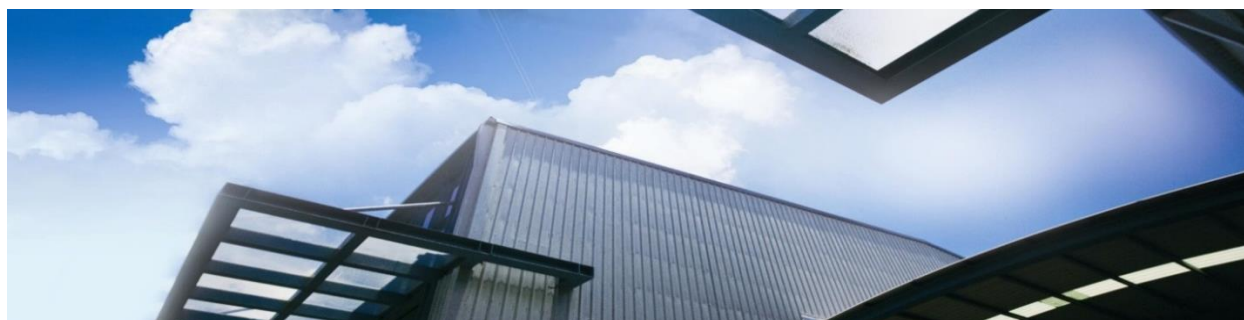




# 世堃塑膠股份有限公司

## SHIH-KUEN PLASTICS CO., LTD.

### Minutes of 2017 Annual Shareholders Meeting



Date: June 23, 2017 at 9:00 a.m.

Venue: 3F, Ma-Dou District Agriculture Office Building  
(56 Xing Sheng North Road, Ma-Dou District, Tainan)

#### Translation Summary

This English translation is prepared in accordance with the Mandarin version for reference purposes only. Please prevail the Mandarin version if there are any discrepancy with the translation.

**Date:** Friday, June 23, 2017

**Time:** 9:03 a.m.

**Venue:** 3F Meeting Room, Ma-Dou District Agriculture Office Building  
(56 Xing Sheng North Road, Ma-Dou District, Tainan)

**Attending Shareholders:**

49,197,518 shares of attending shareholders and proxy (of which no electronic transmission was exercised) represents 89.42% of total outstanding shares, 55,014,000.

**Attending Directors:**

Chang-Fu Lin, Chun-Cheng Chen, Man-Ling Huang,  
Liang-Cheng Chou (Independent Director), Zhi-Cheng Hong,  
Chao-Yu Huang, Szu-Cheng Chou (Independent Director).

Total Number of directors: 7, Attending directors: 7,  
**Attendance Rate:** 100%

**Attending Supervisors:**

Chih-Min Chen, Huann-Wen Chen.

Total Number of Supervisors:3, Attending Supervisors: 2,  
**Attendance Rate:** 66.67%

**Chairman:** Chang-Fu Lin, Chairman of the Board of Directors



**Recorder:** Yu-Chieh Lin



1. Call Meeting to Order (omitted)

2. Chairman's Address (omitted)

3. Report Items

- (1) Business Report 2016
- (2) Supervisor's Review Financial Statement 2016
- (3) Report on Remuneration Distribution of Employees, Directors and Supervisors, 2016.  
The Board has approved the following Remuneration Distribution Plan on March 21nd, 2016:
  - I. Remuneration of Directors and Supervisors is NT \$4,185,760.
  - II. Employee Compensation is NT \$4,185,760.
  - III. Comparing the above-mentioned proposed amount of remuneration NT \$8,371,520 and the accounting estimate NT \$8,187,796, the difference of NT \$183,724 will be adjusted in the expense of 2017 accordingly.

