

Stock Code: 6187



All Ring Tech Co., Ltd.

All Ring Tech Co., Ltd.

2018 Annual Shareholders' Meeting

Handbook

June 14, 2018

All Ring Tech Co., Ltd.
2018 Annual Shareholders' Meeting Handbook

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All Ring Tech Co., Ltd.
2018 Annual Shareholders' Meeting Procedure

1. Call Meeting to Order
2. Chairman's Address
3. Guest Speaker's Address
4. Report Items
5. Proposed Items
6. Other Proposals and Extempore Motions
7. Adjournment

All Ring Tech Co., Ltd.
2018 Annual Shareholders' Meeting Agenda

1. Time: 9:00 a.m., Thursday, June 14, 2018
2. Location: No. 22, Lane 16, Minzhi Rd., Luzhu Dist., Beiling Vil., Kaohsiung City (Beiling Village Community Center)
3. Call Meeting to Order
4. Chairman's Address:
5. Guest Speaker's Address:
6. Report Items
 - (I) To report the operational of 2017
 - (II) Audit Committee's review report of 2017
 - (III) To report the status of remunerations for directors and supervisors cash bonus to employees in 2017
 - (IV) Itemized list of endorsements and guarantees in 2017
 - (V) Status of Investment in Mainland China
 - (VI) To report the amendment of "Rules of Procedure for Board of Directors Meeting"
7. Proposed Items
 - (I) To accept 2017 Business Report and Financial Statements
 - (II) To approve the proposal for distribution of 2017 profits
8. Other Proposals and Extempore Motions
9. Adjournment

Report Items

(I) To report the operational of 2017

For the company's 2017 Annual Business Report, please refer to Attachment 1 (page 14).

(II) Audit Committee's review report of 2017

All Ring Tech Co., Ltd.

Audit Committee's review report

Approval for

The Board of Directors has prepared the company's 2017 Annual Business Report, Financial statements, Consolidated Financial Statements, and profits distribution proposal, etc., which were reviewed and confirmed by the Supervisors that there was no discrepancy. According to the Article 219 of the Company Act, we hereby submit this report and kindly request for approval.

To

2018 Annual Shareholders' Meeting

All Ring Tech Co., Ltd.

Supervisors: Hong-Ren Lin

Guo-Cheng Wu

Jin-Shu Tsai

February 27, 2018

(III) To report the status of remunerations for directors and supervisors cash bonus to employees in 2017

Notes: The compensation to the employees and directors according to the 2017 profits are NT\$25,259,806 (in cash) and NT\$3,352,665, respectively, in agreement with the 2017 recognized expenses.

(IV) Itemized list of endorsements and guarantees in 2017

Notes: 1. In compliance with the Company's operating procedures of endorsements and guarantees, the total amount of endorsement provided by the Company shall not exceed 40% of its current net worth. The endorsement provided by the Company for any single entity shall not exceed 20% of its current net worth. For any single entity in business with the Company, the endorsement should not exceed the last year's total amount of transactions (the purchase or sales between two parties, whichever is higher). The net worth is as reported in the latest Financial Statement audited by the accountants.

2. The Company's net worth reported by the Financial Statement in December 31, 2017 is NT\$1,861,819 thousand. Accordingly, the endorsement shall not exceed NT\$744,728 thousand for external organization, and NT\$372,364 thousand for any single entity. As of December 31, 2017, the Company has provided NT\$50,000 thousand of endorsement to the subsidiary company Uniring Tech Co., Ltd.

(V) Status of Investment in Mainland China

Note: The total amount of investment in Mainland China, as approved by the Commission of the Ministry of Economic Affairs, is US\$14,703,961. As of December 31, 2017, the cumulative investment of Taiwan in Mainland China is US\$ 6,050,714. In addition, Pai Fu International Limited located in the third region also contributed US\$ 1,300,000 to invest in Mainland China.

(VI) To report the amendment of “Rules of Procedure for Board of Directors Meeting”

Note: In order for independent directors to exercise supervision, strengthen the functions of the Board of Directors, and comply with practical needs, it is proposed to revise the Company's “Rules and Procedures of Directors' Meetings”.

Article	Revised Article	Current Article	Explanatory Notes
Article 12	<p>The following items shall be discussed in the Board meeting. Except in an emergency or for good reason, these items shall be set out in the meeting notice and may not be raised as extempore motions: (the following to be omitted)</p> <p>For matters to be resolved at a Board meeting under Article 14-3 of the Securities and Exchange Act, each independent Director shall attend the meeting in person or represented by other independent director.</p> <p><u>In order to promote independent directors' supervisory role and practice flexibility, it is required that at least one independent director shall attend in person at the Board meeting to engage more fully with the operation of the Company.</u></p> <p>Any objection or reservation any independent director may have shall be specified in the proceedings of the Board meeting. If any independent director wishing to express his or her objection or reservation can not attend the Board meeting, a written statement shall be provided and included in the proceedings of the Board meeting unless there is good reason to do otherwise.</p>	<p>The following items shall be discussed in the Board meeting. Except in an emergency or for good reason, these items shall be set out in the meeting notice and may not be raised as extempore motions: (the following to be omitted)</p> <p>For matters to be resolved at a Board meeting under Article 14-3 of the Securities and Exchange Act, each independent Director shall attend the meeting in person or represented by other independent director.</p> <p>Any objection or reservation any independent director may have shall be specified in the proceedings of the Board meeting. If any independent director wishing to express his or her objection or reservation can not attend the Board meeting, a written statement shall be provided and included in the proceedings of the Board meeting unless there is good reason to do otherwise.</p>	To strengthen the functions of the Board of Directors.

Proposed Items

Proposal 1 (Proposed by the Board of Directors)

To accept 2017 Business Report and Financial Statements

Explanatory Notes: 1. The Company's 2017 Annual Report, approved by the board of directors, was sent to the Supervisors for review. The financial report was verified by the PwC certified public accountants Zi-Yu Lin and Zi-Meng Liu. The report is attached for approval.

2. Please refer to Attachment 1 (page 14): Annual Business Report
Attachment II (Pages 15~35): Auditors' Report, 2017 Financial Report and Consolidated Financial Report.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

To approve the proposal for distribution of 2017 profits

Explanatory Notes: 1. The Company's 2017 profits distribution was approved by the Board of Directors on February 27, 2018, and was reviewed by the supervisors.

2. The Company intends to distribute NT\$261,140,596 of the undistributed 2017 profits to shareholders in cash. Please refer to Attachment III (page 36) for details.

