b>				
<b>Basic net income per share</b>		\$ 2.11		2.42
<b>Diluted net income per share</b>		\$ 2.08		2.38

**ACBEL POLYTECH INC.**

**Statements of changes in equity**

**For the years ended December 31, 2014 and 2013  
(expressed in thousands of New Taiwan dollars)**

	Ordinary shares	Capital surplus	Retained earnings		Other equity interest		Total	Total equity
			Legal reserve	Unappropriated	Exchange differences on translation of foreign financial statements	Share of other comprehensive income of associates and joint ventures accounted for using equity method		
<b>Balance as of January 1, 2013</b>	\$ 5,150,063	844,397	424,474	1,602,736	(43,471)	(462)	(43,933)	7,977,737
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	103,915	(103,915)	-	-	-	-
Cash dividends	-	-	-	(772,532)	-	-	-	(772,532)
Exercise of employee share options	39,880	42,835	-	-	-	-	-	82,715
Compensation costs of employees stock options	-	18,414	-	-	-	-	-	18,414
Changes in equity of associates accounted for using equity method	-	39,829	-	-	-	-	-	39,829
Profit for the year ended December 31, 2013	-	-	-	1,248,173	-	-	-	1,248,173
Other comprehensive income for the year ended December 31, 2013	-	-	-	226	81,310	5,219	86,529	86,755
Comprehensive income for the year ended December 31, 2013	-	-	-	1,248,399	81,310	5,219	86,529	1,334,928
<b>Balance on December 31, 2013</b>	5,189,943	945,475	528,389	1,974,688	37,839	4,757	42,596	8,681,091
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	124,817	(124,817)	-	-	-	-
Cash dividends	-	-	-	(936,454)	-	-	-	(936,454)
Exercise of employee share options	46,550	29,463	-	-	-	-	-	76,013
Compensation costs of employees stock options	-	6,288	-	-	-	-	-	6,288
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	3,227	-	-	7,864	-	7,864	11,091
Profit for the year ended December 31, 2014	-	-	-	1,100,657	-	-	-	1,100,657
Other comprehensive income for the year ended December 31, 2014	-	-	-	(12,697)	89,618	2,630	92,248	79,551
Comprehensive income for the year ended December 31, 2014	-	-	-	1,087,960	89,618	2,630	92,248	1,180,208
<b>Balance on December 31, 2014</b>	<b>\$ 5,236,493</b>	<b>984,453</b>	<b>653,206</b>	<b>2,001,377</b>	<b>135,321</b>	<b>7,387</b>	<b>142,708</b>	<b>9,018,237</b>

**ACBEL POLYTECH INC.**

**Statements of Cash Flows**

**For the years ended December 31, 2014 and 2013**  
**(expressed in thousands of New Taiwan dollars)**

	<b>2014</b>	<b>2013</b>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit (loss) before tax</b>	\$ 1,290,405	1,413,557
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss) :		
Depreciation expense	99,083	83,076
Amortization expense	29,645	42,477
Provision for bad debt expense	(7,332)	94,224
Interest expenses	12,509	3,363
Interest income	(44,840)	(68,727)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(211,041)	(355,084)
Loss (gain) on disposal of investment	(6,174)	-
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	-	37,800
Compensation costs of employees stock options	6,288	18,414
Other	(1,091)	(25)
	<u>(122,953)</u>	<u>(144,482)</u>
Changes in operating assets and liabilities :		
Decrease (increase) in derivative financial assets for hedging	2,024	(2,597)
Decrease (increase) in notes receivable	603	(481)
Decrease (increase) in notes receivable due from related parties	4,531	(3,794)
Decrease (increase) in accounts receivable	655,697	231,119
Decrease (increase) in accounts receivable due from related parties	(640,060)	(17,725)
Decrease (increase) in other receivables	5,335	(63,257)
Decrease (increase) in inventories	(120,363)	270,250
Decrease (increase) in prepayment and other current assets	(18,203)	(123)
Increase (decrease) in derivative financial liabilities for hedging	(663)	(4,287)
Increase (decrease) in accounts payable	(105,303)	(137,395)
Increase (decrease) in accounts payable to related parties	(70,347)	(503,437)
Increase (decrease) in accrued expense and other current liabilities	25,486	139,868
Increase (decrease) in accrued pension liabilities	(7,356)	(6,672)
	<u>(391,572)</u>	<u>(243,013)</u>
Cash flows from (used in) operations	898,833	1,170,544
Interest received	39,597	32,591
Income taxes refund (paid)	(313,981)	(71,629)
<b>Net Cash flows from (used in) operating activities</b>	<u>624,449</u>	<u>1,131,506</u>

	<u>2014</u>	<u>2013</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of investments accounted for using equity method	(67,455)	(352,243)
Acquisition of property, plant and equipment	(151,393)	(112,875)
Proceeds from disposal of property, plant and equipment	28,376	26
Decrease (increase) in refundable deposits	(10,645)	14,158
Acquisition of intangible assets	(14,039)	(20,211)
Decrease (increase) in other non-current assets	(27,419)	146
Other	-	73
<b>Net cash flows from (used in) investing activities</b>	<u>(242,575)</u>	<u>(470,926)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase (decrease) in short-term loans	(198,050)	80,250
Cash dividends paid	(936,454)	(772,532)
Exercise of employee share options	76,013	82,715
Interest paid	(12,483)	(3,357)
<b>Net cash flows from (used in) financing activities</b>	<u>(1,070,974)</u>	<u>(612,924)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(689,100)	47,656
<b>Cash and cash equivalents at beginning of period</b>	868,856	821,200
<b>Cash and cash equivalents at end of period</b>	<u><u>\$ 179,756</u></u>	<u><u>868,856</u></u>

**ACBEL POLYTECH, INC. AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**December 31, 2014 and 2013**  
 (expressed in thousands of New Taiwan dollars)

Assets	December 31, 2014		December 31, 2013	
	Amount	%	Amount	%
<b>Current assets:</b>				
Cash and cash equivalents	\$ 2,665,388	15.3	3,409,490	19.5
Current financial assets at fair value through profit or loss	154,229	0.9	342,075	2.0
Current derivative financial assets for hedging	6,409	-	17,222	0.1
Current debt instrument investment without active market	200,000	1.1	977,674	5.6
Notes receivable, net	7,752	-	1,799	-
Notes receivable due from related parties, net	-	-	4,531	-
Accounts receivable, net	4,726,566	27.1	5,153,834	29.4
Accounts receivable due from related parties, net	1,086,176	6.2	443,628	2.5
Other receivables	52,966	0.4	70,742	0.4
Inventories, net	2,992,360	17.1	2,682,388	15.3
Prepayments and other current assets	<u>315,741</u>	<u>1.8</u>	<u>203,059</u>	<u>1.2</u>
	<u>12,207,587</u>	<u>69.9</u>	<u>13,306,442</u>	<u>76.0</u>
<b>Non-current assets:</b>				
Non-current financial assets at cost	62,999	0.4	62,999	0.4
Non-current debt instrument investment without active market	800,000	4.6	-	-
Investments accounted for using equity method	141,173	0.8	99,379	0.6
Property, plant and equipment	3,725,731	21.3	3,576,018	20.4
Investment property, net	26,368	0.2	25,012	0.1
Deferred tax assets	135,407	0.8	153,823	0.9
Other non-current assets	<u>359,978</u>	<u>2.0</u>	<u>295,294</u>	<u>1.6</u>
	<u>5,251,656</u>	<u>30.1</u>	<u>4,212,525</u>	<u>24.0</u>
<b>Total assets</b>	<b><u>\$ 17,459,243</u></b>	<b><u>100.0</u></b>	<b><u>17,518,967</u></b>	<b><u>100.0</u></b>

