

Ton Yi Industrial Corp.
Minutes of 2017 Annual General Shareholders' Meeting

Time: Friday, June 23, 2017 at 9:00 am.

Place: 7F Conference Hall, No. 837, Zhongzheng N. Rd., Yongkang
Dist., Tainan City, Taiwan (R.O.C.)

Attendants: Total Shares Represented by Shareholders and Proxies

Present: 1,049,168,121 shares, 1 accounted for 66.43% of the total
shares issued (1,579,145,342 shares)

Chairperson: Chih - Hsien Lo Recorder: Sheau -Lan Wang

Directors Attendance: Chih - Hsien Lo (Chairperson)

Shing-Chi Liang (Direct) 、 Xiu-Ling Kao (Direct) 、

Chao-Kai Haung (Direct) 、 Jui-Sheng Wang (Direct)

Chih-Chung Chen (Direct) 、 Kuo-Keng Chen (Direct) 、

Chin-Chen Chien (Independent Direct) 、

Bing-Eng Wu (Independent Direct)

Sit-in Members: Feng-Fu Chen (President) 、

Lin Tzu-Yu (CPA) 、 Ming-Hsien Lee (CPA)

Yu -Hsu-Hwa (Lawyer)

Chairman's Address: Omitted

Meeting Agenda

One. Reports

Report #1

Summary: Reporting of 2016 Business Report.

Description: The business report for 2016 is attached as Appendix I.

Report #2

Summary: Reporting of Audit Committee's review over the 2016
year-end closure.

Description:

(I) The Company's 2016 financial statements have been audited by PricewaterhouseCoopers Taiwan and reviewed by the Audit Committee. An independent auditor's report and a review report were issued separately by the above two parties. (Please refer to P12~P36 of the Conference Manual)

(II) This report was passed during the 5th meeting of the 16th board of directors.

(III) The Audit Committee Review's Report for 2016 is attached

as Appendix II.

Report #3

Summary: Reporting of proposed 2016 employee' and director' remuneration.

Description:

- (I) Pursuant to Article 235-1 of the Company Law and Article 30 of the Company's Articles of Incorporation: The Company's net income, if any, should be an amount not less than 2% of the net income as the remuneration to employees and an amount not more than 2% of the net income as the remuneration to directors.
- (II) The Company's net income in 2016 after deducting the remuneration to employees and to directors amounted to NT\$1,304,451,499.
- (III) Pursuant to the Articles of Incorporation, employee remuneration totaling NT\$58,081,464 (or 4.82% of net income) and director remuneration totaling NT\$11,986,574 (or 0.99% of net income) have been proposed. Both amounts shall be distributed in cash.
- (IV) The difference between the employee and director remuneration actually distributed and the amount estimated in 2016 (the distributed amount is less than the estimated amount) was NT\$7,257,964 that was adjusted into the 2017 profit and loss account.
- (V) This agenda has been discussed by the Remuneration Committee and passed by the Board of Directors.

Resolution:

Report #4

Summary: Reporting of total guarantees and endorsements made by the Company.

Description: As at December 31, 2016, guarantees and endorsements totaling NT\$0 had been made in accordance with the Company's Guarantee and Endorsement Procedures.

Report #5

Summary: Reporting of total loans granted to third parties.

Description: As of December 31, 2016, loans totaling NT\$0 had been granted to third parties.

Report #6

Summary: Reporting of total financial instruments undertaken by the Company.

Description: All financial instruments undertaken by the Company were for hedging purpose. They were primarily intended to hedge against exchange rate risks arising from export debt entitlements and import debt obligations.

Unit: NTD thousands

Period	Amount of contract principal	Recognized gains (losses)
2016.01 ~ 2016.12	22,728	210

Two. Acknowledgments

Agenda #1 (Proposed by the board of directors)

Summary: Acknowledgment of the Company's 2016 Business Report and Financial Statements.

Description: The Company's 2016 Business Report and Financial Statements have been audited by PricewaterhouseCoopers Taiwan and are available for acknowledgment. Financial Statements are attached as Appendix III.

Resolution: Shares represented at the time of voting 1,047,259,301 votes.

Voting results	% of the total represented share present
Votes in favor : 1,001,278,443 (including 857,787,669 exercised via electronic voting)	95.61%
Votes against : 242,006 (including 242,006 exercised via electronic voting)	0.02%
Votes abstained/no votes : 45,738,852 (including 8,143,656 exercised via electronic voting)	4.37%
Votes invalid	0

RESOLVED, Votes in favor is more than one-half of the shareholders vote, the proposal was approved after voteing.

Agenda #2 (Proposed by the board of directors)

Summary: Acknowledgment of the Company's 2016 Earnings Appropriation.

Description: (I)The earnings distribution stipulated in the Articles of Incorporation: The shareholder's dividend of the Company shall be 50%~100% of the accumulated distributable earnings; also, the cash dividend ratio shall not be less than 30% of the total dividend distribution for the year.

(II)The Company's 2016 separated financial report has been prepared and the net income amounted to NT\$1,069,141,009; also, after deducting the unappropriated earnings – beginning for NT\$24,615,497, the actuarial loss of the defined benefit plan for NT\$124,160,843, the legal reserve appropriated for NT\$96,959,566, and the special reserve for NT\$248,691,904, the distributable earnings for the year amounted to NT\$623,944,193.

(III)For the Company's 2016 Earnings Appropriation, a proposal has been made to pay a cash dividend of NT\$600,075,230 (NT\$380 per thousand shares) from available earnings. The amount of cash dividends shall be calculated and truncated to the nearest NT\$1. Fractions that do not amount to a full NT\$1 shall be summed and recognized by the Company as other income. The Company's 2016 Earnings Appropriation is attached as Appendix I and Appendix IV.

(IV)Proposal to request shareholders' permission to authorize the board of directors for decisions such as the ex-dividend date and details concerning the cash dividend, which are to be announced in accordance with law.

(V)This agenda has been discussed by the Audit Committee and passed by the board of directors.

Resolution: Shares represented at the time of voting 1,047,259,301 votes.

Voting results	% of the total represented share present
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Votes in favor : 1,001,294,091 (including 857,763,719 exercised via electronic voting)	95.61%
Votes against : 265,956 (including 265,956 exercised via electronic voting)	0.02%
Votes abstained/no votes : 45,738,852 (including 15,112,460 exercised via electronic voting)	4.37%
Votes invalid	0

RESOLVED, Votes in favor is more than one-half of the shareholders vote, the proposal was approved after voteing.

Tree. Discussions

Report #1 (Proposed by the Board of Directors)

Summary: Amendment of the Company's "Articles of Incorporation".

Proposed for discussion.

Description:

(I) This amendment has been proposed in response to Article 26-2 of the Stock Exchange Act (the notice period and manner of the shareholders' meeting to the small order stock shareholders), voting in the shareholders' meeting can be exercised in writing and by electronic voting with the corresponding clauses amended in accordance with the actual operation.

(II) This agenda has been discussed by the Audit Committee and passed by the board of directors.

(III) The proposed amendments to the Articles of Incorporation is attached as Appendix V

Resolution: Shares represented at the time of voting 1,049,168,121 votes.

Voting results	% of the total represented share present
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Votes in favor : 1,001,294,091 (including 857,803,317 exercised via electronic voting)	95.44%
Votes against : 233,358 (including 233,358 exercised via electronic voting)	0.02%
Votes abstained/no votes : 47,640,672 (including 15,112,460 exercised via electronic voting)	4.54%
Votes invalid	0

RESOLVED, Votes in favor is more than one-half of the shareholders vote, the proposal was approved after voteing.

Report #2 (Proposed by the Board of Directors)

Summary: Amendment of the Company's "Rules of Procedures for Shareholders Meetings". Proposed for discussion.