Resolution:

Other Proposals and Extempore Motions

Adjournment

Business Report

1. Operating Principle

Customer service and satisfaction are at the core of our principles. Integrating corporate resources into developing R&D and marketing, the Company continues to root in the making of semiconductors, passive components, and LED industry equipments. Meanwhile, the Company will make full use of external resources to expand the scale of operations, and introduce high-level talents to actively innovate in R&D in order to create higher shareholder value.

2. Execution Overview

In addition to maintaining current customers, our future operating key strategy will strive to seek new customers. Other key strategies include focusing on research and development, and improving customer satisfaction, in order to keep the leading position in the industrial equipment market, and achieve better operating performance.

3. Business Performance

The revenue and net income in 2017 of the Company total NT\$1,866,853 thousand and NT\$303,196 thousand, respectively. The revenue decreases by 11.63 % compared to the 2016 consolidated revenue, NT\$2,112,459 thousand, while the net income decreases by 15.07% compared to the 2016 net income, NT\$ 357,016 thousand.

4. Budget Execution

All Ring Tech Co., LTD. did not disclose financial forecasts in 2017; thus, no budget achievement requires reporting.

5. Profitability Analysis

The Company's revenue is lower than that in 2016 due to market demand, but because of well-controlled cost, the gross profit margin slightly increases. With operating expenses decreasing in proportion to the revenue, the net income, although compounded by Foreign exchange losses due to strong NT dollar against the US dollar, still results in a net profit of NT\$303,196 thousand.

6. Research Development Status

The Company has been cultivating for many years in the semiconductor, passive components and LED devices industries. Being the best supplier for customers, it has continued to develop new equipments and improve the efficiency of existing equipments in order to keep in line with manufacturing processes. Recently, the Company has also begun to focus on its core capabilities of developing visionary and innovative application technology, with a view to achieving a leading position in industries, and creating the greatest benefits for shareholders.

Chairman: Jing-Lai Lu

Manager : Xin-Yao Zheng

Accounting Supervisor:
Xiao-Mei Wang

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of All Ring Tech Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of All Ring Tech Co., Ltd. (the “Company”) as at December 31, 2017 and 2016, 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, based on our audits and the report of other independent accountants, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” .

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 Financial Statements section of our report. We are independent of the Company 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 parent company only financial statements of the current period. 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.

Key audit matters for the Company’ s financial statements of the current period

are stated as follows:

Cutoff of revenue

Description

Refer to Note 4(26) for accounting policies on revenue recognition.

The sales revenue of the Company is primarily from the assembly and sale of equipment. Based on the terms of the sale agreement, sales revenue is recognized when the risks and rewards of the goods sold are transferred to the customer after the installation of the goods or the acceptance of the goods by the customer. As the transfer of significant risks and rewards of ownership of the goods to the customer in a sale transaction involves manual process and judgement, there exists a risk of material misstatement that may arise from improper revenue recognition for transactions that occur near the balance sheet date and the transaction amounts are material, we consider the cutoff of revenue a key audit matter.

How our audit addressed the matter

We performed the following key audit procedures on the above key audit matter:

1. Obtained an understanding and assessed the accounting policy on revenue recognition.
2. Understood and assessed internal control on revenue recognition, and tested the effectiveness of the internal controls over the shipment of goods and the verification of the timing of revenue recognition.
3. Tested the cutoff of transactions that occurred a certain time before or after the balance sheet date in order to verify whether the risks and rewards of the goods for which revenue has been recognized were transferred, and whether revenue was recorded in the appropriate period.

Evaluation of inventories

Description

Refer to Note 4(8) to the parent company only financial statements for the accounting policy on inventory valuation, Note 5(2) for information on the uncertainty of accounting estimates and assumptions on inventory valuation, and Note 6(3) for information on allowance for inventory valuation losses. As of December 31, 2017, inventory and allowance for inventory valuation losses were NT\$309,049 thousand and NT\$28,674 thousand, respectively.

The Company develops, manufactures, and assembles production equipment of semiconductors and passive components. Due to rapid changes in technology, the risk of the materials inventory of related equipment incurring valuation losses or becoming obsolete is high. Inventories are stated at the lower of cost and net realizable value. The net realizable value of inventory that is

over a certain age or individually identified as obsolete is determined by historical information on inventory turnover obtained by management from periodic inspections.

The technology related to the Company's products is rapidly changing, and determining the net realizable value of inventory identified as obsolete involves subjective judgement. Thus, we consider the evaluation of inventories a key audit matter.

How our audit addressed the matter

We performed the following key audit procedures on the above key audit matter:

1. Assessed the reasonableness of the Company's policies and procedures on setting allowance for inventory valuation losses according to applicable accounting principles and the auditor's understanding of the nature of the Company's industry. This included assessing the reasonableness of the source of the historical information on inventory turnover used in determining net realizable value and assessing the reasonableness of judgments of obsolete inventory items.
2. Obtained an understanding of the Company's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count in order to assess the classification of obsolete inventory and effectiveness of internal control over obsolete inventory.
3. Tested the appropriateness of the logic used in evaluating the net realizable value of inventory and inventory age report to verify the reasonableness of the allowance for inventory valuation losses.

Other matter – Reference to the audits of other independent accountant

We did not audit the financial statements of an investee accounted for under the equity method, Uniring Tech Co., Ltd. The investment amounted to NT\$28,561 thousand and NT\$26,759 thousand, both constituting 1% of total assets as of December 31, 2017 and 2016, respectively, and the share of loss and other comprehensive income of the subsidiary accounted for under the equity method was (NT\$18,198) thousand and (NT\$14,466) thousand, constituting (6%) and (4%) of total comprehensive income for the years then ended, respectively. The financial statements of the investee company were audited by other independent accountants whose report thereon has been furnished to us, and our opinion expressed herein is based solely on the audit report of the other independent accountants.

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 Preparation of Financial Reports by Securities Issuers” , and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the 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 the board of directors (including independent directors) and the supervisors, 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 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 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.

Liu Tzu-Meng

Independent Accountants

Lin Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

February 27, 2018

The accompanying parent company only 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 parent company only 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.