# ACBEL POLYTECH, INC. AND SUBSIDIARIES

## Consolidated Balance Sheets

**December 31, 2014 and 2013**  
(expressed in thousands of New Taiwan dollars)

Liabilities and equity	December 31, 2014		December 31, 2013	
	Amount	%	Amount	%
<b>Current liabilities:</b>				
Short-term borrowings	\$ 277,600	1.6	434,208	2.5
Current financial liabilities at fair value through profit or loss	154,229	0.9	346,030	2.0
Current derivative financial liabilities for hedging	6,033	-	8,988	0.1
Accounts payable	4,994,280	28.6	4,937,918	28.1
Accounts payable to related parties	147	-	120	-
Accrued expenses and other payables	1,533,614	8.8	1,604,513	9.1
Other current liabilities	<u>298,090</u>	<u>1.7</u>	<u>295,417</u>	<u>1.7</u>
	<u>7,263,993</u>	<u>41.6</u>	<u>7,627,194</u>	<u>43.5</u>
<b>Non-current liabilities:</b>				
Accrued pension liabilities	423,965	2.5	416,600	2.4
Deferred tax liabilities	458,436	2.6	420,227	2.4
Other non-current liabilities	<u>2,452</u>	<u>-</u>	<u>1,997</u>	<u>-</u>
	<u>884,853</u>	<u>5.1</u>	<u>838,824</u>	<u>4.8</u>
<b>Total liabilities</b>	<u>8,148,846</u>	<u>46.7</u>	<u>8,466,018</u>	<u>48.3</u>
<b>Equity attributable to owners of parent:</b>				
Ordinary shares	<u>5,236,493</u>	<u>30.0</u>	<u>5,189,943</u>	<u>29.6</u>
Capital surplus	<u>984,453</u>	<u>5.6</u>	<u>945,475</u>	<u>5.4</u>
Retained earnings:				
Legal reserve	653,206	3.7	528,389	3.0
Unappropriated retained earnings	<u>2,001,377</u>	<u>11.5</u>	<u>1,974,688</u>	<u>11.3</u>
	<u>2,654,583</u>	<u>15.2</u>	<u>2,503,077</u>	<u>14.3</u>
Other equity interest	<u>142,708</u>	<u>0.8</u>	<u>42,596</u>	<u>0.3</u>
	<u>9,018,237</u>	<u>51.6</u>	<u>8,681,091</u>	<u>49.6</u>
<b>Non-controlling interests</b>	<u>292,160</u>	<u>1.7</u>	<u>371,858</u>	<u>2.1</u>
<b>Total equity</b>	<u>9,310,397</u>	<u>53.3</u>	<u>9,052,949</u>	<u>51.7</u>
<b>Total liabilities and equity</b>	<u>\$ 17,459,243</u>	<u>100.0</u>	<u>17,518,967</u>	<u>100.0</u>

**ACBEL POLYTECH, INC. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31, 2014 and 2013**

(expressed in thousands of New Taiwan dollars, except net income per share amounts)

	<b>2014</b>		<b>2013</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Sales revenue	\$ 24,197,985	100.5	24,685,438	100.4
Less : Sales returns and allowances	113,171	0.5	90,566	0.4
<b>Net sales revenue</b>	<u>24,084,814</u>	<u>100.0</u>	<u>24,594,872</u>	<u>100.0</u>
<b>Cost of sales</b>	<u>20,488,919</u>	<u>85.1</u>	<u>20,804,851</u>	<u>84.6</u>
<b>Gross profit</b>	<u>3,595,895</u>	<u>14.9</u>	<u>3,790,021</u>	<u>15.4</u>
<b>Operating expenses :</b>				
Selling expenses	1,019,696	4.2	1,078,905	4.4
Administrative expenses	655,910	2.7	610,918	2.5
Research and development expenses	<u>1,015,537</u>	<u>4.2</u>	<u>950,783</u>	<u>3.8</u>
	<u>2,691,143</u>	<u>11.1</u>	<u>2,640,606</u>	<u>10.7</u>
<b>Net operating income</b>	<u>904,752</u>	<u>3.8</u>	<u>1,149,415</u>	<u>4.7</u>
<b>Non-operating income and expenses:</b>				
Interest income	198,745	0.8	150,753	0.6
Other income	95,765	0.4	8,844	-
Foreign exchange gains (losses), net	134,235	0.6	137,484	0.5
Gains on financial assets (liabilities) at fair value through profit or loss (note 6(u))	217,417	0.9	762,643	3.1
Interest expense	(15,731)	(0.1)	(7,268)	-
Miscellaneous disbursements	(7,764)	-	(6,337)	-
Losses on financial assets (liabilities) at fair value through profit or loss	(132,095)	(0.6)	(668,385)	(2.7)
Share of profit (loss) of associates and joint ventures accounted for using equity method	<u>(7,832)</u>	<u>-</u>	<u>(5,078)</u>	<u>-</u>
	<u>482,740</u>	<u>2.0</u>	<u>372,656</u>	<u>1.5</u>
<b>Profit before tax</b>	1,387,492	5.8	1,522,071	6.2
Tax expense	<u>283,504</u>	<u>1.2</u>	<u>276,927</u>	<u>1.1</u>
<b>Profit</b>	<u>1,103,988</u>	<u>4.6</u>	<u>1,245,144</u>	<u>5.1</u>
<b>Other comprehensive income:</b>				
Other comprehensive income, before tax, exchange differences on translation	105,384	0.5	107,301	0.4
Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	(15,374)	(0.1)	(331)	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method	2,630	-	6,032	-
Less: income tax relating to components of other comprehensive income	<u>4,081</u>	<u>-</u>	<u>6,465</u>	<u>-</u>
Other comprehensive income, net	<u>88,559</u>	<u>0.4</u>	<u>106,537</u>	<u>0.4</u>
<b>Comprehensive income</b>	<u><b>\$ 1,192,547</b></u>	<u><b>5.0</b></u>	<u><b>1,351,681</b></u>	<u><b>5.5</b></u>
<b>Profit, attributable to:</b>				
Owners of parent	\$ 1,100,657	4.6	1,248,173	5.1
Non-controlling interests	3,331	-	(3,029)	-
	<u><b>\$ 1,103,988</b></u>	<u><b>4.6</b></u>	<u><b>1,245,144</b></u>	<u><b>5.1</b></u>
<b>Comprehensive income attributable to:</b>				
Owners of parent	\$ 1,180,208	4.9	1,334,928	5.4
Non-controlling interests	12,339	0.1	16,753	0.1
	<u><b>\$ 1,192,547</b></u>	<u><b>5.0</b></u>	<u><b>1,351,681</b></u>	<u><b>5.5</b></u>
<b>Earnings per share:</b>				
<b>Basic net income per share</b>	<u><b>\$ 2.11</b></u>		<u><b>2.42</b></u>	
<b>Diluted net income per share</b>	<u><b>\$ 2.08</b></u>		<u><b>2.38</b></u>	