## 4. Ratification Items

- (1) Adoption of the Business Report and Financial Statements, 2016  
(Proposed by the Board of Directors)

### Explanatory Notes:

- I. The Company's 2016 Financial Statements, including Balance Sheet, Statement of Comprehensive Income, Statement of Changes in Equity, and Cash Flow Statement, were approved at the Board on March 21, 2016 and reviewed by the supervisors.
- II. All the financial reports listed above were audited by accountants, Mr. Ming-Hsien Lee and Mr. Yung-Chih Lin, of PwC Taiwan.
- III. Operating revenue of FY 16 was NT \$1,185,630 thousands and operating profit was NT \$199,127 thousands; profit before tax was NT \$201,100 thousands, and NT \$165,063 thousands after tax. The earnings per share of FY16 is NT \$3.00.  
Please refer to Business report and financial statements in details, page 12-21.

### Resolution:

Chairperson confirmed no objections was raised.

It is resolved; 2016 Business Report and Financial Statements were hereby approved and adopted as submitted.

- (2) Adoption of the Distribution of Remuneration, 2016.  
(Proposed by the Board of Directors)

### Explanatory Notes:

- I. After adjusting the Retained Earnings of 2016 with legal reserves and associated expenses related to dividends distribution, the Board of Directors has approved the following profit distribution plan: (see Statement of Distribution, Page 21)
- II. Distributing a total of NT \$132,033,600 capital surplus in cash dividends.
- III. Issuing cash dividends only.
- IV. The Board proposes to distribute cash dividends of NT \$2.4 per share.  
According to *the Company Act*, the approval of the shareholders meeting authorizes the Board of Directors to resolve the ex-dividend date, payment date, and other relevant issues. The Board shall adjust the cash dividends based on the number of actual shares outstanding on the record date.

### Resolution:

Chairperson confirmed no objections was raised.

It is resolve; The distribution of 2016 Remuneration is hereby approved and adopted as the proposal.

## 5. Questions and Motions

There being no other business and special motion.

## 6. Meeting Adjourned at 9:27am

# SHIH-KUEN PLASTICS CO., LTD.

## Supervisors' Review Report

The Board of Directors has prepared the Company's 2016 Business Report, Proposal for Profits Distribution, and Financial Statements audited by the accountants, Ming-Hsien Lee and Yung-Chih Lin, of the PwC Taiwan. We as the Supervisors of the Company have examined the aforementioned documents and confirmed no unconformities. According to the Article 219 of *Company Act*, we hereby submit this report. Please be advised accordingly.

Submitted to:

The Company's 2017 Annual Shareholders' Meeting

Supervisors

Ma, Hui- Chen  
Chen, Chih-Min  
Chen, Huann-Wen

March 24, 2017

## Business Report 2016

The operating revenue for FY16 was NT \$1,185,630 thousands, a decrease of 5.28% from NT \$1,251,722 thousands in FY15. The average price of the PVC resin and DINP, main raw material for PVC Sheet, both had decreased by 0.36% and 14.56% respectively, comparing the prices in FY15.

While the operating expense of FY16 was NT \$904,682 thousands, an 8.77% decline comparing to NT \$991,686 thousands in FY15, the operating income increased from NT \$183,461 thousands to NT \$199,127 thousands at 8.54%.

The profit before tax was NT \$201,100 thousands, an increase of NT \$3,097 thousands from NT \$198,003 thousands in FY15; The net profit after tax in FY16 was NT \$165,063 thousands, an increase of NT \$2,247 thousands in FY15. The earning per share was NT \$3.00 as compared to NT \$2.96 last year.

Followings are analysis of financial conditions, operation results and strategic plans:

### 1. Values of Production and Sales, FY16 and FY15:

(Volume in tons. Value in thousands of New Taiwan Dollars):

| PRODUCTION     | FY16   |            |          |  | FY15   |            |          |  |
|----------------|--------|------------|----------|--|--------|------------|----------|--|
|                | Volume | Value      |          |  | Volume | Value      |          |  |
| Soft PVC       | 19,844 | 768,968    | 82.54 %  |  | 19,169 | 802,774    | 80.94 %  |  |
| Semi-Rigid PVC | 3,304  | 162,652    | 17.46 %  |  | 3,858  | 189,073    | 19.06 %  |  |
| Total          | 23,148 | \$ 931,620 | 100.00 % |  | 23,027 | \$ 991,847 | 100.00 % |  |