Description:

- (I) In response to the Company's implementing an electronic ballot, in addition to the reporting matters in the shareholders' meeting, the remaining motions will be voted on a case-by-case (separate) basis; also, the voting result will be recorded in the minutes of the shareholders' meeting and the Market Observation Post System.
- (II) This agenda has been discussed by the Audit Committee and passed by the board of directors.
- (III) The proposed amendments to the Rules of Procedures for Shareholders' Meeting is attached as Appendix VI.

Resolution: Shares represented at the time of voting 1,049,168,121 votes.

Voting results	% of the total represented share present
Votes in favor : 1,001,254,407 (including 857,763,633 exercised via electronic voting)	95.43%

Votes against : 273,042 (including 273,042 exercised via electronic voting)	0.03%
Votes abstained/no votes : 47,640,672 (including 8,136,656 exercised via electronic voting)	4.54%
Votes invalid	0

RESOLVED, Votes in favor is more than one-half of the shareholders vote, the proposal was approved after voteing.

Report #3 (Proposed by the Board of Directors)

Summary: Amendment of the Company’s “Procedures for the Acquisition and Disposal of Assets”. Proposed for discussion.

Description:

- (I) In response to the amendments of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” according to FSC.Far.Zi No. 1060001296 by the Financial Supervisory Commission.
- (II) This agenda has been discussed by the Audit Committee and passed by the board of directors.
- (III) The proposed amendments to the Procedures for Acquisition and Disposal of Assets is attached as Appendix VII .

Resolution: Shares represented at the time of voting 1,049,168,121 votes.

Voting results	% of the total represented share present
Votes in favor : 1,001,256,941 (including 857,766,167 exercised via electronic voting)	95.43%
Votes against : 270,508 (including 270,508 exercised via electronic voting)	0.03%
Votes abstained/no votes : 47,640,672 (including 8,136,656 exercised via electronic voting)	4.54%

voting)	
Votes invalid	0

RESOLVED, Votes in favor is more than one-half of the shareholders vote, the proposal was approved after voteing.

Question and Motions : none

Adjournment : June 23, 2017 at 9:30 am.

Following the recovery of global steel prices, the selling price of tin plates has also risen to the point where the Company was able to make a reasonable margin; meanwhile, sales volume of cold-rolled steel, TMBP and tin plates had also increased by 6% in 2016 over the previous year. Improvement of both price and volume are reflected favorably in figures such as gross profits and operating profits and although the PET plant in China experienced a decline in sales volume, it still managed to maintain profits at a level comparable to the previous year. Despite increased price and volume, the full-year average selling price of tin plates was still 8% lower than the previous year. This, combined with the loss of revenues from the PET segment, produced consolidated revenues of NT\$32.749 billion in 2016, down 9.5% from the previous year. Stand-alone revenues in 2016 amounted to NT\$15.914 billion, representing a 7% decrease, but net income had increased by 81% to NT\$1.069 billion. The loss of revenue was met by a significant increase in profits mainly due to the recovery of tin plate prices.

The global economy had changed much in the previous year. While the entire world was anticipating a rate hike in the United States, currencies of other countries had weakened, especially the RMB, which caused certain impact on the Company's operations. The sudden collapse of the RMB one year before last eroded much of the Company's profits that year, but with the implementation of hedging measures, the Company managed to avoid loss of operating profits from the continuous weakening of the RMB last year. Nevertheless, the weaker currency did result in some losses on translation of net asset value, given the extensive investments the Company has in China. The Company operates and invests in many parts of the world, therefore it pays constant attention to the exchange rate changes.

The Company values its duties not only to consumers, but to its employees and the environment as well. The Company prides itself in producing safe, healthy and appealing tin cans for various food and beverages. It adds value to the food supply chain by making consumers feel

safe about the products that they purchase, and contributes to the society by refining its production procedures in ways that minimize impact on the environment. Through after-sales service and research, we continue to refine the quality of products and services offered and take step towards sustainability. To ensure food safety, the Company has constructed a national-grade laboratory and passed international certifications including JIS G3303, ISO9001, ISO14001, OHSAS 18001 & TOSHMS. In 2014, the Company adopted ISO 22000, CNS12681 and CNS labeling to assure customers of the safety of the things that we make.

In 2017, we shall build on top of our existing advantage in tins, tin cans and PET bottles, and develop more advanced technology in the production of beverage containers. Our solid presence in China will enable us to capture the enormous potentials of the local beverage market and prepare us for expansions into the world market. For the coming future, Ton Yi Industrial will continue to devote attention towards corporate social responsibilities in areas such as technology improvements, talent training, environmental protection, food safety and corporate governance, and thereby creating a three-win among the employees, shareholders, and the society/environment.

Chairman: Chih-Hsien Lo Manager: Feng-Fu Chen Head of Accounting: Yi-Hsin Liu

Ton Yi Industrial Corp. (Appendix II)

Audit Committeal Corp.

We have reviewed the Company's 2016 Business Report, Financial Statements, and Earnings Appropriation prepared by the Board of Directors. The standalone and consolidated financial statements were audited by CPA Zi-Yu Lin and CPA Ming-Hsien Li of PricewaterhouseCoopers Taiwan, to which they issued an unqualified opinion. Business Report, Financial Statements, and Earnings Appropriation has reviewed the abovementioned reports and found no misstatements. We hereby issue this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

For

The 2017 Annual General Meeting

Ton Yi Industrial Corp.

Audit
Committee

Convener: Chin-Cheng Chien

Member: Ming-Long Wang

Member: Bing-Eng Wu

March 28, 2017

(Appendix III)

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Ton Yi Industrial Corp.

Opinion

We have audited the accompanying parent company only balance sheets of Ton Yi Industrial Corp. as of December 31, 2016 and 2015, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of Ton Yi Industrial Corp. as of December 31, 2016 and 2015, and its parent company only financial performance and parent company only cash flows for the years then ended in accordance with the “Regulations Governing the Preparations of Financial Reports by Securities Issuers”.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the parent company only Financial Statements section of our report. We are independent of Ton Yi Industrial Corp. in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ton Yi Industrial Corp. parent company only financial statements of 2016. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Existence of sales revenues

Description

Please refer to Note 4(27) for the accounting policy on revenue recognition. The Company's sales revenues for the year ended December 31, 2016 was NT\$15,914,109 thousand.

The primary business of Ton Yi Industrial Corp. is selling Tin Plate products. The Company has a large volume of transactions from sales of numerous kinds of products to a wide range of customers in many different countries such as Taiwan, Asia, Europe, America, etc. For the customers and dealers who are from remote districts, the substantive of sales revenue need times to be confirmed. This matter also exists in the subsidiaries of Ton Yi Industrial Corp. (investments accounted for under equity method). Thus, the existence of sales revenue has been identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. Inspecting whether approved additions to the merchandise master file data had been correctly entered in the merchandise master file which include basic information of customers, such as name of representative, location of company, amount of capital and scope of business for evaluating the creditworthiness of buyers.
2. Understanding, evaluating and validating management's controls in respect of the Company's sales transactions from customer order's approval, goods delivery, sales recording, reconciliation of cash receipts and customer's records to subsequent settlement of trade receivables. In addition, testing the internal control environment of the Company's effectiveness of revenue recognition.
3. Performing substantive test on selected sales transactions including confirming orders, shipping documents, invoices and cash receipts to verify the existence of sale revenues.

Inventory evaluation

Description

Please refer to Notes 4(7) for accounting policy on inventory valuation, Notes 5(2)A for accounting estimates and assumption uncertainty in relation to inventory valuation and Notes 6(4) for details of inventories. For the year ended December 31, 2016, inventory and allowance to reduce inventory to market amounted to NT\$2,035,218 thousand and NT\$8,000 thousand.