## ACBEL POLYTECH, INC. AND SUBSIDIARIES

### Consolidated statements of changes in equity For the years ended December 31, 2014 and 2013 (expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of parent									
	Retained earnings				Other equity interest			Total equity attributable to owners of parent	Non- controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Share of other comprehensive income of associates and joint ventures accounted for using equity method	Total other equity interest			
<b>Balance on January 1, 2013</b>	\$ 5,150,063	844,397	424,474	1,602,736	(43,471)	(462)	(43,933)	7,977,737	394,934	8,372,671
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	103,915	(103,915)	-	-	-	-	-	-
Cash dividends	-	-	-	(772,532)	-	-	-	(772,532)	-	(772,532)
Exercise of employee share options	39,880	42,835	-	-	-	-	-	82,715	-	82,715
Compensation costs of employees stock options	-	18,414	-	-	-	-	-	18,414	-	18,414
Changes in equity of associates accounted for using equity method	-	39,829	-	-	-	-	-	39,829	(39,829)	-
Profit for the year ended December 31, 2013	-	-	-	1,248,173	-	-	-	1,248,173	(3,029)	1,245,144
Other comprehensive income for the year ended December 31, 2013	-	-	-	226	81,310	5,219	86,529	86,755	19,782	106,537
Comprehensive income for the year ended December 31, 2013	-	-	-	1,248,399	81,310	5,219	86,529	1,334,928	16,753	1,351,681
<b>Balance on December 31, 2013</b>	5,189,943	945,475	528,389	1,974,688	37,839	4,757	42,596	8,681,091	371,858	9,052,949
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	124,817	(124,817)	-	-	-	-	-	-
Cash dividends	-	-	-	(936,454)	-	-	-	(936,454)	-	(936,454)
Exercise of employee share options	46,550	29,463	-	-	-	-	-	76,013	-	76,013
Compensation costs of employees stock options	-	6,288	-	-	-	-	-	6,288	-	6,288
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	3,227	-	-	7,864	-	7,864	11,091	(92,037)	(80,946)
Profit for the year ended December 31, 2014	-	-	-	1,100,657	-	-	-	1,100,657	3,331	1,103,988
Other comprehensive income for the year ended December 31, 2014	-	-	-	(12,697)	89,618	2,630	92,248	79,551	9,008	88,559
Comprehensive income for the year ended December 31, 2014	-	-	-	1,087,960	89,618	2,630	92,248	1,180,208	12,339	1,192,547
<b>Balance on December 31, 2014</b>	<b>\$ 5,236,493</b>	<b>984,453</b>	<b>653,206</b>	<b>2,001,377</b>	<b>135,321</b>	<b>7,387</b>	<b>142,708</b>	<b>9,018,237</b>	<b>292,160</b>	<b>9,310,397</b>

## ACBEL POLYTECH, INC. AND SUBSIDIARIES

### Consolidated statements of cash flows

For the years ended December 31, 2014 and 2013

(expressed in thousands of New Taiwan dollars, except net income per share amounts)

	2014	2013
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit (loss) before tax</b>	\$ 1,387,492	1,522,071
<b>Adjustments:</b>		
Depreciation expense	464,239	409,224
Amortization expense	46,320	83,542
Provision reversal of provision for bad debt expense	(5,577)	99,168
Net loss (gains) on financial assets (liabilities) at fair value through profit or loss	(3,955)	-
Interest expense	15,731	7,268
Interest income	(198,745)	(150,753)
Compensation costs of employees stock options	6,288	18,414
Share of loss (profit) of associates and joint ventures accounted for using equity method	7,832	5,078
Loss (gain) on disposal of investment	(6,174)	-
Impairment loss on financial assets	-	37,800
Other	(1,701)	13,569
	<u>324,258</u>	<u>523,310</u>
<b>Changes in operating assets and liabilities:</b>		
Change in financial assets at fair value through profit or loss	-	(133,287)
Decrease (increase) in derivative financial assets for hedging	10,813	(537)
Decrease (increase) in notes receivable	(5,953)	(398)
Decrease (increase) in notes receivable due from related parties	4,531	(3,794)
Decrease (increase) in accounts receivable	432,845	183,588
Decrease (increase) in accounts receivable due from related parties	(642,548)	97,406
Decrease (increase) in other receivables	(26,655)	(56,023)
Decrease (increase) in inventories	(309,972)	177,259
Increase (decrease) in financial liabilities at fair value through profit or loss	-	158,035
Decrease (increase) in prepayment and other current assets	(43,021)	2,364
Decrease (increase) in other operating assets	(900)	1,678
Increase (decrease) in derivative financial liabilities for hedging	(2,955)	(3,174)
Increase (decrease) in accounts payable	56,362	(177,750)
Increase (decrease) in accounts payable to related parties	27	(71)
Increase (decrease) in accrued expense and other current liabilities	24,838	143,209
Increase (decrease) in accrued pension liabilities	(8,009)	(2,703)
	<u>(510,597)</u>	<u>385,802</u>
	<u>(186,339)</u>	<u>909,112</u>