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2017		December 31, 2016		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 804,404	33	\$ 833,981	35
1150	Notes receivable, net		35,231	1	41,046	2
1170	Accounts receivable, net	6(2) and 7	488,642	20	357,906	15
1200	Other receivables	7	3,363	-	2,614	-
130X	Inventories	5(2), 6(3)(6)	280,375	11	273,375	11
1410	Prepayments		4,668	-	5,031	-
11XX	Total current assets		<u>1,616,683</u>	<u>65</u>	<u>1,513,953</u>	<u>63</u>
Non-current assets						
1523	Available-for-sale financial assets - non-current	6(4)	54,895	2	49,185	2
1550	Investments accounted for under equity method	6(5) and 7	386,648	16	410,954	17
1600	Property, plant and equipment	6(6) and 8	326,784	13	344,018	14
1780	Intangible assets		4,541	-	6,282	-
1840	Deferred income tax assets	6(17)	80,762	4	82,488	4
1920	Guarantee deposits paid		4,535	-	4,568	-
1990	Other non-current assets	8	3,797	-	3,957	-
15XX	Total non-current assets		<u>861,962</u>	<u>35</u>	<u>901,452</u>	<u>37</u>
1XXX	Total assets		<u>\$ 2,478,645</u>	<u>100</u>	<u>\$ 2,415,405</u>	<u>100</u>

(Continued)

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2017		December 31, 2016	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2150	Notes payable		\$ 869	-	\$ 908	-
2170	Accounts payable	7	325,634	13	241,737	10
2200	Other payables	7	219,175	9	228,711	9
2230	Current income tax liabilities	6(17)	14,696	1	61,230	3
2250	Provisions for liabilities - current	6(7)	8,873	-	7,823	-
2310	Advance receipts		6,513	-	16,280	1
21XX	Total current liabilities		<u>575,760</u>	<u>23</u>	<u>556,689</u>	<u>23</u>
Non-current liabilities						
2570	Deferred income tax liabilities	6(17)	21,851	1	22,358	1
2640	Net defined benefit liabilities - non-current	6(8)	19,215	1	14,275	1
25XX	Total non-current liabilities		<u>41,066</u>	<u>2</u>	<u>36,633</u>	<u>2</u>
2XXX	Total liabilities		<u>616,826</u>	<u>25</u>	<u>593,322</u>	<u>25</u>
Equity						
Share capital						
3110	Share capital - common stock	6(9)	842,389	34	842,389	35
3200	Capital surplus	6(9)(10)	378,920	15	378,920	15
Retained earnings						
3310	Legal reserve	6(11)(17)	186,434	8	150,732	6
3320	Special reserve		22,672	1	22,672	1
3350	Unappropriated retained earnings		448,824	18	437,732	18
3400	Other equity interest	6(4)(5)	(17,420)	(1)	(10,362)	-
3XXX	Total equity		<u>1,861,819</u>	<u>75</u>	<u>1,822,083</u>	<u>75</u>
Contingent liabilities and commitments						
3X2X	Total liabilities and equity	6(19), 7 and 9	<u>\$ 2,478,645</u>	<u>100</u>	<u>\$ 2,415,405</u>	<u>100</u>

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	For the years ended December 31,				
		2017		2016		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	7	\$ 1,614,505	100	\$ 1,871,297	100
5000	Operating costs	6(3)(8)(15)(16) (19) and 7	(821,784)	(51)	(975,147)	(52)
5900	Net operating margin		792,721	49	896,150	48
	Operating expenses	6(8)(15)(16)(19)) and 7				
6100	Selling expenses		(59,554)	(4)	(75,275)	(4)
6200	General and administrative expenses		(68,563)	(4)	(74,246)	(4)
6300	Research and development expenses		(238,611)	(15)	(268,536)	(14)
6000	Total operating expenses		(366,728)	(23)	(418,057)	(22)
6900	Operating profit		425,993	26	478,093	26
	Non-operating income and expenses					
7010	Other income	6(12) and 7	34,588	2	10,021	-
7020	Other gains and losses	6(2)(13) and 12	(69,256)	(4)	(19,130)	(1)
7050	Finance costs	6(14)	(869)	-	(1,318)	-
7070	Share of loss of subsidiaries, associates and joint ventures accounted for using equity method, net	6(5)	(31,538)	(2)	(41,056)	(2)
7000	Total non-operating income and expenses		(67,075)	(4)	(51,483)	(3)
7900	Profit before income tax		358,918	22	426,610	23
7950	Income tax expense	6(17)	(55,722)	(3)	(69,594)	(4)
8200	Profit for the year		\$ 303,196	19	\$ 357,016	19
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit obligations	6(8)	(\$ 4,440)	-	\$ 2,323	-
8349	Income tax related to components of other comprehensive income (loss) that will not be reclassified to profit or loss	6(17)	755	-	(395)	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(5)	(12,768)	(1)	(20,655)	(1)
8362	Unrealized gains (losses) on valuation of available-for-sale financial assets	6(4)	5,710	-	(1,373)	-
8300	Other comprehensive loss for the year		(\$ 10,743)	(1)	(\$ 20,100)	(1)
8500	Total comprehensive income for the year		\$ 292,453	18	\$ 336,916	18
	Earnings per share (in dollars)	6(18)				
9750	Basic		\$ 3.60		\$ 4.21	
9850	Diluted		\$ 3.58		\$ 4.18	

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

(Expressed in thousands of New Taiwan dollars)

	Notes	Capital Surplus			Retained Earnings			Other Equity Interest			Total equity
		Share capital - common stock	Additional paid-in capital	Stock options	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain (loss) on valuation of available-fo r-sale financial assets	Treasury stocks	
<u>For the year ended December 31, 2016</u>											
Balance at January 1, 2016		\$ 853,359	\$ 380,879	\$ 108	\$ 127,882	\$ 22,672	\$ 323,938	\$ 17,916	(\$ 6,250)	\$ -	\$ 1,720,504
Appropriation and distribution of 2015 retained earnings											
Legal reserve		-	-	-	22,850	-	(22,850)	-	-	-	-
Cash dividendds	6(11)	-	-	-	-	-	(170,672)	-	-	-	(170,672)
Profit for the year		-	-	-	-	-	357,016	-	-	-	357,016
Other comprehensive income (loss) for the year	6(4)(5)	-	-	-	-	-	1,928	(20,655)	(1,373)	-	(20,100)
Purchase of treasury shares	6(9)	-	-	-	-	-	-	-	-	(64,665)	(64,665)
Cancellation of treasury shares	6(9)	(10,970)	(2,067)	-	-	-	(51,628)	-	-	64,665	-
Balance at December 31, 2016		<u>\$ 842,389</u>	<u>\$ 378,812</u>	<u>\$ 108</u>	<u>\$ 150,732</u>	<u>\$ 22,672</u>	<u>\$ 437,732</u>	<u>(\$ 2,739)</u>	<u>(\$ 7,623)</u>	<u>\$ -</u>	<u>\$ 1,822,083</u>
<u>For the year ended December 31, 2017</u>											
Balance at January 1, 2017		\$ 842,389	\$ 378,812	\$ 108	\$ 150,732	\$ 22,672	\$ 437,732	(\$ 2,739)	(\$ 7,623)	\$ -	\$ 1,822,083
Appropriation and distribution of 2016 retained earnings											
Legal reserve		-	-	-	35,702	-	(35,702)	-	-	-	-
Cash dividendds	6(11)	-	-	-	-	-	(252,717)	-	-	-	(252,717)
Profit for the year		-	-	-	-	-	303,196	-	-	-	303,196
Other comprehensive income (loss) for the year	6(4)(5)	-	-	-	-	-	(3,685)	(12,768)	5,710	-	(10,743)
Balance at December 31, 2017		<u>\$ 842,389</u>	<u>\$ 378,812</u>	<u>\$ 108</u>	<u>\$ 186,434</u>	<u>\$ 22,672</u>	<u>\$ 448,824</u>	<u>(\$ 15,507)</u>	<u>(\$ 1,913)</u>	<u>\$ -</u>	<u>\$ 1,861,819</u>