The Company's raw materials are often subject to fluctuation in the international steel prices. However, as the Tin Plate products are for necessities, such price changes may not be immediately reflected in reflect material costs immediately. In addition, the competition landscape within the steel industry in China will continue to affect the price of raw materials that would impact the estimation of net realizable value of inventory. This matter also applies to the subsidiaries of Ton Yi Industrial Corp. (investments accounted for under equity method). Thus, we consider the evaluation of inventory as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. Evaluating the adequacy of allowance for inventory and the consistency of provision policy.
2. Assessing the reasonableness of the estimation of net realizable value of Tin plate products and discussing with management and examining related documents to confirm the adequacy of allowance for price decline.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

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

Auditor's responsibilities for the audit of the parent company only financial statements

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

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lin, Tzu-Shu

Independent Accountants

Lee, Ming-Hsien

PricewaterhouseCoopers, Taiwan

Republic of China

March 28, 2017

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2016 AND 2015
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2016 AMOUNT	December 31, 2015 AMOUNT
Current assets			
1100	Cash and cash equivalents	\$ 9,114	\$ 4,801
1150	Notes receivable, net	97,510	160,650
1170	Accounts receivable, net	481,737	352,615
1180	Accounts receivable - related parties	714,160	709,492
1200	Other receivables	97,350	63,097
1210	Other receivables - related parties	-	7,627
130X	Inventory	2,027,218	1,571,397
1410	Prepayments	169,847	163,699
11XX	Total current assets	3,596,936	3,033,378
Non-current assets			
1523	Available-for-sale financial assets - non-current	122,642	130,896
1543	Financial assets carried at cost - non-current	501,050	501,050
1550	Investments accounted for under equity method	9,265,305	9,997,345
1600	Property, plant and equipment	11,927,726	12,864,316
1760	Investment property - net	5,914	10,099
1780	Intangible assets	-	35,319
1840	Deferred income tax assets	122,221	112,618
1915	Prepayments for business facilities	60	2,915
1920	Guarantee deposits paid	6,257	1,406
1985	Long-term prepaid rents	65,177	43,842
1990	Other non-current assets	8,185	9,407
15XX	Total non-current assets	22,024,537	23,709,213
1XXX	Total assets	\$ 25,621,473	\$ 26,742,591

(Continued)

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2016 AND 2015
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2016 AMOUNT	December 31, 2015 AMOUNT
Current liabilities			
2100	Short-term borrowings 6(12)	\$ 1,023,800	\$ 18,405
2110	Short-term notes and bills payable 6(13)	349,838	-
2150	Notes payable	13,325	24,074
2170	Accounts payable	405,078	221,537
2200	Other payables 6(27)	615,068	593,578
2230	Current income tax liabilities 6(25)	86,683	45,657
2310	Advance receipts	42,059	49,456
2320	Long-term liabilities, current portion 6(14) and 9	-	1,800,000
21XX	Total current liabilities	<u>2,535,851</u>	<u>2,752,707</u>
Non-current liabilities			
2540	Long-term borrowings 6(14) and 9	4,159,550	4,592,538
2550	Provisions for liabilities - non-current 6(15)(22)	75,389	74,001
2570	Deferred income tax liabilities 6(25)	205,489	204,508
2640	Accrued pension liabilities - non-current 5(2) and 6(16)	459,460	365,767
2645	Guarantee deposits received	5,500	5,500
25XX	Total non-current liabilities	<u>4,905,388</u>	<u>5,242,314</u>
2XXX	Total liabilities	<u>7,441,239</u>	<u>7,995,021</u>
Equity			
Share capital			
3110	Share capital - common stock 6(17)	15,791,453	15,791,453
3200	Capital surplus 6(18)	228,178	228,178
	Retained earnings 6(19)(25)		
3310	Legal reserve	1,439,699	1,379,732
3320	Special reserve	826,453	826,453
3350	Unappropriated retained earnings	969,596	589,910
3400	Other equity interest	(1,075,145)	(68,156)
3XXX	Total equity	<u>18,180,234</u>	<u>18,747,570</u>
Contingent liabilities and commitments			
3X2X	Total liabilities and equity 7 and 9	<u>\$ 25,621,473</u>	<u>\$ 26,742,591</u>

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

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(Expressed in thousands of New Taiwan dollars, except for earning per share)

	Items	Notes	Year ended December 31	
			2016 AMOUNT	2015 AMOUNT
4000	Sales revenue	7	\$ 15,914,109	\$ 17,152,577
5000	Operating costs	6(4)(10)(11)(16)(23)(24), 7 and 9	(13,778,246)	(15,572,801)
5900	Net operating margin		2,135,863	1,579,776
5910	Unrealized profit from sales	6(7) and 7	(142,201)	(44,739)
5920	Realized profit from sales	6(7)	44,739	127,436
5950	Net operating margin		2,038,401	1,662,473
	Operating expenses	6(3)(16)(23)(24), 7 and 9		
6100	Selling expenses		(735,863)	(739,211)
6200	General & administrative expenses		(412,466)	(357,923)
6000	Total operating expenses		(1,148,329)	(1,097,134)
6900	Operating profit		890,072	565,339
	Non-operating income and expenses			
7010	Other income	6(20) and 7	39,929	41,796
7020	Other gains and losses	6(21), 7 and 12	21,498	24,457
7050	Finance costs	6(8)(15)(22)	(88,419)	(115,395)
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(7)	364,045	181,839
7000	Total non-operating income and expenses		337,053	132,697
7900	Profit before income tax		1,227,125	698,036
7950	Income tax expense	6(25)	(157,984)	(108,018)
8200	Profit for the year		\$ 1,069,141	\$ 590,018
	Other comprehensive income			
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss			
8311	Remeasurements of defined benefit plans	6(16)	(\$ 149,591)	(\$ 30,055)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	25,430	5,109
	Components of other comprehensive income (loss) that will be reclassified to profit or loss			
8361	Exchange translation differences arising on translation of foreign operations	6(7)	(998,623)	(494,736)
8362	Unrealized loss on valuation of available-for-sale financial assets	6(5)	(8,254)	(47,444)
8399	Income tax relating to the components of other comprehensive income	6(25)	(112)	801
8300	Other comprehensive loss for the year		(\$ 1,131,150)	(\$ 566,325)
8500	Total comprehensive (loss) income for the year		(\$ 62,009)	\$ 23,693
9750	Basic earnings per share from continuing operations	6(26)	\$ 0.68	\$ 0.37
9850	Diluted earnings per share from continuing operations	6(26)	\$ 0.67	\$ 0.37

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

TON YI INDUSTRIAL CORP
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital- common stock	Capital Reserves			Retained Earnings			Other Equity Interest		Total equity
			Capital surplus, additional paid-in capital	Treasury stock transactions	Donated assets received	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange difference arising on translation of foreign operations	Unrealized gain or loss on available-for-sa le financial assets	
<u>2015</u>											
Balance at January 1, 2015		\$ 15,791,453	\$ 58,271	\$ 169,088	\$ 819	\$ 1,303,221	\$ 826,453	\$ 811,964	\$ 673,800	(\$ 200,577)	\$ 19,434,492
Distribution of 2014 net income (Note):											
Legal reserve		-	-	-	-	76,511	-	(76,511)	-	-	-
Cash dividends	6(19)	-	-	-	-	-	-	(710,615)	-	-	(710,615)
Profit for the year		-	-	-	-	-	-	590,018	-	-	590,018
Other comprehensive loss for the year		-	-	-	-	-	-	(24,946)	(493,935)	(47,444)	(566,325)
Balance at December 31, 2015		<u>\$ 15,791,453</u>	<u>\$ 58,271</u>	<u>\$ 169,088</u>	<u>\$ 819</u>	<u>\$ 1,379,732</u>	<u>\$ 826,453</u>	<u>\$ 589,910</u>	<u>\$ 179,865</u>	<u>(\$ 248,021)</u>	<u>\$ 18,747,570</u>
<u>2016</u>											
Balance at January 1, 2016		\$ 15,791,453	\$ 58,271	\$ 169,088	\$ 819	\$ 1,379,732	\$ 826,453	\$ 589,910	\$ 179,865	(\$ 248,021)	\$ 18,747,570
Distribution of 2015 net income (Note):											
Legal reserve		-	-	-	-	59,967	-	(59,967)	-	-	-
Cash dividends	6(19)	-	-	-	-	-	-	(505,327)	-	-	(505,327)
Profit for the year		-	-	-	-	-	-	1,069,141	-	-	1,069,141
Other comprehensive loss for the year		-	-	-	-	-	-	(124,161)	(998,735)	(8,254)	(1,131,150)
Balance at December 31, 2016		<u>\$ 15,791,453</u>	<u>\$ 58,271</u>	<u>\$ 169,088</u>	<u>\$ 819</u>	<u>\$ 1,439,699</u>	<u>\$ 826,453</u>	<u>\$ 969,596</u>	<u>(\$ 818,870)</u>	<u>(\$ 256,275)</u>	<u>\$ 18,180,234</u>

(Note) The employees' bonuses and directors' remuneration were \$58,920 and \$43,984 in 2014 and 2015, respectively, which had been deducted from net income for the year.