	<b>2014</b>	<b>2013</b>
Cash flows from (used in) operations	1,201,153	2,431,183
Interest received	201,322	91,646
Income taxes refund (paid)	<u>(396,902)</u>	<u>(161,547)</u>
<b>Net Cash flows from (used in) operating activities</b>	<b><u>1,005,573</u></b>	<b><u>2,361,282</u></b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of investments accounted for using equity method	(47,744)	(51,900)
Acquisition of property, plant and equipment	(622,010)	(512,226)
Proceeds from disposal of property, plant and equipment	39,386	10,165
Decrease (increase) in refundable deposits	(40,057)	1,176
Acquisition of intangible assets	(19,977)	(25,495)
Other	<u>(23,629)</u>	<u>(2,358)</u>
<b>Net cash flows from (used in) investing activities</b>	<b><u>(714,031)</u></b>	<b><u>(580,638)</u></b>
<b>Cash flows from (used in) financing activities:</b>		
Increase (decrease) in short-term loans	(156,608)	(76,565)
Cash dividends paid	(936,454)	(772,532)
Exercise of employee share options	76,013	82,715
Acquisition of non – controlling interests	(80,946)	-
Interest paid	(15,523)	(7,283)
Other	<u>455</u>	<u>144</u>
<b>Net cash flows from (used in) financing activities</b>	<b><u>(1,113,063)</u></b>	<b><u>(773,521)</u></b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b><u>77,419</u></b>	<b><u>74,175</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>(744,102)</b>	<b>1,081,298</b>
<b>Cash and cash equivalents at beginning of period</b>	<b><u>3,409,490</u></b>	<b><u>2,328,192</u></b>
<b>Cash and cash equivalents at end of period</b>	<b><u>\$ 2,665,388</u></b>	<b><u>3,409,490</u></b>

## Ratification Item 2

Proposed by the Board

Subject: 2014 earnings distribution are proposed for ratification

Explanation: 1. For 2014 earnings distribution, the Board has prepared 2014 earnings distribution proposal in accordance with the Company Law and Articles of Incorporation of the Company.

2. It is proposed that NT\$840,494,872 of bonuses to shareholders for 2014 earnings distribution will be paid in full by cash dividends, and NT\$1.6 will be distributed for each share, as calculated to NT dollar (rounded down if fewer than NT one dollar). The total of fractional amount will be recorded as other income of the Company.
3. After this proposal is resolved by annual meeting of shareholders, it is proposed that the Board be authorized to determine the distribution record date, payment date and relevant affairs.
4. As of February 16, 2015, number of outstanding shares of the Company having rights to participate in the distribution is 525,309,295 shares. If subsequently the number of outstanding shares is affected by such factors as buyback of shares of the Company and exercise of stock warrants by employees etc., resulting in change in ratio of distribution of dividends to shareholders, and thus amendment to this cash dividend is required, it is proposed to request the shareholders' meeting to authorize the Board with full powers to process it.
5. The 2014 earnings distribution proposal of the Company is attached below. Please recognize.

AcBel Polytech Inc.  
Profit Distribution Proposal For the Year 2014

Unit: NTD

Items	Amount
Beginning retained earnings	913,416,627
Less: Other comprehensive income of 2014	(12,696,544)
Add: net profit after tax	1,100,656,675
Less: 10% legal reserve	(110,065,668)
Distributable net profit	1,891,311,090
Distributable items :	
Less: Cash dividend to shareholders (\$1.6 per share)	(840,494,872)
Unappropriated retained earnings	1,050,816,218
Notes :	
1. Allocation of 2014 undistributed profit shall be given priority for the above profit distribution.	
2. Employee bonuses - cash : NTD49,529,551	
Directors' and supervisors' remuneration : NTD19,811,820	

Resolution:

# **Discussion and Election Items**

## Discussion and Election Item 1

Proposed by the Board

Subject: Amendment to “Articles of Incorporation” is proposed for resolution.

Explanation: 1. In response to business requirement, it is proposed to amend “Articles of Incorporation”.

2. A comparison table of amended articles of “Articles of Incorporation” is attached for resolution. (refer to page 27)

Resolution:

## AcBel Polytech Inc.

### Comparison Table of Amended Articles of Articles of Incorporation

Article number	Original article	Amended article	Explanation
Article 2	<p>Business items operated by the Company are as follows: 1~33 (omitted) 34.<u>E701011</u> Telecommunications Construction 35.E701030 Restrained Telecom Radio Frequency Equipments and Materials Construction 36.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>Business items operated by the Company are as follows: 1~33 (omitted) 34.<u>E701010</u> Telecommunications Construction 35.E701030 Restrained Telecom Radio Frequency Equipments and Materials Construction 36.<u>CC01090 Batteries Manufacturing</u> 37.<u>E603090 Illumination Equipments Construction</u> 38.<u>IG03010 Energy Technical Services</u> 39.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>1. In response to the change of business code by the competent authority, E701011 is changed as E701010. 2. In response to business requirement of the Company, CC01090 Batteries Manufacturing, E603090 Illumination Equipments Construction, and IG03010 Energy Technical Services are added. 3. Item sequence of business items is changed.</p>
Article 31	<p>These Articles of Incorporation were formulated on June 23, 1981. Amended (omitted) for the first time ~ the 39<sup>th</sup> time.</p>	<p>These Articles of Incorporation were formulated on June 23, 1981. Amended (omitted) for the first time ~ the 39<sup>th</sup> time; <u>Amended on June 17, 2015 for the 40<sup>th</sup> time.</u></p>	<p>Amendment date is added.</p>

## Discussion and Election Item 2

Proposed by the Board

Subject: Election of 18<sup>th</sup> term of directors and supervisors is proposed

- Explanation:
1. The term of office of the 17<sup>th</sup> term of directors and supervisors of the Company is from June 12, 2012 to June 11, 2015 for three years. In case no reelection is effected after expiration of the term of office of directors and supervisors in accordance with the Company Law and supervisors, their term of office shall be extended until the time when reelected directors and supervisors assume their office.
  2. As provided by Articles of Incorporation of the Company, nine directors and three supervisors shall be elected, in which number of independent directors shall not be less than two in number and shall not be less than one fifth of the total number of directors. In consideration of operation size of the Company and operation requirement of the Board of Directors, it is proposed to elect nine directors, including three independent directors, and three supervisors in this reelection. Their term of office is three years, beginning from June 17, 2015 to June 16, 2018.
  3. Pursuant to Articles of Incorporation of the Company and resolution of board of directors, nine directors (including three independent directors) and three supervisors shall be elected, and candidate nomination system shall be adopted. The list of candidates of directors (including independent directors) and supervisors has been reviewed by the Board Meeting on May 5, 2015. Shareholders shall elect them from the list of candidates. The list of candidates of directors (including independent directors) and supervisors is attached as follows:

Title of Candidate	Name of Candidate	Academic Qualification	Experience	Current Position	No. of Shares held (Unit: Share) (Note)
Director	Hsu, Sheng-Hsiung	Honorary Doctorate, National Taiwan Normal University	Chairman, Kinpo Electronics, Inc. Chairman, AcBel Polytech Inc.	Chairman, Kinpo Electronics, Inc. Chairman, AcBel Polytech Inc.	2,637,966
Director	Kinpo Electronics, Inc.	N/A	Director, AcBel Polytech Inc.	Director, AcBel Polytech Inc.	117,162,063
Director	Kao, Ching-Shang	Hydraulic Engineering, National Cheng Kung University	Director and General Manager, AcBel Polytech Inc.	Director and General Manager, AcBel Polytech Inc.	2,378,222
Director	Wei, Chi-Lin	Doctor of Economics, University of Paris	Chairman, Waterland Financial Holding Co., Ltd. Director, AcBel Polytech Inc.	Chairman, Waterland Financial Holding Co., Ltd. Director, AcBel Polytech Inc.	0
Director	Wan, Chien-Kuo	Department of Telecommunication Engineering, National Chiao Tung University	Director and Senior Vice General Manager, AcBel Polytech Inc.	Director and Senior Vice General Manager, AcBel Polytech Inc.	280,266
Director	Chang, Chiu-Lih	Master of Information System, Northeastern University	Director and Senior Vice General Manager, AcBel Polytech Inc.	Director and Senior Vice General Manager, AcBel Polytech Inc.	414,089
Independent Director	Hsieh, Chi-Chia	Doctor of Electric, University of California, Santa Barbara	Chairman, Microelectronics Technology Inc. Independent Director, AcBel Polytech Inc.	Chairman, Microelectronics Technology Inc. Independent Director, AcBel Polytech Inc.	263,547
Independent Director	Wang, Yu-Chuan	Master, University of Southern California	Chairman and General Manager, EUDAR Technology Inc. Independent Director, AcBel Polytech Inc.	Chairman and General Manager, EUDAR Technology Inc. Independent Director, AcBel Polytech Inc.	0
Independent Director	Tien, Hung-Mao	Doctor of Political Science, University of Wisconsin	Chairman, Institute for National Policy Research Independent Director, AcBel Polytech Inc.	Chairman, Institute for National Policy Research Independent Director, AcBel Polytech Inc.	0
Supervisor	Chiu, Ping-Ho	Master of International Business Institute, National Taiwan University	Director, Kinpo Electronics, Inc. Supervisor, AcBel Polytech Inc.	Director, Kinpo Electronics, Inc. Supervisor, AcBel Polytech Inc.	480,247
Supervisor	Hu, Shi-Fang	Master of Business Administration, National Chengchi University	Chairman, Fu Shi De Consulting Enterprise Co., Ltd. Supervisor, AcBel Polytech Inc.	Chairman, Fu Shi De Consulting Enterprise Co., Ltd. Supervisor, AcBel Polytech Inc.	0
Supervisor	Hsu, Chieh-Li	Master of International Operation, Waseda University Japan	Director, Kinpo Electronics, Inc.	Director, Kinpo Electronics, Inc.	1,300,000

Note: Shareholdings as of April 19, 2015

#### 4. Please elect

Election results:

## Discussion and Election Item 3

Proposed by the Board

Subject: Release of the prohibition on Directors of the Company from participation in competitive business is proposed for resolution.

Explanation: 1. Directors of the Company might invest in or operate other companies engaging in same or similar business of the Company. On precondition of without prejudice to interest of the Company, it is proposed to release the prohibition on them from participation in competitive business in accordance with Article 209 of the Company Law.

2. Details of duties in other enterprises assumed concurrently by newly elected directors of this term will be publicized after the completion of election of directors at the shareholders' meeting.

3. Release of the prohibition on directors from participation in competitive business is proposed for resolution.

Resolution:

# **Ad Hoc Motions**

## Ad Hoc Motions

# Appendices

## 【 Appendix 1 】

### AcBel Polytech Inc.

#### Rules of Procedures for Shareholders' Meeting

- Article 1 Unless otherwise provided by law, shareholders' meeting of the Company shall be held in accordance with these Rules.
- Article 2 Shareholders' meeting shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.  
Number of attending shares shall be calculated according to attendance book or sign-in cards handed.
- Article 3 Attendance and voting at shareholders' meeting shall be calculated on basis of shares.
- Article 4 The location of shareholders' meeting shall be the Company's location or such other place that is convenient for shareholders to attend and suitable to call shareholders' meeting . The meeting shall not commence earlier than 9 AM or later than 3 PM.
- Article 5 If a shareholders' meeting is convened by the Board of Directors, the chairman of the Board shall be the chairman presiding at the meeting. If the chairman is on leave or for any reason unable to exercise the power of chairman, the vice chairman shall act in the place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the power of the chairman, the chairman shall designate one managing director to act on his behalf. If there is no managing director, the chairman shall designate one director to act as chair. If the chairman has not designated an agent, the one person shall be elected from among managing directors or directors to act on behalf of the chairman.  
If the meeting is convened by any person who is entitled to convene the meeting other than the Board, such person shall be the chairman to preside at the meeting.
- Article 6 Attorneys, certified public accountants or other relevant persons

appointed by the Company may attend shareholders' meeting.  
The staff members who take charge of shareholders' meeting shall wear identification certificates or armbands.

Article 7 The Company shall make an uninterrupted audio or video recording of the proceedings of shareholders' meeting and keep such recording for at least one year.

Article 8 The chairman shall call the meeting to order at the time scheduled for the meeting, provided, however, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Law.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Law.

Article 9 The agenda for the shareholders' meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without resolution of the shareholders' meeting.

If the shareholders' meeting is convened by any person who is entitled to convene the meeting other than the Board of Directors, the provisions of the Company Law shall apply.

Without resolution, the chairman may not announce adjournment of the meeting before completion of agenda items (including incidental motions) scheduled in the preceding two paragraphs.

After the meeting is adjourned, shareholders may not otherwise elect a chairman to continue the meeting at the original place or another venue; provided, however, if the chairman announces

adjournment in violation to these rules of procedure, one person may be elected as the chairman with consent of attending shareholders who represent a majority of votes to continue the meeting.

Article 10 Before speaking, an attending shareholder shall fill out the speaker's note, specifying therein essential points of his speech, shareholder account number (or attendance card number) and account name. The sequence of speeches shall be determined by the chairman.

An attending shareholder, who has only submitted speaker's slip but does not actually speak, shall be deemed to have not spoken. When contents of the speech does not correspond to the those specified in the speaker's note, contents of actual speech shall prevail.

Without consents of the chairman and speaking shareholder, other shareholders shall not speak or interrupt when a attending shareholder is speaking. The chairman shall stop any violation.

Article 11 Without consent of the chairman, a shareholder may not speak more than twice on the same proposal and a single speech shall not exceed 5 minutes.

If a shareholder speaks in violation to the preceding provision or beyond the scope of agenda item, the chairman may stop his speech.

Article 12 When a juristic person is appointed as a proxy to attend a shareholders' meeting, such juristic person may appoint one representative to attend the meeting.

If a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the appointed representatives may speak on the same proposal.

Article 13 After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.

Article 14 If the chairman considers that a proposal has been discussed sufficient to put it to a vote, the chairman may account the

discontinuance of discussion and call for a vote.