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>Notes</u>	For the years ended December 31,	
		2017	2016
Profit before tax		\$ 358,918	\$ 426,610
Adjustments			
Adjustments to reconcile profit (loss)			
Net losses on financial assets at fair value through profit or loss		-	184
Provision for doubtful accounts	6(2)	-	19,425
Reversal of allowance for doubtful accounts	6(2)(12)	(16,668)	-
Provision for inventory market price decline	6(3)	5,441	-
Reversal of allowance for inventory market price decline	6(3)	-	(4,326)
Share of loss of subsidiaries, associates and joint ventures accounted for under equity method	6(5)	31,538	41,056
Depreciation	6(6)(15)	17,826	14,713
Gain on disposal of property, plant and equipment	6(13)	(103)	-
Amortisation	6(15)	3,580	2,310
Dividend income	6(12)	(3,081)	(3,235)
Interest income	6(12)	(4,825)	(2,222)
Interest expense	6(14)	869	1,318
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets held for trading		-	180,000
Notes receivable		5,815	(2,867)
Accounts receivable		(114,068)	(51,679)
Other receivables		(749)	492
Inventories		(12,441)	(56,502)
Prepayments		363	1,344
Changes in operating liabilities			
Notes payable		(39)	141
Accounts payable		83,897	70,907
Other payables		(8,464)	120,713
Provisions for liabilities - current		1,050	2,451
Advance receipts		(9,767)	(3,119)
Net defined benefit liability, non-current		500	564
Cash inflow generated from operations		339,592	758,278
Cash dividends received		3,081	3,235
Interest received		4,825	2,222
Interest paid		(869)	(1,318)
Income taxes paid		(100,282)	(36,075)
Net cash flows from operating activities		246,347	726,342

(Continued)

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2017	2016
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of available-for-sale financial assets - non-current		\$ -	(\$ 393)
Proceeds from sale of investments accounted for under the equity method - subsidiary	6(5) and 7	(20,000)	-
Cash paid for acquisition of property, plant and equipment	6(20)	(2,587)	(95,140)
Proceeds from disposal of property, plant and equipment		1,026	30
Acquisition of intangible assets		(1,839)	(6,006)
Decrease in guarantee deposits paid		33	470
Decrease in other non-current assets		160	160
Net cash flows used in investing activities		(23,207)	(100,879)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Payment of cash dividends	6(11)	(252,717)	(170,672)
Purchase of treasury shares	6(9)	-	(64,665)
Net cash flows used in financing activities		(252,717)	(235,337)
Net (decrease) increase in cash and cash equivalents		(29,577)	390,126
Cash and cash equivalents at beginning of year	6(1)	833,981	443,855
Cash and cash equivalents at end of year	6(1)	\$ 804,404	\$ 833,981

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of All Ring Tech Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of All Ring Tech Co., Ltd. and its subsidiaries (the “Group”) as at December 31, 2017 and 2016, 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, based on our audits and the report of other independent accountants, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2017 and 2016, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon,

we do not provide a separate opinion on these matters.

Key audit matters for the Group' s consolidated financial statements of the current period are stated as follows:

Cutoff of revenue

Description

Refer to Note 4(27) for accounting policies on revenue recognition.

The sales revenue of the Group is primarily from the assembly and sale of equipment. Based on the terms of the sale agreement, sales revenue is recognised when the risks and rewards of the goods sold are transferred to the customer after the installation of the goods or the acceptance of the goods by the customer. As the transfer of significant risks and rewards of ownership of the goods to the customer in a sale transaction involves manual process and judgement, there exists a risk of material misstatement that may arise from improper revenue of recognition for transactions that near the balance sheet date, and the transaction amounts are usually material, we consider the cutoff of revenue a key audit matter.

How our audit addressed the matter

We performed the following key audit procedures on the above key audit matter:

1. Obtained an understanding and assessed the accounting policy on revenue recognition.
2. Understood and assessed internal control on revenue recognition, and tested the effectiveness of the internal controls over the shipment of goods and the verification of the timing of revenue recognition.
3. Tested the cutoff of transactions that occurred a certain time before or after the balance sheet date in order to verify whether the risks and rewards of the goods for which revenue has been recognised were transferred, and whether the revenue was recorded in the appropriate period.

Evaluation of inventories

Description

Refer to Note 4(9) to the consolidated financial statements for the accounting policy on inventory valuation, Note 5(2) for information on the uncertainty of accounting estimates and assumptions on inventory valuation, and Note 6(3) for information on allowance for inventory inventory valuation losses. As of December 31, 2017, inventory and allowance for inventory valuation losses were NT\$365, 731 thousand and NT\$32, 738 thousand, respectively.

The Group develops, manufactures, and assembles production equipment of semiconductors and passive components. Due to rapid changes in technology, the risk of the materials inventory of related equipment incurring valuation losses or becoming obsolete is high. Inventories are stated at the lower of cost and net realizable value. The net realizable value of inventory that is over a certain age or individually identified as obsolete is determined by historical information on inventory turnover obtained by management from periodic inspections.

The technology related to the Group's products is rapidly changing, and determining the net realizable value of inventory identified as obsolete involves subjective judgement. Thus, we consider the evaluation of inventories a key audit matter.