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

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(Expressed in thousands of New Taiwan dollars)

	Notes	2016	2015
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,227,125	\$ 698,036
Adjustments			
Adjustments to reconcile profit (loss)			
Provision for doubtful accounts	6(3)	383	347
(Reversal of allowance) provision for inventory market price decline	6(4)	(149,000)	139,000
Share of profit of associates and joint ventures accounted for under equity method	6(7)	(364,045)	(181,839)
Unrealized profit from sales	6(7)	142,201	44,739
Realized profit from sales	6(7)	(44,739)	(127,436)
Depreciation on property, plant and equipment	6(8)(23)	1,017,305	1,052,307
Loss on disposal of property, plant and equipment	6(21)	51	25,031
Gain on disposal of investment property	6(21)	(5,993)	-
Amortization	6(10)(23)	35,319	35,319
Amortization of long-term prepaid rent	6(11)	2,866	2,505
Dividend income	6(20)	(5,152)	(3,458)
Interest income	6(20)	(138)	(90)
Interest expense	6(22)	88,419	115,395
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		63,778	(15,397)
Accounts receivable		(130,143)	14,618
Accounts receivable - related parties		(4,668)	360,865
Other receivables		(34,253)	51,131
Other receivables - related parties		7,627	(7,627)
Inventories		(306,821)	647,978
Prepayments		(6,148)	11,172
Changes in operating liabilities			
Notes payable		(10,749)	4,503
Accounts payable		183,541	112,492
Other payables		20,792	(76,137)
Advance receipts		(7,397)	8,910
Accrued pension liabilities - non-current		(55,898)	(54,323)
Cash inflow generated from operations		1,664,263	2,858,041
Cash dividends received from investments accounted for under equity method	6(7)	-	3,808
Dividends received		5,152	3,458
Interest received		138	90
Interest paid		(89,151)	(114,931)
Income tax paid		(100,262)	(116,775)
Net cash flows from operating activities		<u>1,480,140</u>	<u>2,633,691</u>

(Continued)

TON YI INDUSTRIAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(27)	(\$ 16,871)	(\$ 30,814)
Proceeds from disposal of property, plant and equipment		587	38
Proceeds from disposal of investment property		10,178	-
Increase in prepayments for equipment		(57,270)	(118,916)
Interest paid for prepayments for equipment	6(8)(22)	(869)	(473)
(Increase) decrease in guarantee deposits paid		(4,851)	4,776
Increase in long-term prepaid rent		(24,201)	-
Decrease (increase) in other non-current assets		<u>1,222</u>	<u>(1,968)</u>
Net cash flows used in investing activities		<u>(92,075)</u>	<u>(147,357)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings		1,005,395	(179,482)
Increase (decrease) in notes and bills payable		350,000	(100,000)
Increase in long-term borrowings		8,543,966	19,900,535
Decrease in long-term borrowings		(10,777,786)	(21,401,964)
Cash dividends paid	6(19)	<u>(505,327)</u>	<u>(710,615)</u>
Net cash flows used in financing activities		<u>(1,383,752)</u>	<u>(2,491,526)</u>
Net increase (decrease) in cash and cash equivalents		4,313	(5,192)
Cash and cash equivalents at beginning of year	6(1)	<u>4,801</u>	<u>9,993</u>
Cash and cash equivalents at end of year	6(1)	<u>\$ 9,114</u>	<u>\$ 4,801</u>

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of Ton Yi Industrial Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Ton Yi Industrial Corp. and its subsidiaries (the “Group”) as of December 31, 2016 and 2015, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2016 and 2015, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparations of Financial Reports by Securities Issuers”.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ton Yi Industrial Corp. consolidated financial statements of 2016. These matters were addressed in the context of our audit of the consolidated statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Existence of sales revenues

Description

Please refer to Note 4(30) for the accounting policy on revenue recognition. The Group's sale revenues from Tin Plate products for the year ended December 31, 2016 was NT\$19,469,132 thousand.

The primary business of Ton Yi Industrial Corp. and its subsidiaries is Tin Plate products. The Group has a large volume of transactions from sales of numerous kinds of products to a wide range of customers in many different countries such as Taiwan, Asia, Europe, America, etc. For the customers and dealers who are from remote districts, the substantive of sales revenue need times to be confirmed. This matter also exists in the subsidiaries of Ton Yi Industrial Corp. Thus, the existence of sales revenue has been identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. Inspecting whether approved additions to the merchandise master file data had been correctly entered in the merchandise master file which include basic information of customers, such as name of representative, location of company, amount of capital and scope of business for evaluating the creditworthiness of buyers.
2. Understanding, evaluating and validating management's controls in respect of the Company's sales transactions from customer order's approval, goods delivery, sales recording, reconciliation of cash receipts and customer's records to subsequent settlement of trade receivables. In addition, testing the internal control environment of the Company's effectiveness of revenue recognition.
3. Performing substantive test on selected sales transactions including confirming orders, shipping documents, invoices and cash receipts to verify the existence of sale revenues.

Inventory evaluation

Description

Please refer to Note 4(9) for accounting policy on inventory valuation, Notes 5(2)A for the accounting estimates and assumption uncertainty in relation to inventory valuation. For the year ended December 31, 2016, Tin Plate products inventory and allowance to reduce inventory to market are NT\$3,022,593 thousand and NT\$40,503 thousand.

The Group's raw materials are often subject to fluctuation in the international steel prices. However, as the Tin Plate products are for necessities, such price changes may not be immediately reflected in reflect material costs immediately. In addition, the competition landscape within the steel industry in

China will continue to affect the price of raw materials that would impact the estimation of net realizable value of inventory. Thus, the inventory evaluation has been identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. Evaluating the adequacy of allowance for inventory and the consistency of provision policy.
2. Assessing the reasonableness of the estimation of net realizable value of Tin plate products and discussing with management and examining related documents to confirm the adequacy of allowance for price decline.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Ton Yi Industrial Corp. as of and for the years ended December 31, 2016 and 2015.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparations of Financial Reports by Securities Issuers”, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s

report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group's to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lin, Tzu-Shu

Independent Accountants

Lee, Ming-Hsien

PricewaterhouseCoopers, Taiwan

Republic of China

March 28, 2017

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability

for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2016 AND 2015
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2016 AMOUNT	December 31, 2015 AMOUNT
Current assets			
1100	Cash and cash equivalents	\$ 745,621	\$ 704,759
1150	Notes receivable, net	690,719	923,390
1170	Accounts receivable, net	1,873,439	1,447,523
1180	Accounts receivable - related parties	886,754	886,015
1200	Other receivables	118,097	85,058
1220	Current income tax assets	40,205	55,355
130X	Inventories	3,520,787	3,800,625
1410	Prepayments	729,133	1,165,797
1476	Other current financial assets	21,367	6,622
11XX	Total current assets	8,626,122	9,075,144
Non-current assets			
1523	Available-for-sale financial assets - non-current	122,642	130,896
1543	Financial assets carried at cost - non-current	501,050	501,050
1600	Property, plant and equipment - net	28,914,965	32,623,697
1760	Investment property - net	137,670	158,012
1780	Intangible assets	399,648	453,510
1840	Deferred income tax assets	572,239	590,677
1915	Prepayments for business facilities	3,696	43,769
1920	Guarantee deposits paid	89,800	90,730
1985	Long-term prepaid rents	503,015	525,685
1990	Other non-current assets	41,967	60,192
15XX	Total non-current assets	31,286,692	35,178,218
1XXX	Total assets	\$ 39,912,814	\$ 44,253,362