| SALES          | FY16   |              |          |  | FY15   |              |          |  |
|----------------|--------|--------------|----------|--|--------|--------------|----------|--|
|                | Volume | Value        |          |  | Volume | Value        |          |  |
| Soft PVC       | 19,195 | 998,148      | 84.20 %  |  | 19,146 | 1,022,588    | 81.70 %  |  |
| Semi-Rigid PVC | 3,177  | 187,366      | 15.80 %  |  | 3,704  | 229,060      | 18.30 %  |  |
| Total          | 22,372 | \$ 1,185,514 | 100.00 % |  | 22,850 | \$ 1,251,648 | 100.00 % |  |

### 2. Annual Income, FY16 and FY15 (in thousands of New Taiwan Dollars):

|                                   | FY16       |         | FY15       |         | Change    |
|-----------------------------------|------------|---------|------------|---------|-----------|
|                                   | Amount     | %       | Amount     | %       |           |
| Operating Revenue                 | 1,185,630  | 100.00  | 1,251,722  | 100.00  | (5.28) %  |
| Operating Cost                    | (904,682)  | (76.30) | (991,686)  | (79.23) | (8.77) %  |
| Gross Profit                      | \$ 280,948 | 23.70   | \$ 260,036 | 20.77   | 8.04 %    |
| Operating Expense                 | (81,821)   | (6.90)  | (76,575)   | (6.12)  | 6.85 %    |
| Operating Income                  | \$ 199,127 | 16.80   | \$ 183,461 | 14.65   | 8.54 %    |
| Non-Operating income and Expenses | 1,973      | 0.16    | 14,542     | 1.16    | (86.43) % |
| Profit Before Income Tax          | \$ 201,100 | 16.96   | \$ 198,003 | 15.81   | 1.56 %    |
| Income Tax Expense                | (36,037)   | (3.04)  | (35,187)   | (2.81)  | 2.42 %    |
| Net Income for the Year           | \$ 165,063 | 13.92   | \$ 162,816 | 13.00   | 1.38%     |

### 3. Profitability Analysis FY16 and FY15 (in percentage, except EPS in New Taiwan Dollars):

|                                    | FY16    | FY15    | Change (%) |
|------------------------------------|---------|---------|------------|
| Return on Assets                   | 14.36   | 14.68   | (2.18)     |
| Return on Shareholders' Equity     | 17.00   | 17.65   | (3.68)     |
| Operating Income to Capital Stock  | 36.20   | 33.35   | 8.55       |
| Income Before Tax to Capital Stock | 36.55   | 33.59   | 1.56       |
| Net Profitability                  | 13.92   | 13.00   | 7.08       |
| Earnings Per Share (NT \$)         | \$ 3.00 | \$ 2.96 | 1.35       |

### 4. Budget Execution FY16 and FY15 (in thousands of New Taiwan Dollars):

|                                   | FY16       |         | FY15       |         | Accomplish Rate |
|-----------------------------------|------------|---------|------------|---------|-----------------|
|                                   | Amount     | %       | Amount     | %       |                 |
| Operating Revenue                 | 1,185,630  | 100.00  | 1,201,197  | 100.00  | 98.70           |
| Operating Cost                    | (904,682)  | (76.30) | (966,415)  | (80.45) | 93.61           |
| Gross Profit                      | 280,948    | 23.70   | 234,782    | 19.55   | 119.66          |
| Operating Expense                 | (81,821)   | (6.90)  | (65,769)   | (5.48)  | 124.41          |
| Operating Income                  | \$ 199,127 | 16.80   | \$ 169,013 | 14.07   | 117.82          |
| Non-Operating Income and Expenses | 1,973      | 0.16    | 6,440      | 0.54    | 30.64           |
| Profit Before Income Tax          | \$ 201,100 | 16.96   | \$ 175,453 | 14.61   | 114.62          |
| Income Tax Expense                | (36,037)   | (3.04)  | (29,817)   | (2.49)  | 120.86          |
| Net Income for the Year           | \$ 165,063 | 13.92   | \$ 145,636 | 12.12   | 113.34          |

### 5. Research and Development:

While Shih-Kuen continuously supports clients with quality PVC Sheet by fulfilling diverse market demands, the Company offers versatile customization options from printing, cold-crack, high-resistance, waterproof to anti-mod features.