How our audit addressed the matter

We performed the following key audit procedures on the above key audit matter:

1. Assessed the reasonableness of the Group's policies and procedures on setting allowance for inventory valuation losses according to applicable accounting principles and the auditor's understanding of the nature of the Group's industry. This included assessing the reasonableness of the source of the historical information on inventory turnover used in determining net realizable value and assessing the reasonableness of judgments of obsolete inventory items.
2. Obtained an understanding of the Group's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count in order to assess the classification of obsolete inventory and effectiveness of internal control over obsolete inventory.
3. Tested the appropriateness of the logic used in evaluating the net realizable value of inventory and inventory age report to verify the reasonableness of the allowance for inventory valuation losses.

Other matter - Reference to the audits of other independent accountants

We did not audit the financial statements of a subsidiary, Uniring Tech Co., Ltd., with total assets of NT\$34,571 thousand and NT\$56,690 thousand, constituting 1% and 2% of consolidated total assets, as at December 31, 2017 and 2016, respectively, and operating income of NT\$61,688 thousand and NT\$43,819 thousand, constituting 3% and 2% of consolidated operating revenue for the years then ended, respectively. The financial statements of the subsidiary were audited by other independent accountants whose report thereon has been furnished to us, and our opinion expressed herein is based solely on the audit report of the other independent accountants.

Other matter - Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of All Ring Tech Co., Ltd. as at and for the years ended December 31, 2017 and 2016.

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 Preparation 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 the Board of Directors (including independent directors) and the supervisors, 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 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.

Liu Tzu-Meng

Independent Accountants

Lin Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

February 27, 2018

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.

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2017		December 31, 2016		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 889,708	35	\$ 981,120	39
1150	Notes receivable, net		44,817	2	45,423	2
1170	Accounts receivable, net	6(2)	604,863	24	438,711	17
1200	Other receivables		3,567	-	2,749	-
130X	Inventory	5(2) and 6(3)	332,993	13	340,551	14
1410	Prepayments		12,137	-	19,683	1
1479	Other current assets		41	-	725	-
11XX	Total current assets		<u>1,888,126</u>	<u>74</u>	<u>1,828,962</u>	<u>73</u>
Non-current assets						
1523	Available-for-sale financial assets - non-current	6(4)	54,895	2	49,185	2
1600	Property, plant and equipment	6(5) and 8	422,161	17	448,984	18
1780	Intangible assets		4,541	-	6,348	-
1840	Deferred income tax assets	6(18)	92,259	4	94,069	4
1920	Guarantee deposits paid		4,606	-	5,116	-
1985	Long-term prepaid rents	6(6)	32,955	1	33,520	1
1990	Other non-current assets	8	35,793	2	52,953	2
15XX	Total non-current assets		<u>647,210</u>	<u>26</u>	<u>690,175</u>	<u>27</u>
1XXX	Total assets		<u>\$ 2,535,336</u>	<u>100</u>	<u>\$ 2,519,137</u>	<u>100</u>

(Continued)

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2017		December 31, 2016		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(7) and 8	\$ -	-	\$ 15,000	1
2150	Notes payable		869	-	1,026	-
2170	Accounts payable	7	359,148	14	301,782	12
2200	Other payables		240,857	10	256,863	10
2230	Current income tax liabilities	6(18)	16,105	1	61,230	2
2250	Provisions for liabilities - current	6(8)	8,873	-	7,823	-
2310	Advance receipts		6,593	-	16,697	1
21XX	Total current liabilities		<u>632,445</u>	<u>25</u>	<u>660,421</u>	<u>26</u>
Non-current liabilities						
2570	Deferred income tax liabilities	6(18)	21,857	1	22,358	1
2640	Net defined benefit liabilities - non-current	6(9)	19,215	1	14,275	1
25XX	Total non-current liabilities		<u>41,072</u>	<u>2</u>	<u>36,633</u>	<u>2</u>
2XXX	Total liabilities		<u>673,517</u>	<u>27</u>	<u>697,054</u>	<u>28</u>
Equity						
Share capital						
3110	Share capital - common stock	6(10)	842,389	33	842,389	33
3200	Capital surplus	6(10)(11)	378,920	15	378,920	15
Retained earnings						
3310	Legal reserve	6(12)(18)	186,434	7	150,732	6
3320	Special reserve		22,672	1	22,672	1
3350	Unappropriated retained earnings		448,824	18	437,732	17
3400	Other equity interest	6(4)	(17,420)	(1)	(10,362)	-
3XXX	Total equity		<u>1,861,819</u>	<u>73</u>	<u>1,822,083</u>	<u>72</u>
Contingent liabilities and commitments						
3X2X	Total liabilities and equity		<u>\$ 2,535,336</u>	<u>100</u>	<u>\$ 2,519,137</u>	<u>100</u>

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent

	Notes	Capital Surplus		Retained Earnings			Other Equity Interest			Treasury stocks	Total equity
		Share capital - common stock	Additional paid-in capital	Stock options	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain (loss) on valuation of available-for-sale financial assets		
<u>For the year ended December 31, 2016</u>											
Balance at January 1, 2016		\$ 853,359	\$ 380,879	\$ 108	\$ 127,882	\$ 22,672	\$ 323,938	\$ 17,916	(\$ 6,250)	\$ -	\$1,720,504
Appropriation and distribution of 2015 retained earnings											
Legal reserve		-	-	-	22,850	-	(22,850)	-	-	-	-
Cash dividends	6(12)	-	-	-	-	-	(170,672)	-	-	-	(170,672)
Profit for the year		-	-	-	-	-	357,016	-	-	-	357,016
Other comprehensive income (loss) for the year	6(4)	-	-	-	-	-	1,928	(20,655)	(1,373)	-	(20,100)
Purchase of treasury shares	6(10)	-	-	-	-	-	-	-	-	(64,665)	(64,665)
Cancellation of treasury shares	6(10)	(10,970)	(2,067)	-	-	-	(51,628)	-	-	64,665	-
Balance at December 31, 2016		<u>\$ 842,389</u>	<u>\$ 378,812</u>	<u>\$ 108</u>	<u>\$ 150,732</u>	<u>\$ 22,672</u>	<u>\$ 437,732</u>	<u>(\$ 2,739)</u>	<u>(\$ 7,623)</u>	<u>\$ -</u>	<u>\$1,822,083</u>
<u>For the year ended December 31, 2017</u>											
Balance at January 1, 2017		\$ 842,389	\$ 378,812	\$ 108	\$ 150,732	\$ 22,672	\$ 437,732	(\$ 2,739)	(\$ 7,623)	\$ -	\$1,822,083
Appropriation and distribution of 2016 retained earnings											
Legal reserve		-	-	-	35,702	-	(35,702)	-	-	-	-
Cash dividends	6(12)	-	-	-	-	-	(252,717)	-	-	-	(252,717)
Profit for the year		-	-	-	-	-	303,196	-	-	-	303,196
Other comprehensive income (loss) for the year	6(4)	-	-	-	-	-	(3,685)	(12,768)	5,710	-	(10,743)
Balance at December 31, 2017		<u>\$ 842,389</u>	<u>\$ 378,812</u>	<u>\$ 108</u>	<u>\$ 186,434</u>	<u>\$ 22,672</u>	<u>\$ 448,824</u>	<u>(\$ 15,507)</u>	<u>(\$ 1,913)</u>	<u>\$ -</u>	<u>\$1,861,819</u>