- Article 15     Vote monitoring and counting personnel for the voting on a proposal shall be designated by the chairman; provided that all monitoring personnel shall be shareholders.  
The voting results shall be reported on-site at the meeting and shall be made into record.
- Article 16     When a meeting is in progress, the chairman may announce a break based on time considerations.
- Article 17     Unless otherwise provided by the Company Law and Articles of Incorporation, resolution of a proposal shall be adopted by a majority of voting rights represented by attending shareholders.  
The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after inquiry by the chairman.
- Article 18     If there is an amendment or an alternative to a proposal, the chairman may present the amended or alternative proposal together with the original proposal and determine the sequence of their votes. If one of the proposals has been adopted, the other proposals shall be deemed vetoed and no further voting is required.
- Article 19     The chairman may direct proctors (or security personnel) to assist in maintenance of the order of the meeting. While assisting in maintenance of the order of the meeting on-site, the proctors (or security personnel) shall wear armbands bearing the word “Proctor”.
- Article 20     These Rules shall be implemented after being adopted at the shareholders’ meeting. The same shall apply to the amendment thereto.
- Article 21     These Rules were formulated on June 24, 1996;  
1<sup>st</sup> amendment was made on October 24, 1997;  
2<sup>nd</sup> amendment was made on June 30, 1999; and  
3<sup>rd</sup> amendment was made on June 25, 2002.

## 【Appendix 2】

# Articles of Incorporation of AcBel Polytech Inc. (Before Amendment)

## Chapter I General Provisions

Article 1 : This Company, pursuant to the Company Law, is duly incorporated under the full name of AcBel Polytech Inc. (hereinafter referred to as the Company)

Article 2 : Business items operated by the Company are as follows:

1. CB01020 Office Machines Manufacturing
2. CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing
3. CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
4. CC01040 Lighting Facilities Manufacturing
5. CC01060 Wired Communication Equipment and Apparatus Manufacturing
6. CC01070 Telecommunication Equipment and Apparatus Manufacturing
7. CC01080 Electronic Parts and Components Manufacturing
8. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
9. CC01110 Computers and Computing Peripheral Equipments Manufacturing
10. CC01990 Electrical Machinery, Supplies Manufacturing
11. E601010 Electric Appliance Construction
12. E605010 Computing Equipments Installation Construction
13. EZ05010 Apparatus Installation Construction
14. F113010 Wholesale of Machinery
15. F113020 Wholesale of Household Appliance
16. F113030 Wholesale of Precision Instruments
17. F113050 Wholesale of Computing and Business Machinery Equipment
18. F113070 Wholesale of Telecom Instruments
19. F119010 Wholesale of Electronic Materials

- 20.F213010 Retail Sale of Household Appliance
- 21.F213030 Retail sale of Computing and Business Machinery Equipment
- 22.F213040 Retail Sale of Precision Instruments
- 23.F213060 Retail Sale of Telecom Instruments
- 24.F213080 Retail Sale of Machinery and Equipment
- 25.F219010 Retail Sale of Electronic Materials
- 26.F401010 International Trade
- 27.F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
- 28.G801010 Warehousing and Storage
- 29.I301010 Software Design Services
- 30.JZ99990 Other Services Not Elsewhere Classified
- 31.CE01021 Metrological Instruments Manufacturing
- 32.F401181 Metrological Instruments Importing
- 33.JA02051 Metrological Instruments Repairing
- 34.E701011 Telecommunications Construction
- 35.E701030 Restrained Telecom Radio Frequency Equipments and Materials Construction
- 36.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3           The company may render guarantee services for fellow companies externally in line with business needs.

Article 4       : The Company is headquartered in Taipei City, Taiwan, Republic of China and may have its branch offices duly established in other places inside or outside of Taiwan in accordance with the resolutions adopted in the Board of Directors.

## **Chapter II   Shares**

Article 5       : The capital stock of the Company shall be NT\$7,000,000,000.- divided into 700,000,000 shares at the par value of NT\$10.- per share. The shares shall be issued in lots. The unissued shares are issued by the Board of Directors in line with business needs. The capital in the preceding paragraph, includes NT400,000,000.-

for issuance of warrant certificate, totally 40,000,000 shares in number at par value NT\$10 per share. The shares shall be issued in lots with the authorization of the Board of Directors in line with business needs.

Article 5-1 If the subscription price of issue of the Company is lower than the price of employees' warrants certificates which is equal to the close price of ordinary shares at the date of issue, such issue shall be adopted at a Shareholders' Meeting with consents of more than two-thirds votes of attending shareholder who represent a majority of the total issued shares.

If the price of transfer to employees is lower than average price actually bought back by the company, such transfer shall be adopted at the most recent Shareholders' Meeting with consents of more than two-thirds of votes of attending shareholders who represent a majority of the total issued shares.

Article 6 : The share certificate of the Company shall be hereof, the registered ones, shall be duly signed and sealed by not less three directors and endorsed by the competent authority or its authorized issuing registration agency relevant to the purpose before issuance. When the Company issues shares, the share certificates may be exempted from printing; however, Centralized Securities Depository Enterprises Organizations should be contacted for their entries.

Article 7 Shareholders of the Company shall handle share affairs, such as transferring, pledge, voidance in case of loss, succession, presentation as a gift and change in voidance for specimen seals, change in address, pursuant to "Guidelines for Handling Share Affairs of Public Listing Companies" unless otherwise stipulated in the laws and securities regulations.

### **Chapter III Shareholders' Meeting**

Article 8 : The shareholders' meeting hereof is in two categories:

1. A shareholders' meeting will be convened within six months after the closing of a fiscal year, summoned by the Board of Directors.
2. An extraordinary shareholder's meeting may be duly convened

whenever there is the Board of Directors deem necessary.

Article 9 : The chairperson of the shareholders' meeting shall be duly handled according to Article 182-1 of the Company Law.

Article 10 In the event that any shareholder is unable to attend a shareholders' meeting for some reason, she/he may submit a signed and sealed Power of Attorney prepared by the Company, stating the scope of authorized power and duly commission a proxy to attend the shareholders' meeting. The matters shall be subject to "Regulations Governing Public Listing Companies in the Use of Power of Attorney" as stipulated by the competent authorities.

Article 11 Each shareholder has one voting power for each share, provided, however, no voting right is granted for the items as listed in Article 179 of the Company Law.

Article 12 Unless otherwise provided by the Company Law, the quorum necessary for a Shareholders' Meeting shall be the presence of such number of Shareholders representing a majority of the total shares issued, and resolution thereat shall be decisive with a majority of all the Shareholders present.

#### **Chapter IV Directors and Supervisors**

Article 13 : There are nine directors and three supervisors in the Company. The term of office of the directors and supervisors shall be three years, whose position is resumable if re-elected for a successive term. Among the directors, number of independent directors may not be less than two in number, and the members of independent directors may not be less than one-fifth of the total number of directors. The candidate nomination system for directors and supervisors shall be adopted. Implementation to the matters concerned are all subject to the related regulations of the Company Law and Securities Exchange Law. Total number of shares of the Company held by all directors and supervisors may not be lower than a certain percentage of total number of outstanding shares. Such percentage of shares shall be

determined in accordance with Enforcement Rules of Audit otherwise promulgated by the competent authority.