There are the five major product categories available in mass production:

- I. Double-Polished Normal Clear & Super Clear PVC Sheet
- II. Double-Polished Super Clear PVC Sheet
- III. Embossed, Translucent & Opaque PVC Sheet
- IV. PVC Sheet for Digital Printing and Advertisement
- V. Impact-Resistant PVC Sheet

### 6. Strategic Plan:

- I. Developing stronger bond with domestic clients to secure stable order demands and simultaneously expanding international markets.
- II. Establishing long-term supplier relationship to ensure provision of supplies and mitigate price volatility.
- III. Providing regular employees training to excel in professions and managerial skills.
- IV. Optimizing machinery performance to enhance efficiency, product quality, yield, and control production cost.
- V. Improving administrative management and employee reward system, attracting talents to join Shih-Keun Plastics and maintaining company's sustainability.

Chairman:  
Lin, Chang-Fu



General Manager:  
Chen, Chun-Cheng



Chief Accountant:  
Lin, Yu-Chieh



# SHIH-KUEN PLASTICS CO., LTD.

## BALANCE SHEETS

December 31, 2015 and 2016

(in thousands of New Taiwan Dollars)

|                               | 2016                             |              | 2015   |              |     |
|-------------------------------|----------------------------------|--------------|--------|--------------|-----|
|                               | Amount                           | %            | Amount | %            |     |
| <b>ASSETS</b>                 |                                  |              |        |              |     |
| <b>Current Assets</b>         |                                  |              |        |              |     |
| 1100                          | Cash and Cash Equivalents        | 524,659      | 45     | 538,522      | 48  |
| 1150                          | Notes Receivables, Net           | 44,335       | 4      | 40,541       | 4   |
| 1170                          | Account Receivables, Net         | 180,564      | 15     | 153,199      | 13  |
| 1200                          | Other Receivables                | 4            | -      | 19           | -   |
| 130X                          | Inventories                      | 88,254       | 8      | 73,636       | 6   |
| 1410                          | Prepayment                       | 1893         | -      | 6870         | 1   |
| 11XX                          | <b>Total Current Assets</b>      | \$ 839,709   | 72     | \$ 812,787   | 72  |
| <b>Non-Current Assets</b>     |                                  |              |        |              |     |
| 1600                          | Property, Plant and Equipment    | 317,184      | 27     | 301,235      | 27  |
| 1840                          | Deferred Income Tax Assets       | 5,756        | 1      | 5,189        | -   |
| 1915                          | Prepayment for the Equipment     | -            | -      | 8,236        | 1   |
| 1920                          | Guarantee Deposit Paid           | 4,418        | -      | 4,418        | -   |
| 15XX                          | <b>Total Non-Current Assets</b>  | \$ 327,358   | 28     | \$ 319,078   | 28  |
| 1XXX                          | <b>Total Assets</b>              | \$ 1,167,067 | 100    | \$ 1,131,865 | 100 |
| <b>LIABILITIES AND EQUITY</b> |                                  |              |        |              |     |
| <b>Current Liabilities</b>    |                                  |              |        |              |     |
| 2100                          | Short-Term Borrowings            | 17,021       | 2      | -            | -   |
| 2150                          | Notes Payables                   | 15,462       | 1      | 21,544       | 2   |
| 2170                          | Accounts Payable                 | 63,775       | 5      | 75,670       | 7   |
| 2200                          | Other Payables                   | 34,318       | 3      | 35,623       | 3   |
| 2230                          | Current Income Tax Liabilities   | 18,856       | 2      | 21,026       | 2   |
| 21XX                          | <b>Total Current Liabilities</b> | \$ 149,432   | 13     | \$ 153,863   | 14  |

(continue)