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	For the years ended December 31,			
			2017		2016	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	7	\$ 1,866,853	100	\$ 2,112,459	100
5000	Operating costs	6(3)(9)(16)(17)(20) and 7	(1,020,095)	(54)	(1,177,016)	(56)
5900	Net operating margin		<u>846,758</u>	<u>46</u>	<u>935,443</u>	<u>44</u>
	Operating expenses	6(6)(9)(16)(17)(20) and 7				
6100	Selling expenses		(79,678)	(4)	(93,547)	(4)
6200	General and administrative expenses		(98,491)	(6)	(105,251)	(5)
6300	Research and development expenses		(263,895)	(14)	(295,946)	(14)
6000	Total operating expenses		(442,064)	(24)	(494,744)	(23)
6900	Operating profit		<u>404,694</u>	<u>22</u>	<u>440,699</u>	<u>21</u>
	Non-operating income and expenses					
7010	Other income	6(13)	34,046	1	13,135	-
7020	Other gains and losses	6(14) and 12	(77,372)	(4)	(26,076)	(1)
7050	Finance costs	6(15)	(1,006)	-	(1,546)	-
7000	Total non-operating income and expenses		(44,332)	(3)	(14,487)	(1)
7900	Profit before income tax		360,362	19	426,212	20
7950	Income tax expense	6(18)	(57,166)	(3)	(69,196)	(3)
8200	Profit for the year		<u>\$ 303,196</u>	<u>16</u>	<u>\$ 357,016</u>	<u>17</u>
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit obligations	6(9)	(\$ 4,440)	-	\$ 2,323	-
8349	Income tax related to components of other comprehensive income (loss) that will not be reclassified to profit or loss	6(18)	755	-	(395)	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(12,768)	-	(20,655)	(1)
8362	Unrealized gain (loss) on valuation of available-for-sale financial assets	6(4)	5,710	-	(1,373)	-
8300	Total other comprehensive loss for the year		(\$ 10,743)	-	(\$ 20,100)	(1)
8500	Total comprehensive income for the year		<u>\$ 292,453</u>	<u>16</u>	<u>\$ 336,916</u>	<u>16</u>
	Profit attributable to:					
8610	Owners of the parent		<u>\$ 303,196</u>	<u>16</u>	<u>\$ 357,016</u>	<u>17</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		<u>\$ 292,453</u>	<u>16</u>	<u>\$ 336,916</u>	<u>16</u>
	Earnings per share (in dollars)	6(19)				
9750	Basic		<u>\$ 3.60</u>		<u>\$ 4.21</u>	
9850	Diluted		<u>\$ 3.58</u>		<u>\$ 4.18</u>	

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 360,362	\$ 426,212
Adjustments			
Adjustments to reconcile profit (loss)			
Net losses on financial assets at fair value			184
through profit or loss		-	19,425
Provision for doubtful accounts	6(2)	-	-
Reversal of allowance for doubtful accounts	6(2)(13)	(16,668)
Provision for inventory market price decline	6(3)	9,472	-
Reversal of allowance for inventory market	6(3)		
price decline		-	(4,326
Depreciation	6(5)(16)	26,017	) 23,894
Property, plant and equipment transferred to	6(5)		
expenses		16	-
(Gain) loss on disposal of property, plant and	6(14)		
equipment		(94	) 191
Amortisation	6(16)	3,644	2,383
Amortisation of long-term prepaid rents	6(6)	347	374
Dividend income	6(13)	(3,081	) ( 3,235
Interest income	6(13)	(5,510	) ( 2,763
Interest expense	6(15)	1,006	1,546
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets held for trading		-	180,000
Notes receivable		606	(5,974
Accounts receivable		(149,484	) ( 24,042
Other receivables		(818	) 3,260
Inventories		(1,914	) ( 65,051
Prepayments		7,546	3,403
Other current assets		684	(725
Changes in operating liabilities			
Notes payable		(157	) 259
Accounts payable		57,366	75,647
Other payables		(14,934	) 125,604
Provisions for liabilities - current		1,050	2,451
Advance receipts		(10,104	) ( 8,266
Net defined benefit liability, non-current		500	564
Cash inflow generated from operations		265,852	751,015
Cash dividends received		3,081	3,235
Interest received		5,510	2,763
Interest paid		(1,006	) ( 1,546
Income taxes paid		(100,282	) ( 36,461
Net cash flows from operating activities		173,155	719,006

(Continued)

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2017	2016
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of available-for-sale financial assets - non-current		\$ -	(\$ 393)
Cash paid for acquisition of property, plant and equipment	6(21)	(2,918)	(95,431)
Proceeds from disposal of property, plant and equipment		1,046	112
Acquisition of intangible assets		(1,839)	(6,006)
Decrease (increase) in guarantee deposits paid		510	(73)
Decrease in other non-current assets, others		17,160	5,868
Net cash flows from (used in) investing activities		13,959	(95,923)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term borrowings		(15,000)	3,000
Payment of cash dividends	6(12)	(252,717)	(170,672)
Purchase of treasury shares	6(10)	-	(64,665)
Net cash flows used in financing activities		(267,717)	(232,337)
Effect of exchange rate changes		(10,809)	(13,279)
Net (decrease) increase in cash and cash equivalents		(91,412)	377,467
Cash and cash equivalents at beginning of year	6(1)	981,120	603,653
Cash and cash equivalents at end of year	6(1)	\$ 889,708	\$ 981,120

All Ring Tech Co., Ltd.
Distribution of Earnings

2017

Unit: NT\$

Items	Amount
Undistributed earnings at the beginning of the period	149,312,975
2017 retained earnings adjustment	(3,685,344)
Undistributed earnings after adjustment	145,627,631
Add: Current period net profit after tax	303,196,026
Less: Legal reserve	(30,319,603)
Current period available earnings for distribution	418,504,054
Items of Earning Distribution	
Shareholder bonus - cash	(261,140,596)
Undistributed earnings at the end of the period	157,363,458

Note 1: The 2017 earnings shall be distributed first.