(Continued)

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2016 AND 2015
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2016 AMOUNT	December 31, 2015 AMOUNT	
Current liabilities				
2100	Short-term borrowings	6(12) and 9	\$ 2,575,599	\$ 2,898,530
2110	Short-term notes and bills payable	6(13)	349,838	-
2150	Notes payable		13,325	24,074
2170	Accounts payable		1,071,402	960,547
2180	Accounts payable - related parties	7	92,276	108,918
2200	Other payables	6(28)	1,331,162	1,429,725
2220	Other payables - related parties	7	104,386	73,766
2230	Current income tax liabilities	6(26)	88,944	53,369
2305	Other current financial liabilities		20,929	21,631
2310	Advance receipts		237,597	57,972
2320	Long-term liabilities, current portion	6(15) and 9	1,305,665	4,947,555
21XX	Total current liabilities		<u>7,191,123</u>	<u>10,576,087</u>
Non-current liabilities				
2530	Corporate bonds payable	6(14)	658,144	711,756
2540	Long-term borrowings	6(15) and 9	11,982,355	12,347,156
2550	Provisions for liabilities - non-current	6(16)(23)	75,389	74,001
2570	Deferred income tax liabilities	6(26)	375,518	324,455
2630	Long-term deferred revenue	6(28)	-	47,917
2640	Accrued pension liabilities - non-current	5(2) and 6(17)	459,460	365,767
2645	Guarantee deposits received		8,309	10,295
25XX	Total non-current liabilities		<u>13,559,175</u>	<u>13,881,347</u>
2XXX	Total liabilities		<u>20,750,298</u>	<u>24,457,434</u>
Equity attributable to owners of parent				
Share capital				
3110	Share capital - common stock	6(18)	15,791,453	15,791,453
3200	Capital surplus	6(19)	228,178	228,178
Retained earnings				
3310	Legal reserve	6(20)(26)	1,439,699	1,379,732
3320	Special reserve		826,453	826,453
3350	Unappropriated retained earnings		969,596	589,910
3400	Other equity interest		(1,075,145)	(68,156)
31XX	Equity attributable to owners of the parent		<u>18,180,234</u>	<u>18,747,570</u>
36XX	Non-controlling interest	4(3)	982,282	1,048,358
3XXX	Total equity		<u>19,162,516</u>	<u>19,795,928</u>
Contingent liabilities and commitments				
3X2X	Total liabilities and equity		<u>\$ 39,912,814</u>	<u>\$ 44,253,362</u>

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except for earning per share)

Items	Notes	Year ended December 31		
		2016	2015	
		AMOUNT	AMOUNT	
4000	Sales revenue	7	\$ 32,748,645	\$ 36,178,627
5000	Operating costs	6(4)(10)(11)(17)(24)(25), 7 and 9	(28,409,397)	(32,605,191)
5950	Net operating margin		4,339,248	3,573,436
	Operating profit	6(3)(9)(10)(11)(17)(24)(25), 7 and 9		
6100	Selling expenses		(1,247,586)	(1,257,061)
6200	General and administrative expenses		(1,211,302)	(1,225,959)
6000	Total operating expenses		(2,458,888)	(2,483,020)
6900	Operating profit		1,880,360	1,090,416
	Non-operating income and expenses			
7010	Other income	6(3)(9)(21)	119,196	181,701
7020	Other gains and losses	6(5)(22) and 12	(17,908)	85,818
7050	Finance costs	6(8)(16)(23)	(551,487)	(655,188)
7000	Total non-operating income and expenses		(450,199)	(387,669)
7900	Profit before income tax		1,430,161	702,747
7950	Income tax expense	6(26)	(359,531)	(210,790)
8200	Profit for the year		\$ 1,070,630	\$ 491,957
	Other comprehensive income			
	Components of other comprehensive income that will not be reclassified to profit or loss			
8311	Remeasurements of defined benefit plans	6(17)	(\$ 149,591)	(\$ 30,055)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	25,430	5,109
	Components of other comprehensive income that will be reclassified to profit or loss			
8361	Exchange translation differences arising on translation of foreign operations		(1,066,188)	(519,213)
8362	Unrealized loss on valuation of available-for-sale financial assets	6(6)	(8,254)	(47,444)
8399	Income tax relating to the components of other comprehensive income	6(26)	112	801
8300	Other comprehensive loss for the year		(\$ 1,198,715)	(\$ 590,802)
8500	Total comprehensive loss for the year		(\$ 128,085)	(\$ 98,845)
	Profit (loss) attributable to:			
8610	Owners of the parent		\$ 1,069,141	\$ 590,018
8620	Non-controlling interest		1,489	(98,061)
			\$ 1,070,630	\$ 491,957
	Comprehensive loss attributable to:			
8710	Owners of the parent		(\$ 62,009)	(\$ 23,693)
8720	Non-controlling interest		(66,076)	(122,538)
			(\$ 128,085)	(\$ 98,845)
9750	Basic earnings per share from continuing operations	6(27)	\$ 0.68	\$ 0.37
9850	Diluted earnings per share from continuing operations	6(27)	\$ 0.67	\$ 0.37

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent											Non-controlling interest	Total equity
	Capital Reserves			Retained Earnings				Other Equity Interest			Total		
	Share capital - common stock	Capital surplus, additional paid-in capital	Treasury stock transactions	Donated assets received	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange difference arising on translation of foreign operations	Unrealized gain or loss on available-for-sale financial assets				
2015													
Balance at January 1, 2015	\$ 15,791,453	\$ 58,271	\$ 169,088	\$ 819	\$ 1,303,221	\$ 826,453	\$ 811,964	\$ 673,800	(\$ 200,577)	\$ 19,434,492	\$ 1,174,555	\$ 20,609,047	
Distribution of 2014 net income(Note):													
Legal reserve	-	-	-	-	76,511	-	(76,511)	-	-	-	-	-	
Cash dividends	6(20)	-	-	-	-	-	(710,615)	-	-	(710,615)	(3,659)	(714,274)	
Profit for the year	-	-	-	-	-	-	590,018	-	-	590,018	(98,061)	491,957	
Other comprehensive loss for the year	-	-	-	-	-	-	(24,946)	(493,935)	(47,444)	(566,325)	(24,477)	(590,802)	
Balance at December 31, 2015	<u>\$ 15,791,453</u>	<u>\$ 58,271</u>	<u>\$ 169,088</u>	<u>\$ 819</u>	<u>\$ 1,379,732</u>	<u>\$ 826,453</u>	<u>\$ 589,910</u>	<u>\$ 179,865</u>	<u>(\$ 248,021)</u>	<u>\$ 18,747,570</u>	<u>\$ 1,048,358</u>	<u>\$ 19,795,928</u>	
2016													
Balance at January 1, 2016	\$ 15,791,453	\$ 58,271	\$ 169,088	\$ 819	\$ 1,379,732	\$ 826,453	\$ 589,910	\$ 179,865	(\$ 248,021)	\$ 18,747,570	\$ 1,048,358	\$ 19,795,928	
Distribution of 2015 net income:													
Legal reserve	-	-	-	-	59,967	-	(59,967)	-	-	-	-	-	
Cash dividends	6(20)	-	-	-	-	-	(505,327)	-	-	(505,327)	-	(505,327)	
Profit for the year	-	-	-	-	-	-	1,069,141	-	-	1,069,141	1,489	1,070,630	
Other comprehensive loss for the year	-	-	-	-	-	-	(124,161)	(998,735)	(8,254)	(1,131,150)	(67,565)	(1,198,715)	
Balance at December 31, 2016	<u>\$ 15,791,453</u>	<u>\$ 58,271</u>	<u>\$ 169,088</u>	<u>\$ 819</u>	<u>\$ 1,439,699</u>	<u>\$ 826,453</u>	<u>\$ 969,596</u>	<u>(\$ 818,870)</u>	<u>(\$ 256,275)</u>	<u>\$ 18,180,234</u>	<u>\$ 982,282</u>	<u>\$ 19,162,516</u>	