**Non-Current Liabilities**

|      |  |                   |    |                   |    |
|------|--|-------------------|----|-------------------|----|
| 2640 | Net Defined Benefit Liabilities- Non-Current | 26,621            | 2  | 23,357            | 2  |
| 2645 | Guarantee Deposits Received                  | 3,085             | -  | 1,156             | -  |
| 25XX | <b>Total Non-Current Liabilities</b>         | <u>29,706</u>     | 2  | <u>24,513</u>     | 2  |
| 2XXX | <b>Total Liabilities</b>                     | <u>\$ 179,138</u> | 15 | <u>\$ 178,376</u> | 16 |

**EQUITY****Share Capital**

|      |                              |         |    |         |    |
|------|------------------------------|---------|----|---------|----|
| 3110 | Share Capital- Common Shares | 550,140 | 47 | 550,140 | 48 |
| 3200 | Capital Surplus              | 75      | -  | 75      | -  |

**Retained Earnings**

|      |  |                     |     |                     |     |
|------|--|---------------------|-----|---------------------|-----|
| 3310 | Legal Reserve  | 160,389             | 14  | 144,108             | 13  |
| 3350 | Unappropriated Retained Earnings   | <u>277,325</u>      | 24  | <u>259,166</u>      | 23  |
| 3XXX | <b>Total Equity - Contingent Liabilities &amp; Unrecognized Contract Commitments</b> | <u>\$ 987,929</u>   | 85  | <u>\$ 953,489</u>   | 84  |
| 3X2X | <b>Total Liabilities and Equity</b>  | <u>\$ 1,167,067</u> | 100 | <u>\$ 1,131,865</u> | 100 |



# SHIH-KUEN PLASTICS CO., LTD.

## STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2015 and 2016

(in thousands of New Taiwan Dollars, except earnings per share)

|  | 2016         |      | 2015         |      |
|--|--------------|------|--------------|------|
|  | Amount       | %    | Amount       | %    |
| 4000 <b>Operating Revenue</b>  | \$ 1,185,630 | 100  | \$ 1,251,722 | 100  |
| 5000 <b>Operating Costs</b>  | (904,682)    | (76) | 991,686      | (79) |
| 5900 <b>Net Operating Margin</b>   | \$ 280,948   | 24   | \$ 260,036   | 21   |
| <b>OPERATING EXPENSES</b>  |              |      |              |      |
| 6100 Selling Expenses  | (39,843)     | (3)  | (39,696)     | (3)  |
| 6200 General and Administrative Expenses   | (33,696)     | (3)  | (29,579)     | (2)  |
| 6300 Research and Development Expenses   | (8,282)      | (1)  | (7,300)      | (1)  |
| 6000 Total Operating Expenses  | (81,821)     | (7)  | (76,575)     | (6)  |
| 6900 Operating Profit  | \$ 199,127   | 17   | \$ 183,461   | 15   |
| <b>NON-OPERATING INCOME AND EXPENSES</b>   |              |      |              |      |
| 7010 Other Income  | 3,055        | -    | 2,472        | -    |
| 7020 Other Gains and Losses  | (1,060)      | -    | 12,072       | 1    |
| 7050 Finance Costs   | (22)         | -    | (2)          | -    |
| 7000 Total Non-Operating Income and Expenses   | \$ 1,973     |      | \$ 14,542    | 1    |
| 7900 Profit Before Income Tax  | \$ 201,100   | 17   | \$ 198,003   | 16   |
| 7950 Income Tax Expense  | (36,037)     | (3)  | (35,187)     | (3)  |
| 8200 Net Income for The Year   | \$ 165,063   | 14   | \$ 162,816   | 13   |
| (Other comprehensive income (loss) or related components will not be reclassified to profit or loss) |              |      |              |      |
| 8311 Re-measurement of Defined Benefit Obligation  | (4,929)      | -    | (1,831)      | -    |
| 8349 Income Tax  | 838          | -    | 311          | -    |
| (Other related components of comprehensive income will not be reclassified to profit or loss.)       |              |      |              |      |
| 8500 Total Comprehensive Income for the Year   | \$ 160,972   | 14   | \$ 161,296   | 13   |
| <b>EARNINGS PER SHARE</b>  |              |      |              |      |
| 9750 Basic Earnings per Share (in NT \$)   | \$ 3         |      | \$ 2.96      |      |
| 9850 Diluted Earnings per Share (in NT \$)   | \$ 2.99      |      | \$ 2.95      |      |