Note 2: Cash dividends of \$NT3.10 per share shall be allocated. For reasons that have caused change in the number of outstanding shares and interest/share distributions, such as converting convertible bonds, buying back treasury shares, transferring treasury shares, or exercising employee stock options, it is proposed that the shareholders authorize the Board of Directors to handle the matter and announce it separately.

Note 3: The date of interest distribution shall be determined by the Board of Directors after the present resolution is agreed upon at the shareholders' meeting. Any dividend less than \$NT1 rounds down to zero. The Chairman of the Board shall have the authority to contact a specific person to handle the remaining cash dividends.

Chairman: Jing-Lai Lu

Manager : Xin-Yao Zheng

Accounting Supervisor:
Xiao-Mei Wang

Appendices

Appendix I

All Ring Tech Co., Ltd. Articles of Incorporation

Chapter I - General Provisions

- Article 1 The Company is organized in accordance with the Company Act of the Republic of China, and its name shall be All Ring Tech Co., Ltd.
- Article 2 The scope of the Company business goes as follows:
1. CB01010 Machinery and Equipment Manufacturing
2. CE01030 Photographic and Optical Equipment Manufacturing
3. F401010 International Trade
4. JE01010 Rental and Leasing Business (apply for automatic IC ball mount toolings and automatic machinery equipments only)
Research, development, manufacturing and sales for the following products:
(a) Automatic IC ball mount tooling
(b) SMD capacitor tester
(c) Digital Camera Binocular
(d) Automatic mechanical engineering design, manufacturing and assembly with software development of computer
(e) International trade of products listed above
- Article 3 The Company shall have its head office in the Kaohsiung Science Park of the Southern Taiwan Science Park, and shall be free, upon resolution of the board of directors, to establish branches domestically or abroad when deemed necessary.
- Article 4 Public announcements of the Corporation shall be made in accordance with Article 28 of the Company Act.

Chapter II - Shares

- Article 5 The total capital of the Company shall be in the amount of NT\$1.1 billion, which is divided into 110 millions of shares valued at NT\$10 per share. The Board of Directors is authorized to issue shares in multiple times. An amount of NT\$80,000,000 of the total capital stock is reserved for the issuance of employee stock options.
- Article 5-1 Regarding the issued employee stock certificates, the Company subscription price is not subject to the relevant laws and regulations. The resolution for issuance may be adopted with the concurrence of over two-thirds of votes exercised by the shareholders present at the shareholders' meeting who represent a majority of the issued shares of the Company. The shares shall be issued in multiple times within one year of the resolution by the shareholders.
- Article 5-2 The treasury shares bought back by the Company shall be transferred to the employees at a price lower than the average price paid for the shares. The resolution for transfer may be adopted with the concurrence of over two-thirds of votes exercised by the shareholders present at the shareholders' meeting who represent a majority of the issued shares of the Company.
- Article 6 The total amount of the Company's reinvestment is not subject to the limit of 40% of the paid-in capital, as dictated by Article 13 of the Company Act.
- Article 6-1 The Company may endorse and guarantee externally for business or investment reasons.
- Article 7 The Company may issue shares without printing share certificates, but shall register at Taiwan Depository & Clearing Corporation.

Article 8 Registration for shares transfer shall be suspended within 60 days before the regular meeting of shareholders, within 30 days before the special meeting of shareholders, or within 5 days before dividends, bonuses or other benefits are scheduled to be paid by the Company.

Chapter III - Shareholders' Meeting

Article 9 Shareholders' meetings are of two types: (1) regular meetings and (2) special meetings. Regular meetings shall be convened by the Board of Directors within six months after the end of each fiscal year. Special meetings shall be convened when necessary and in accordance with the relevant laws.

Article 10 A shareholder may, with written authorization issued by the Company specifying the scope of authorized rights, appoint a proxy to attend the shareholders' meeting on his behalf.

Article 11 Each share of stock shall be entitled to one vote, which can be exercised in paper form or electronically.

Article 12 Except as dictated in the Company Act, resolutions shall be adopted with the concurrence of a majority of votes exercised by the shareholders present at the shareholders' meeting who represent a majority of the issued shares of the Company.

Article 12-1 The Company shareholders's meeting minutes and related reports shall be publicly announced.

Chapter IV - Directors and Supervisors

Article 13 The Company shall have seven directors and three supervisors. The directors and supervisors shall be elected for a term of three years by adopting the candidate nomination system as specified in Article 192-1 of the Company Act. The director and supervisor Candidates are to be selected from the candidate list, and shall be eligible for re-election.

Article 13-1 According to Article 14-2 of the Securities and Exchange Act, of the aforementioned seven directors, two shall be independent directors. The selection of independent directors shall comply with the candidates nomination system specified in Article 192 of the Company Act.

Article 13-2 In accordance with Article 204 of the Company Act, the Company may convene the meeting of the Board of Directors at any time in case of an emergency. The Company shall notify the directors and the supervisor of the meeting in writing, or by e-mail or fax.

Article 14 The directors shall elect from among themselves a Chairman of the Board of Directors by a majority in a meeting attended by over two-thirds of the directors. The directors may elect a Vice Chairman of the Board of Directors. The Chairman of the Board of Directors shall have the authority to represent the Company.

Article 15 When the Chairman takes leave or fails to exercise his or her authority, his proxy shall comply with the provisions of Article 208 of the Company Act.

According to Article 205 of the Company Act, a director may, with sealed or signed authorization specifying the scope of authorized rights, appoint another Director to attend on his behalf the meeting of the Board of Directors.

Article 16 The Board of Directors is authorized by the shareholders to determine the compensation of all directors and supervisors. Regardless of operating profits or losses, the compensation shall be paid according to the industry standard.

Article 16-1 The Company may establish various functional committees after considering the size of the Company, the nature of the business, and the number of directors. The organizational procedures of these committees shall be decided by the Board of Directors in accordance with relevant laws and regulations.

Chapter V - Managers

Article 17 The Company shall have a number of general managers, deputy general managers, and managers. Their appointment, dismissal and compensation shall comply with Article 29 of the Company Act.