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars)

	Notes	2016	2015
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,430,161	\$ 702,747
Adjustments			
Adjustments to reconcile profit (loss)			
Provision for doubtful accounts	6(3)	7,500	-
Reversal of allowance for doubtful accounts	6(3)	-	(10,366)
(Reversal) provision for inventory market price decline	6(4)	(212,169)	169,676
Gain on disposal of non-current assets held for sale	6(5)(22)	-	(452,780)
Property, plant and equipment transferred to expenses	6(8)	9,000	356
Depreciation on property, plant and equipment	6(8)(9)	2,754,741	2,843,877
(Gain) loss on disposal of property, plant and equipment	6(22)	(18,975)	30,623
Gain on disposal of investment property	6(22)	(5,993)	-
Amortization	6(10)(24)	45,374	45,702
Amortization of long-term prepaid rent	6(11)	13,422	12,963
Dividend income	6(21)	(5,152)	(3,458)
Interest income	6(21)	(13,341)	(25,432)
Interest expense	6(23)	551,487	655,188
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		233,309	331,892
Accounts receivable		(429,847)	606,141
Accounts receivable - related parties		(739)	(196,323)
Other receivables		(33,039)	58,153
Inventories		495,546	1,084,919
Prepayments		436,664	620,468
Changes in operating liabilities			
Notes payable		(10,749)	4,503
Accounts payable		110,855	358,932
Accounts payable - related parties		(16,642)	(63,643)
Other payables		(44,733)	(30,886)
Other payables - related parties		30,620	22,653
Advance receipts		179,625	4,953
Long-term deferred revenue		(2,897)	(931)
Accrued pension liabilities - non-current		(55,898)	(54,323)
Cash inflow generated from operations		5,448,130	6,715,604
Dividends received		5,152	3,458
Interest received		13,341	25,432
Income tax refund		20,352	4,438
Interest paid		(561,341)	(622,493)
Income tax paid		(260,255)	(434,783)
Net cash flows from operating activities		<u>4,665,379</u>	<u>5,691,656</u>

(Continued)

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of disposal groups held for sale	6(28)	\$ -	\$ 387,937
(Increase) decrease in other current assets - other financial assets		(14,745)	47,357
Acquisition of property, plant and equipment	6(28)	(358,417)	(1,803,425)
Proceeds from disposal of property, plant and equipment		95,053	12,576
Acquisition of investment property	6(9)	(992)	(758)
Proceeds from disposal of investment property		10,178	-
Acquisition of intangible assets	6(10)	(2,404)	(346)
Increase in prepayments for equipment		(124,434)	(243,327)
Interest paid for prepayments for equipment	6(8)(23)	(869)	(773)
Decrease (increase) in guarantee deposits paid		930	(37,200)
Increase in long-term prepaid rent		(24,201)	(50,436)
Decrease in other non-current assets		18,225	16,298
Net cash flows used in investing activities		<u>(401,676)</u>	<u>(1,672,097)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings		(322,931)	(1,204,026)
Increase (decrease) in notes and bills payable		350,000	(100,000)
(Decrease) increase in other current liabilities - other financial liabilities		(702)	5,194
Proceeds from issuance of corporate bonds	6(14)	-	717,242
Increase in long-term borrowings		28,348,218	42,117,420
Decrease in long-term borrowings		(31,909,682)	(45,747,361)
(Decrease) increase in guarantee deposits received		(1,986)	115
Cash dividends paid	6(20)	(505,327)	(710,615)
Payment of cash dividends to non-controlling interests		-	(3,659)
Net cash flows used in financing activities		<u>(4,042,410)</u>	<u>(4,925,690)</u>
Effect of foreign exchange rate changes on cash and cash equivalents		(180,431)	38,987
Net increase (decrease) in cash and cash equivalents		40,862	(867,144)
Cash and cash equivalents at beginning of year	6(1)	704,759	1,571,903
Cash and cash equivalents at end of year	6(1)	<u>\$ 745,621</u>	<u>\$ 704,759</u>

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

Ton Yi Industrial Corp.

(Appendix IV)

2016 Earnings Appropriation

Unit: NTD

Item	Amount
Opening undistributed earnings	\$ 24,615,497
Less: Retained earnings adjustment for 2016~ Actuarial loss on defined benefit plans	(124,160,843)
Adjusted undistributed earnings	(99,545,346)
Plus: 2016 after-tax profit	1,069,141,009
Less: Provision for statutory reserve	(96,959,566)
Less : Provision for special reserve	(248,691,904)
Total distributable earnings	623,944,193
2016 earnings appropriation:	
Cash dividend (NT\$380 per thousand shares)	(600,075,230)
Closing undistributed earnings	\$ 23,868,963

Chairman: Chih-Hsien Lo Manager: Feng-Fu Chen Head of Accounting: Yi-Hsin Liu

Ton Yi Industrial Corp. (Appendix V)
Comparison Table of Articles of Company' s Corporate Charter
Before and After Amendmant

Article	Revised terms	Existing terms	Explanation
Article 6:	The share certificates hereof, the registered ones, shall be duly signed by or affixed with no less than three Directors of the Company, duly authenticated by the competent authorities of the government or certification organization authorized thereby before issuance, Publicly issued shares are exempted from printing , and should be registered by Securities custody film.	It is not necessary for the Company to print stock certificates, but if stock certificates are to be issued, all of them have to be registered. Upon the competent authorities' approval to register or issue new shares, the share certificates hereof, shall be duly signed or sealed of no less than three Directors of the Company, and duly authenticated by the competent authorities of the government or the certification organization authorized thereby before issuance.	To revise the text and to follow the existing operation.
Article 7:	For transfer of shares, both the transferor and transferee shall fill out the application form, sign or affix seal thereon and apply	For transfer of any stock certificate, both the transferor and transferee shall fill out the application form,	To revise the text and to follow the existing operation.

Article	Revised terms	Existing terms	Explanation
	<p>to the Company for share transfer. Until the transfer procedures are completed in full and until the shares under transfer are entered into the Register (Roster) of Shareholders, the transferred shares shall not act against the Company. The matters regarding the Company's equity affairs shall be duly handled in accordance with the "Regulations Governing Equity Affairs of Public Companies" promulgated by the Stock Securities & Exchange Commission, Ministry of Finance.</p>	<p>sign or affix seals thereon and apply to the Company for stock certificate transfer. Until the transfer procedures are completed in full and until the shares under transfer are entered into the Register (Roster) of Shareholders, the transferred stock certificate shall not act against the Company. The matters regarding the Company's equity affairs shall be duly handled in accordance with the "Regulations Governing Equity Affairs of Public Companies" promulgated by the Stock Securities & Exchange Commission, Ministry of Finance.</p>	
<p>Article 9:</p>	<p>No transfer of shares shall be handled within sixty days prior to a shareholders' regular meeting, or within</p>	<p>No transfer of shares shall be handled within sixty days prior to a shareholders' regular meeting, or</p>	<p>Text revision</p>

Article	Revised terms	Existing terms	Explanation
	thirty days prior to a shareholders' extraordinary meeting, or within five days prior to allocation of dividend' bonus or any other benefits.	within thirty days prior to a shareholders' extraordinary meeting, or within five days prior to allocation of dividend' bonus or any other benefits.	
Article 12:	The shareholders' meeting hereof consists of two categories—the shareholders' regular meeting and shareholders' extraordinary meeting. The shareholders' regular meeting shall be convened by the board of directors once per annum within six months from the closing of each fiscal year, with notices for the shareholders' meeting to be served to all shareholders in writing thirty days in advance. The shareholders' extraordinary meeting may be called whenever it is deemed necessary with notices for the shareholders'	The shareholders' meeting hereof consists of two categories—the shareholders' regular meeting and shareholders' extraordinary meeting. The shareholders' regular meeting shall be convened by the board of directors once per annum within six months from the closing of each fiscal year, with notices for the shareholders' meeting to be served to all shareholders in writing thirty days in advance. The shareholders' extraordinary meeting may be called whenever it	According to the Securities Exchange Act Article 26-2 to revise.