# SHIH-KUEN PLASTICS CO., LTD.

## STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2015 and 2016

(in thousands of New Taiwan Dollars)

|  | Share Capital |         | Capital Surplus           | Retained Earnings |                         | Total Equity |    |           |    |           |
|--|---------------|---------|---------------------------|-------------------|-------------------------|--------------|----|-----------|----|-----------|
|  | Common Share  |         | Gain / Disposal of Assets | Legal Reserve     | Unappropriated Earnings |              |    |           |    |           |
| BALANCE, JANUARY 1 ,2015                       | \$            | 550,140 | \$                        | 75                | \$                      | 131,217      | \$ | 209,786   | \$ | 891,218   |
| Distribution of 2014 Net Income                |               |         |                           |                   |                         |              |    |           |    |           |
| Legal Reserve                                  |               |         |                           |                   |                         | 12,891       |    | (12,891)  |    | -         |
| Cash Dividends                                 |               |         |                           |                   |                         | -            |    | (99,025)  |    | (99,025)  |
| Net income, Ended Dec. 31, 2015                |               |         |                           |                   |                         | -            |    | 162,816   |    | 162,816   |
| Other Comprehensive Income, Ended Dec. 31,2015 |               |         |                           |                   |                         | -            |    | (1,520)   |    | (1,520)   |
| BALANCE, DECEMBER 31 ,2015                     | \$            | 550,140 | \$                        | 75                | \$                      | 144,108      | \$ | 259,166   | \$ | 953,489   |
|  |               |         |                           |                   |                         |              |    |           |    |           |
| BALANCE, JANUARY 1 ,2016                       |               | 550,140 |                           | 75                |                         | 144,108      |    | 259,166   |    | 953,489   |
| Distribution of 2015 Net Income                |               |         |                           |                   |                         |              |    |           |    |           |
| Legal Reserve                                  |               | -       |                           | -                 |                         | 16,281       |    | (16,281)  |    | -         |
| Cash Dividends                                 |               |         |                           |                   |                         |              |    | (126,532) |    | (126,532) |
| Net Income for the Years, Ended Dec. 2016      |               | -       |                           | -                 |                         | -            |    | 165,063   |    | 165,063   |
| Other Comprehensive Income, Ended Dec. 31,2016 |               |         |                           |                   |                         |              |    | (4,091)   |    | (4,091)   |
| BALANCE, DECEMBER 31 ,2016                     | \$            | 550,140 | \$                        | 75                | \$                      | 160,389      | \$ | 277,325   | \$ | 987,929   |

## Remuneration Distribution

(in thousands of New Taiwan Dollars)

|                           | 2015     | 2014     |
|---------------------------|----------|----------|
| Directors and Supervisors | \$ 4,125 | \$ 2,285 |
| Employees                 | \$ 4,125 | \$ 2,285 |

Remuneration in 2014 and 2015 had been deducted from the statement of the comprehensive income

# SHIH-KUEN PLASTICS CO., LTD.

## STATEMENTS OF CASH FLOW

For the years ended December 31, 2015 and 2016

(in thousands of New Taiwan Dollars)