The Company may purchase liability insurance for directors and supervisors, to protect rights and interests of all shareholders and to minimize operational risk of the Company.

Article 14 : A meeting of Board of Directors shall specify the reason therefore, and a notice thereof shall be given to each director and supervisor seven days prior to the meeting; however, in the event of emergency, a meeting may be convened from time to time. The notice of convening a meeting of Board of Directors may be given in writing, by email or by fax. Functions of the Board of Directors are as follows:

1. Proposal of amendment to Articles of Incorporation;
2. Establishment and removal of branches;
3. Approval of budget and review of final accounts;
4. Approval of reinvestment of the Company in other enterprises;
5. Retaining and discharge of certifying CPA for the Company;
6. Appointment and dismissal of managers;
7. Decision and amendment to business guidelines;
8. Proposal of earnings distribution or deficit compensation;
9. Proposal of lien, sale, rent, pledge, mortgage or other disposal of all or significant portion of finance or business of the Company;
10. Approval of endorsement, guarantee, acceptance for other companies;
11. Proposal of important regulations and rules of the Company;
12. Proposal of buyback of shares and issuance of corporate bonds of the Company;
13. Proposal of capital increase or reduction of the Company;
14. Other functions granted by laws and regulations and shareholders' meeting.

Article 15 The directors form the Board of Directors. The Chairman of the Board of Directors shall be elected from, and by, the directors themselves, with two-thirds of the directors present and with the consent of a majority of the directors present. The Chairman of the Board of Directors shall carry out all affairs of the Company according to Laws and Regulations, resolutions of the Shareholders'

## Meeting and the Board of Directors.

Article 16 Resolutions at a meeting of Board of Directors shall, unless otherwise provided in the Company Law, be adopted with the consent of the majority of the directors present at the meeting attended by majority of the directors of the Company.

Article 17 : Operating guidelines and other important matters of the Company shall be resolved by the Board of Directors. Except for the first meeting of each term of Board of Directors, which shall be convened by the director who received ballots representing highest votes, all other meetings of Board of Directors shall be convened and presided by the chairman. If the chairman cannot perform his functions, the chairman shall designate one director to act in his place. If the chairman fails to make such designation, one director shall be elected from among themselves to act on behalf of the chairman.

Article 18 : Directors shall attend the board meeting in person. If a director is unable to attend a board meeting for any reason, he may issue a power of attorney, specifying scope of authorization, to appoint another director as his proxy to represent him in the meeting. The aforesaid proxy shall be restricted to representing only one director.

In case a meeting of a Board of Directors is held 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 19 : Functions of supervisors are as follows:

- 1.To audit financial status of the Company;
- 2.To audit accounting books and documents of the Company;
- 3.To inquire about business operation;
- 4.To exercise other functions empowered by Company Law.

Article 20 : In addition to their duties by law, Supervisors may attend a meeting of Board of Directors to express their opinions, but have no voting right.

Article 21 Remuneration to directors and supervisors who perform duties of the Company shall be paid disregarding whether or not the Company operates at a profit. The Board of Directors is authorized with full power to fix the rate of remuneration based on the level of their participation in the business operation, value of their contribution with reference to the general rates prevalent in the fellow companies.

## **Chapter V Managers**

Article 22 : The Company has a certain number of managers, whom shall be duly appointed, discharged and paid according to Article 29 of the Company Law.

## **Chapter VI Accounting**

Article 23 : The fiscal year of the Company shall be from January 1 to December 31 of each year. The annual final accounting shall be done at the end of the fiscal year.

Article 24 : The Company shall, in accordance with Article 228 of the Company Law, have the following various documents and books prepared by the Board of Directors at the end of the fiscal year to the supervisors thirty day prior to the shareholder's meeting, for auditing and endorsement by the supervisor(s) and the supervisors shall submit the reports to the shareholders' annual meeting for ratification.

(1) Business Report

(2) Financial Statement

(3) Proposals of profit allocation and loss coverage

Article 25 Distribution of dividends and bonuses shall be subject to the percentage of shares held by each shareholder. If the Company has no earnings, dividends and bonuses shall not be distributed.

Article 26 : If the Company has earnings upon final accounts in each year, income tax shall be appropriate first, deficits in previous years shall be compensated, and then ten percent shall be appropriated as legal reserve. The remainder after special earnings reserve is appropriated or rolled over by requirements of laws and regulations

or the competent authority shall be distributed as follows:

1. Not less than two percent for bonuses to employees
2. Not more than two percent for remunerations to directors and supervisors
3. After the balance amount and accumulated undistributed earnings in previous years are properly retained depending on operating status, the Board of Directors shall prepare earnings distribution proposal which shall be resolved at the shareholders' meeting for distribution of bonuses to employees.

The target of distribution of bonuses to employees stated in the preceding paragraph may include employees of the reinvested subsidiary in which the Company holds more than 50% of its shares.

The industrial life circle of the Company is currently in a steady growth stage. In consideration of future fund demand of the Company and to satisfy cash inflow demand of shareholders, if the Company has distributable earnings upon final accounts of each year, cash dividend distributed for each year may not be less than fifty percent of the sum of cash and stock dividends distributed for the year.

## **Chapter VII By-Laws**

Article 27 : The organizational rules and operational regulations of the Company shall be separately enacted by the resolution of the Board of Directors.

Article 28 The total amount of investment is free of the restriction set forth in Article 13 of the Company Law which restricts the total investment not exceeding 40% of the paid in capital of the Company.

Article 29 Any matters inadequately provided for herein shall be subject to the Company Law and other laws concerned of the Republic of China.

Article 30 These Articles shall come into enforcement after the date of being resolved by the shareholders' meeting. The same shall apply to the amendment thereto.