Article	Revised terms	Existing terms	Explanation
	meeting to be served to all shareholders in writing fifteen days in advance. An issuer to shareholders who own less than 1,000 shares of nominal stocks may be given in the form of a public announcement; for a regular shareholders meeting.	is deemed necessary with notices for the shareholders' meeting to be served to all shareholders in writing fifteen days in advance.	
Article 13:	In the event where a shareholder is unable to attend a shareholders' meeting for any cause, the shareholder may appoint a proxy to attend the meeting on behalf of the shareholder by executing a power of attorney printed by Company, or participate by ways of electronic transmission. Other than measures specified in Article 177 of the Company Act, a shareholder may also appoint a proxy in accordance with the provisions set forth in the "Rules Governing Appointment	In the event where a shareholder is unable to attend a shareholders' meeting for any case, the shareholder may appoint a proxy to attend the meeting on behalf of the shareholder by executing a power of attorney in accordance with Article 177 of the Company Act.	Shareholders may exercise the voting power in writing and by ways of electronic transmission

Article	Revised terms	Existing terms	Explanation
	of Proxy by the Power of Attorney to Attend a Shareholders Meeting of Public Companies” published by the competent authority.		
Article 16:	Unless otherwise provided in laws, a shareholder shall be entitled to one voting right for each share held by him and he may exercise the voting power in writing or by ways of electronic transmission.	Unless otherwise provided in laws, a shareholder shall be entitled to one voting right for each share held by him.	Shareholders may exercise the voting power in writing and by ways of electronic transmission
Chapter 5	Managerial officers and Consultants	Managers and Employees	In line with the current situation.
Article : 34	<p>These Articles were duly enacted on Mar 20, 1969 and duly amended on :</p> <p>.....</p> <p>41 : Jun 20, 2013</p> <p>42 : Jun 23, 2016</p> <p>43 : Jun 23, 2017</p> <p>This Articles of Association will be implemented after approved by a shareholders meeting. The same shall apply for any amendment.</p>	<p>These Articles were duly enacted on Mar 20, 1969 and duly amended on :</p> <p>.....</p> <p>41 : Jun 20, 2013</p> <p>42 : Jun 23, 2016</p> <p>This Articles of Association will be implemented after approved by a shareholders meeting. The same shall apply for any amendment.</p>	The latest revision date is added into it.

Article	Revised terms	Existing terms	Explanation

Ton Yi Industrial Corp. (Appendix VI)
Comparison Table of Articles of Company's Rules of Procedure for Shareholdings' Meeting Before and After Amendmant

Article	Revised terms	Existing terms	Explanation
十八	<p>A proposal shall be deemed duly resolved should there be no objection raised by any shareholder present in response to such an inquiry by the Chairman. Unless otherwise provided for under the Company Act or Articles of Association, a proposal for vote shall be resolved by a majority of the presenting shareholders. (delete)</p>	<p>A proposal shall be deemed duly resolved should there be no objection raised by any shareholder present in response to such an inquiry by the Chairman. Unless otherwise provided for under the Company Act or Articles of Association, a proposal for vote shall be resolved by a majority of the presenting shareholders. <u>Upon voting process, where there is no objection raised by any shareholders, the proposal shall be deemed resolved and has equal validity as a resolution resolved through voting process.</u></p>	<p>With the shareholders of the practical operations have been taken by case (or division) vote.</p>
十九	<p><u>Motions are to be voted on a case-by-case (separate) basis; also, the consent, opposition, and waiver voted on by the shareholders should be uploaded to the Market Observation Post</u></p>	<p>(Added)</p>	<p>With the shareholders of the practical operations have been taken by case (or division) vote.</p>

Article	Revised terms	Existing terms	Explanation
	<p><u>System.</u> When the same proposal has amendments or alternatives made available, the Chairman is to have the original proposal and the amendment and alternative put together and prioritized for voting. If one of the proposals is resolved, the other proposals will be deemed as vetoed without the need for further voting.</p>	<p>When the same proposal has amendments or alternatives made available, the Chairman is to have the original proposal and the amendment and alternative put together and prioritized for voting. If one of the proposals is resolved, the other proposals will be deemed as vetoed without the need for further voting.</p>	

Ton Yi Industrial Corp. (Appendix VII)

Comparison Table of Articles of Operational Procedures For Acquisition and Disposal of Assets Before and After Amendman

Article	Revised terms	Existing terms	Explanation
<p>Article 4: Appraisal Procedures :</p>	<p>一、…omitted。 二、…omitted。 三、the Company, unless transacting with a government agency, …。 四、Where the Company acquires or disposes of memberships or intangible assets and the transaction price reaches twenty percent (20%) or more of the paid-in capital of the Company or reaches NTD three hundred million (NTD 300,000,000) or more, unless transacting with a government agency…omitted 。 五、…omitted。</p>	<p>一、…omitted。 二、…omitted。 三、the Company, unless transacting with a government agency, …。 四、Where the Company acquires or disposes of memberships or intangible assets and the transaction price reaches twenty percent (20%) or more of the paid-in capital of the Company or reaches NTD three hundred million (NTD 300,000,000) or more, unless transacting with a government agency…omitted 。 五、…omitted。</p>	<p>amendment in working as appropriate in accordance with Article 9 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" newly promulgated by Financial Supervisory Commission.</p>
<p>Article 5: Processing</p>	<p>I. The Company (I) Marketable</p>	<p>I. The Company (I) Marketable</p>	<p>It is amended in response to</p>

Article	Revised terms	Existing terms	Explanation
Procedure :	<p>securities</p> <p>(II)Real property or equipment: The acquisition or disposal of real property or equipment for an amount more than NT\$300 million must be presented to the Board of Directors for discussion and acknowledgement. The land shall be investigated and evaluated by the Planning Division according to the market situation and then presented to the Chairman or the Director or President authorized by the Chairman for approval, while the other assets acquired shall be presented by the responsible department to the Chairman or the Director or President authorized by the Chairman for review and approval <u>in accordance with the Rules Governing the Capital Expenditure Budget.</u> The use of the assets should have a requisition</p>	<p>securities</p> <p>(II)Real property or equipment: The acquisition or disposal of real property or equipment for an amount more than NT\$300 million must be presented to the Board of Directors for discussion and acknowledgement. The land shall be investigated and evaluated by the Planning Division according to the market situation and then presented to the Chairman or the Director or President authorized by the Chairman for approval, while the other assets acquired shall have <u>a capital expenditure plan drafted by each department; also, if it is for an amount more than NT\$200,000, the benefit assessment report should be enclosed</u> and presented by the responsible department to the Chairman or the</p>	<p>the actual operation of the Company</p>