|   | Year Ended Dec. 31 |            |
|---|--------------------|------------|
|   | 2016               | 2015       |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>       |                    |            |
| Profit before income tax for the year             | \$ 201,100         | \$ 198,003 |
| Adjustments                                       |                    |            |
| Depreciation                                      | 10,989             | 15,174     |
| Gain on Disposal of Property, Plant and Equipment | (177)              | -          |
| Interest Income                                   | (2,517)            | (1,869)    |
| Interest Expense                                  | 22                 | 2          |
| Changes in Operating Assets and Liabilities       |                    |            |
| Changes in Operating Assets                       |                    |            |
| Notes Receivable                                  | (3,794)            | 6,108      |
| Accounts Receivable                               | (27,365)           | 5,025      |
| Other Receivables                                 | 15                 | (7)        |
| Inventories                                       | (14,618)           | 30,752     |
| Prepayments                                       | 4,977              | 606        |
| Changes in Operating Liabilities                  |                    |            |
| Notes Payable                                     | (6,082)            | (961)      |
| Accounts Payable                                  | (11,895)           | (23,060)   |
| Other Payables                                    | (1,305)            | 3,425      |
| Net Defined Benefit Liabilities-Non-Current       | \$ (1,665)         | \$ (1,326) |
| Cash Inflow Generated from Operations             | \$ 147,685         | \$ 231,872 |
| Interest Received                                 | 2,517              | 1,869      |
| Interest Paid                                     | (22)               | (2)        |
| Income Tax Paid                                   | (37,936)           | (29,975)   |
| Net Cash Inflows from Operating Activities        | \$ 112,244         | \$ 203,764 |

(continued)

**CASH FLOWS FROM INVESTING ACTIVITIES**

|   |             |             |
|---|-------------|-------------|
| Cash Paid for Acquisition of Property, Plants & Equipment     | (18,725)    | (1,101)     |
| Cash Received from Disposal of Property, Plants and Equipment | 200         | -           |
| Increase in Prepayment for Equipment                          | -           | (8,451)     |
| Increase in Guarantee Deposits Paid                           | -           | (750)       |
| Net Cash Flows Used in Investing Activities                   | \$ (18,525) | \$ (10,302) |

**CASH FLOWS FROM FINANCING ACTIVITIES**

|  |              |             |
|--|--------------|-------------|
| Increase in Short-Term Borrowings                    | 17,021       | -           |
| Increase (Decrease) in Guarantee Deposit Received    | 1,929        | (139)       |
| Payment of Cash Dividends                            | (126,532)    | (99,025)    |
| Net Cash Flows Used in Financing Activities          | \$ (107,582) | \$ (99,164) |
| Net Increase (Decrease) in Cash and Cash Equivalents | \$ (13,863)  | \$ 94,298   |
| Cash and Cash Equivalents, Beginning                 | 538,522      | 444,224     |
| Cash and Cash Equivalents, Ending                    | \$ 524,659   | \$ 538,522  |

# SHIH-KUEN PLASTICS CO., LTD.

## STATEMENTS OF PROFIT DISTRIBUTION 2016

(in New Taiwan Dollars)

| Items  | Amount         |
|--|----------------|
| Net Profit Before Tax for the Current Year             | \$ 201,100,202 |
| Less: Income Tax                                       | (36,037,135)   |
| Net Profit After Tax for the Current Year              | 165,063,067    |
| Less: Legal Reserve (=10% of Profit After Tax 2016)    | (16,506,307)   |
| Less: Actuarial Losses Adjusted in 2016                | (4,090,877)    |
| Earnings Available for Distribution in 2016            | \$ 144,465,883 |
| Add: Unappropriated Retained Earnings, Beginning       | 116,352,302    |
| Accumulated Distributable Earnings                     | \$ 260,818,185 |
| Less: Cash Dividends (=2.4/shares × 55,014,000 shares) | (132,033,600)  |
| Unappropriated Retained Earnings*, Ending              | \$ 128,784,585 |

### \* Breakdown of Unappropriated Earnings

(in New Taiwan Dollars)

|      |            |       |               |
|------|------------|-------|---------------|
| 2016 | 12,432,283 | 2009  | 3,884,761     |
| 2015 | 18,481,895 | 2008  | 2,575,763     |
| 2014 | 15,212,424 | 2007  | 4,961,348     |
| 2013 | 28,438,620 | 2006  | 12,785,979    |
| 2012 | 27,463,904 | 2005  | 250,772       |
| 2010 | 2,296,836  |       |               |
|      |            | TOTAL | \$128,784,585 |

Chairman:

Lin, Chang-Fu



General Manager:

Chen, Chun-Cheng



Chief Accountant:

Lin, Yu-Chieh