Article 31 These Articles were duly formulated on June 23, 1981;  
1<sup>st</sup> amendment was made on July 15, 1981;  
2<sup>nd</sup> amendment was made on January 20, 1983;  
3<sup>rd</sup> amendment was made on August 27, 1983;  
4<sup>th</sup> amendment was made on October 22, 1983;  
5<sup>th</sup> amendment was made on February 24, 1984;  
6<sup>th</sup> amendment was made on March 15, 1984;  
7<sup>th</sup> amendment was made on November 24, 1984;  
8<sup>th</sup> amendment was made on August 24, 1985;  
9<sup>th</sup> amendment was made on July 6, 1987;  
10<sup>th</sup> amendment was made on October 30, 1987;  
11<sup>th</sup> amendment was made on August 18, 1989;  
12<sup>th</sup> amendment was made on November 8, 1989;  
13<sup>th</sup> amendment was made on January 18, 1991;  
14<sup>th</sup> amendment was made on March 30, 1991;  
15<sup>th</sup> amendment was made on November 1, 1992;  
16<sup>th</sup> amendment was made on May 24, 1994;  
17<sup>th</sup> amendment was made on May 15, 1996;  
18<sup>th</sup> amendment was made on June 10, 1996;  
19<sup>th</sup> amendment was made on June 24, 1996;  
20<sup>th</sup> amendment was made on August 16, 1996;  
21<sup>st</sup> amendment was made on October 17, 1996;  
22<sup>nd</sup> amendment was made on June 12, 1997;  
23<sup>rd</sup> amendment was made on October 24, 1997;  
24<sup>th</sup> amendment was made on April 10, 1998;  
25<sup>th</sup> amendment was made on June 2, 1998;  
26<sup>th</sup> amendment was made on June 30, 1999;  
27<sup>th</sup> amendment was made on June 25, 2002;  
28<sup>th</sup> amendment was made on June 18, 2003;  
29<sup>th</sup> amendment was made on April 29, 2004;  
30<sup>th</sup> amendment was made on May 25, 2005;  
31<sup>st</sup> amendment was made on June 21, 2006;  
32<sup>nd</sup> amendment was made on June 13, 2007.  
33<sup>rd</sup> amendment was made on June 25, 2008.  
34<sup>th</sup> amendment was made on June 16, 2009;  
35<sup>th</sup> amendment was made on June 25, 2010;  
36<sup>th</sup> amendment was made on June 22, 2011;

37<sup>th</sup> amendment was made on June 12, 2012;  
38<sup>th</sup> amendment was made on June 19, 2013; and  
39<sup>th</sup> amendment was made on June 19, 2014.

AcBel Polytech Inc.

Chairman: Hsu, Sheng-Hsiung

## 【Appendix 3】

### AcBel Polytech Inc.

#### Rules of Election of Directors and Supervisors

- Article 1 Unless otherwise provided by the Company Law or Articles of Incorporation of the Company, election of directors and supervisors of the Company shall be conducted in accordance with these Rules.
- Article 2 Election of directors and supervisors of the Company shall be separately conducted at a shareholders' meeting.
- Article 3 The election of directors and supervisors of the Company adopts single recorded cumulative voting method. Each share shall have voting rights in number equal to directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates.
- The board of directors shall prepare separate ballots for directors and supervisors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 4 The election of directors and supervisors shall adopt the candidate nomination system in accordance with Articles of Incorporation of the Company. Directors and supervisors shall be elected from the list of candidates of directors and supervisors of the Company by shareholders. Votes to directors shall be separately counted for respective winners according to the combined election for independent directors and non-independent directors.
- If the Company sets up audit committee, supervisors will not be otherwise elected, and the provision relating to election of supervisors shall not apply.

Article 4-1 Number of directors and supervisors shall be as specified in Articles of Incorporation of the Company. Those receiving ballots representing the highest numbers of voting right shall be elected sequentially as independent directors and non-independent directors or supervisors respectively.

A candidate simultaneously elected as a director and supervisor shall at his discretion decide to serve as either director or supervisor before the date on which the list of elect shall be publicized and filed in accordance with laws and regulations.

When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner; and the chairman shall draw lots on behalf of any person not in attendance.

Article 5 The election of a winner who is not qualified under Subparagraph 4 of Paragraph 3 of Article 26-3 of the Securities & Exchange Act shall be invalid.

Article 6 In preparing ballots, the Board of Directors shall number the ballots according to attendance number and fill out votes therein.

Article 7 Before the commencement of election, the chairman shall designate a certain number of vote monitoring and counting personnel to perform various relevant duties.

Article 8 The ballot box for election shall be prepared by the Board of Directors. The ballot box shall be publicly examined by the vote monitoring personnel before casting ballots.

Article 9 If the candidate is a shareholder, the voter must fill in the account name and account number of the candidate in the column of "candidate"; if the candidate is not a shareholder, the voter shall fill in name and identification card number of the candidate, and then cast the ballot to the ballot box. However, when the candidate is a governmental organization or juristic person shareholder, name of the governmental organization or juristic person shareholder shall be filled in, or both the name of the governmental organization or juristic person shareholder and its representative

shall be filled in. When there are multiple representatives, the name of each respective representative shall be filled in.

Article 10 A ballot is invalid under any of the following circumstances:

1. The ballot is not prepared in accordance with these Rules.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or is not altered by law.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Two or more candidates are filled in same ballot.
6. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
7. Any of candidate's account name and shareholder account number (or identity card number) is omitted.

Article 11 After the casting of ballots is completed, the votes shall be publicly counted under the supervision of vote monitoring personnel. The vote counting results shall be announced by the chairman.

Article 12 The Board of Directors shall issue a notice of election to the elected directors or supervisors respectively.

Article 13 These Rules shall be implemented after being resolved at the shareholders' meeting. The same shall apply to the amendment thereto.

Article 14 These Rules were formulated on June 24, 1996;  
1<sup>st</sup> amendment was made on October 24, 1997;  
2<sup>nd</sup> amendment was made on June 25, 2002;  
3<sup>rd</sup> amendment was made on June 25, 2008; and  
4<sup>th</sup> amendment was made on June 19, 2014.

## 【Appendix 4】

### AcBel Polytech Inc. Shareholdings of Directors and Supervisors

Basis date: April 19, 2015

Title	Name	Shares
Chairman	Hsu Sheng-Hsiung	2,637,966
Director	Kao Ching-Shang	3,558,222
Director	Kinpo Electronics Inc.	117,162,063
Director	Wei Chi-Lin	0
Director	Wan Chien-Kuo	2,791,266
Director	Chang Chiu-Lih	1,164,089
Independent director	Hsieh Chi-Chia	263,547
Independent director	Wang You-Chuan	0
Independent director	Tien Hung-Mao	0
Supervisor	Chiu Ping-Ho	480,247
Supervisor	Hu Shih-Fang	0
Supervisor	China Development Industrial Bank	3,628,521
Total		131,685,921

Outstanding shares of the Company as of April 19, 2015 are 526,059,295 shares

Statutory minimum shares to be held by all directors are 16,833,897 shares. As of April 19, 2015, all directors hold 127,313,606 shares (shares held by independent directors are not counted in calculation of shareholdings of directors)

Statutory minimum shares to be held by all supervisor 1,683,389 shares. As of April 19, 2015, all supervisors hold 4,108,768 shares

Note: Shareholdings in this table include shares under trust with discretion reserved.

## 【Appendix 5】

The Impact of Stock Dividend Issuance on Operating Performance, Earnings per Share of the Company and Investment Return of Shareholders:

Not applicable (The Company did not issue stock dividends for this period)