Article	Revised terms	Existing terms	Explanation
	<p>form enclosed for the approval of the supervisors at all levels in accordance with the level of authorities before having it handled in accordance with the procurement process. For the disposal of the assets, the using department is to fill out the Transaction Notice or Project Form for the disposal of the assets to be approved in accordance with the level of authorities in advance.</p>	<p>Director or President authorized by the Chairman for review and approval. The use of the assets should have a requisition form enclosed for the approval of the supervisors at all levels in accordance with the level of authorities before having it handled in accordance with the procurement process. For the disposal of the assets, the using department is to fill out the Transaction Notice or Project Form for the disposal of the assets to be approved in accordance with the level of authorities in advance.</p>	
<p>Article6 : Procedures of Public Announcement and Report:</p>	<p>I. Omitted (I) For the acquisition or disposal of real property with the related party, or, for the acquisition or disposal of assets other than the real property with the related party for an amount over 20%</p>	<p>I. Omitted (I) For the acquisition or disposal of real property with the related party, or, for the acquisition or disposal of assets other than the real property with the related party for an</p>	<p>The criteria for determining the domestic money market funds referred to in Paragraph 1 should be amended in accordance with Article 14 of the “Regulations</p>

Article	Revised terms	Existing terms	Explanation
	<p>of the paid-in capital of the Company, 10% of the total assets, or NT\$300 million. Except for the purchase and sale of the bonds, repurchase/reverse repurchase bonds, and requisition or <u>repurchase</u> of the money market fund issued by the domestic <u>securities investment and trust industry</u>.</p> <p>(II) Omitted (III) Omitted (IV) <u>The acquisition or disposal of assets that refer to equipment used for business operation, traded with a non-related party for an amount more than NT\$1 billion</u> (V) For the acquisition of real property by the proprietary land construction, leased land construction, joint construction - unit sharing program, joint construction – ratio</p>	<p>amount over 20% of the paid-in capital of the Company, 10% of the total assets, or NT\$300 million. Except for the purchase and sale of bonds, repurchase/reverse repurchase bonds, and requisition or <u>redemption</u> of domestic money market funds.</p> <p>(II) Omitted (III) Omitted (IV) For asset trades, or investment in Mainland China, other than the practices stated in the three preceding paragraphs, for an amount over 20% of the paid-in capital or NT\$300 million; however, the following matters are not subject to such requirements:</p> <ol style="list-style-type: none"> 1. Bond trade 2. The trade of the repurchase/reverse repurchase bonds, 	<p>Governing the Acquisition and Disposal of Assets by Public Companies” that was newly issued by the Financial Supervisory Commission. Amend the announcement standard of the acquisition or disposal of equipment intended for business operation that is traded with the non-related party to NT\$1 billion for the public companies with a paid-in capital more than NT\$10 billion in accordance with Article 30 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” that was newly issued by the</p>

Article	Revised terms	Existing terms	Explanation
	<p>sharing program, and joint construction – sales sharing program, the Company is expected to invest for an amount over NT\$500 million.</p> <p><u>(VI)</u> For asset trades, or investment in Mainland China, other than the practices stated in the <u>five</u> preceding paragraphs, for an amount over 20% of the paid-in capital or NT\$300 million; however, the following matters are not subject to such requirements:</p> <ol style="list-style-type: none"> 1. Omitted 2. The trade of repurchase/reverse repurchase of bonds, and requisition or <u>repurchase</u> of domestic money market funds issued by the <u>domestic securities investment and trust industry</u> <p>II. Omitted</p>	<p>and requisition or <u>redemption</u> of domestic money market funds</p> <ol style="list-style-type: none"> 3. The acquisition or disposal of assets that refers to equipment used for business operation, traded with a non-related party for an amount <u>less than</u> NT\$500 million. 4. For the acquisition of real property by proprietary land construction, leased land construction, joint construction - unit sharing program, joint construction – ratio sharing program, and joint construction – sales sharing program, the Company is expected to invest for an amount less than NT\$500 million. <p>II. Omitted III. Omitted IV. The mandatory</p>	<p>Financial Supervisory Commission.</p>

Article	Revised terms	Existing terms	Explanation
	III. Omitted IV. The mandatory disclosures with any error or omission found at the time of announcement <u>should be reported and announced again within 2 days from the event date.</u> V. Omitted	disclosures with any error or omission found at the time of announcement should be reported and announced again. V. Omitted	
Article 11I: Resolution procedures	...Except for the purchase and sale of the bonds, repurchase/reverse repurchase bonds, and requisition <u>or repurchase of money market funds issued by the domestic security investment and trust industry</u> , hereinafter omitted.	...Except for the purchase and sale of the bonds, repurchase/reverse repurchase bonds, and requisition <u>or redemption</u> of domestic money market funds, hereinafter omitted.	The criteria for determining the domestic money market funds referred to in Paragraph 1 should be amended in accordance with Article 14 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” that was newly issued by the Financial Supervisory Commission.
Article 14: Principles and Guidelines for Trading VI. Division of powers and responsibilities: (I) Trader: An VI. Division of powers and responsibilities:	It is amended in response to the actual operation of the Company

Article	Revised terms	Existing terms	Explanation
	<p>executive officer of a derivative commodity transaction of the Company who is appointed by the Chairman or the director or President authorized by the Chairman. They are responsible for the formulation of the trading strategy within the scope of authorization, the execution of the trade command, the disclosure of future transaction risks, and providing information to the relevant departments for reference promptly.</p> <p>(II) <u>Finance Department</u>: Responsible for the confirmation of <u>the</u></p>	<p>(I) Trader: An executive officer of a derivative commodity transaction of the Company who is appointed by the Chairman or the director or President authorized by the Chairman. They are responsible for the formulation of the trading strategy within the scope of authorization, the execution of the trade command, the disclosure of future transaction risks, and providing information to the relevant departments for reference promptly.</p> <p>(II) <u>Accounting Department</u>: Responsible for <u>the</u></p>	

Article	Revised terms	Existing terms	Explanation
	<p><u>transaction, reserve the transaction records, regularly initiating the assessment of the fair value of the position held and the settlement of the derivatives.</u></p> <p>(III) <u>Accounting Department: Responsible for having bookkeeping processed and relevant information disclosed in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Firms” .</u></p> <p>.....</p>	<p><u>confirmation of the transactions that are to be booked according to the relevant provisions with the transaction records reserved; also, regularly initiating the assessment of the fair value of the position held and then presented to the designated traders with the derivatives-related matters disclosed in the financial statements.</u></p> <p>(III) <u>Finance Department: Responsible for the settlement of the derivatives.</u></p>	
Article 18:	When processing mergers, settlements, acquisitions, or share transfers, the	When processing mergers, settlements, acquisitions, or share transfers, the	According to Article 22 of the “Regulations Governing the

Article	Revised terms	Existing terms	Explanation
	<p>Company shall appoint an accountant, attorney, or securities underwriter to express an opinion on the reasonableness of the stock conversion ratio, the purchase price, or the allotment of the cash dividend or other properties to shareholders before convening the board meeting and then presented in the board meeting for discussion and approval. <u>If the Company merged with a subsidiary that has 100% stock shares or total capital directly or indirectly held by the Company; or for a merger between subsidiaries with 100% stock share or capital directly or indirectly held by the Company, it is not necessary to obtain the opinion of the aforementioned</u></p>	<p>Company shall appoint an accountant, attorney, or securities underwriter to express an opinion on the reasonableness of the stock conversion ratio, the purchase price, or the allotment of the cash dividend or other properties to shareholders before convening the board meeting and then present this in the board meeting for discussion and approval.</p>	<p>Acquisition and Disposal of Assets by Public Companies” that was newly issued by the Financial Supervisory Commission, the Company shall be exempted from obtaining an opinion on the reasonableness of the stock conversion ratio for a merger between a 100% invested subsidiary and the Company or a merger between a respectively 100% invested subsidiary in accordance with the Merger & Acquisitions Law.</p>

Article	Revised terms	Existing terms	Explanation
	<u>specialists on the</u> <u>reasonableness of</u> <u>such merger,</u> <u>settlement,</u> <u>acquisition, or</u> <u>share transfer.</u>		