Chapter VI - Accounting

Article 18 In accordance with the provisions of Article 228 of the Company Act, at the end of each fiscal year, the following reports shall be prepared by the Board of Directors. The reports shall be submitted to the auditors for review 30 days earlier than the shareholders' regular meeting, and then to the shareholders' regular meeting for acceptance. 1. Business report 2. Financial statements 3. Proposal Concerning Appropriation of Earnings or Covering of Losses.

Article 19 Deleted.

Article 20 As the Company faces an ever changing industrial environment, while its business is at a steady growth stage, the distribution on the retained/appropriated earnings and cash bonuses for shareholders shall be proposed by the Board of Directors, after considering future capital expenditure budgets and funds needed, and weighing the necessity of allocating earnings to funds.

Each fiscal year, the Company shall, after paying applicable taxes and losses, set aside 10% of its earnings if possible for a legal reserve in accordance with relevant laws or regulations. A special reserve shall also be set aside. The rest of the earnings, plus the accumulated undistributed earnings of the previous fiscal year, shall make for the distributable earnings. At least 30% of the distributable earnings shall be allocated to shareholders as bonuses, of which cash dividends shall not be less than 10%. The Board of Directors shall, based on relevant factors such as future business or re-investment, propose the distribution of earnings, and submit the proposal to the shareholders' meeting for approval.

Article 20-1 The Company shall allocate no more than 3% of its annual profits as compensation to the directors and no less than 3% of its annual profits as compensation to the employees. However, the Company shall reserve a sufficient amount to offset its accumulated losses. The compensation shall be distributed, in stock or in cash, to the employees of the Company or the qualified employees of the affiliated companies. The earnings of a fiscal year is referred to as the revenue of the year after the compensation for the employees, directors and supervisors is deducted. The compensation of the employees, directors and supervisors shall be agreed upon by a majority in a meeting attended by over two-thirds of the Directors, and shall be reported to the shareholders' meeting.

Section VII - Supplementary Provisions

Article 21 In regard to all matters not specified in these Articles of Incorporation, the Company Act and relevant laws and regulations shall govern.

Article 22 The Articles of Incorporation are established on May 18, 1996.

The first Amendment was approved on July 9, 1996.

The second amendment was approved on May 14, 1998.

The third amendment was approved on June 20, 1999.

The fourth amendment was approved on May 1, 2000.

The fifth amendment was approved on July 8, 2000.
The sixth amendment was approved on May 12, 2001.
The seventh amendment was approved on July 20, 2001.
The eighth amendment was approved on May 27, 2002.
The ninth amendment was approved on June 3, 2003.
The tenth amendment was approved on June 15, 2004.
The eleventh amendment was approved on June 15, 2006.
The twelfth amendment was approved on June 21, 2007.
The thirteenth amendment was approved on April 30, 2008.
The fourteenth amendment was approved on June 10, 2009.
The fifteenth amendment was approved on May 12, 2010.
The sixteenth amendment was approved on June 22, 2011.
The seventeenth amendment was approved on May 7, 2012.
The eighteenth amendment was approved on June 12, 2014.
The nineteenth amendment was approved on June 15, 2016.
The twentieth amendment was approved on June 15, 2017.

All Ring Tech Co., Ltd.

Rules and Procedures of Shareholders' Meeting

Article 1

In order to establish efficient governance of the shareholders to improve supervision and strengthen management, the Company has set up the Rules and Procedures of Shareholders' Meeting of All Ring Tech Co., Ltd. (hereinafter referred to as the Rules) in accordance with the Article 5 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2

The regulations for the shareholders' meeting, except as otherwise dictated by laws or articles of incorporation, shall comply with the Rules.

Article 3

Unless otherwise dictated by regulations, the shareholders' meeting is convened by the Board of Directors.

The Company shall prepare the following electronic files: the shareholders' meeting notice, proxy forms, causes of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, and the election or dismissal of directors or supervisors; the Company shall upload them to the Market Observation Post System 30 days before the shareholders hold a regular meeting or 15 days before the shareholders hold a special meeting. The Company shall prepare shareholders' meeting agenda and related supplemental materials in electronic form, and upload it to the Market Observation Post System 21 days before the shareholders hold a regular meeting or 15 days before the shareholders hold a special meeting. The Company shall prepare shareholders' meeting agenda and related supplemental materials 21 days before the shareholders' meeting, and make them accessible to shareholders at any time. In addition, the agenda shall be displayed at the Company and its stock registrar and transfer agent, and distributed on-site at the shareholders' meeting. The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of addressees, the meeting notice may be given in electronic form. Election or dismissal of directors and supervisors, alteration of the Articles of Incorporation, corporate dissolution, merger, and spin-off, or any matters as set forth in all Sub-paragraphs of Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, shall be listed as convening causes in the meeting notice, not as extempore motions.

Shareholders holding 1% or more of the total number of issued shares of the Company may submit a proposal to the Company for discussion at a shareholders' regular meeting. Such proposals, however, are limited to one item only; no proposal containing more than one item shall be included in the meeting agenda. If any of the circumstances provided in Paragraphs 1 to 4, Article 172-1 of the Company Act pertains to a proposal put forward by a shareholder, the Board of Directors may exclude it from the meeting agenda.

Prior to the book closure date before a shareholders' regular meeting, the Company shall publicly announce and specify the location and time period to receive shareholder proposals; the period of submission of shareholder proposals shall not be less than 10 days. Submitted shareholder proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The proposal sponsor shall attend, in person or by proxy, the shareholders' regular meeting and join in the discussion of the proposal.

The Company shall, prior to preparing and delivering the shareholders' meeting notice, inform all the sponsors of the proposal-screening results, and shall list in the shareholders' meeting notice the proposals conforming to this Article. At the shareholders' meeting, the Board of Directors shall explain the reasons for the dismissal of proposals.

Article 4

A shareholder may, with written authorization issued by the Company specifying the scope of authorized rights, appoint a proxy to attend the shareholders' meeting on his behalf.

A shareholder may execute one written authorization and appoint one proxy only, and shall submit such written authorization to the Company no later than 5 days prior to the date of the shareholders' meeting. When duplicate proxy authorizations are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After the proxy authorization is submitted to the Company, in case the shareholder wishes to attend the shareholders' meeting in person or to exercise his voting right in writing or electronically, a written notice shall be filed to the Company to rescind the proxy authorization within 2 days prior to the date of the shareholders' meeting; otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5

The venue where a shareholder meeting is to be held shall be in the premises of the Company or a location accessible to shareholders and appropriate for holding meetings. Shareholders' meetings shall not begin before 9:00 a.m. or after 3:00 p.m. The opinions of independent directors shall be fully considered in the decision of the location and time of the shareholders' meeting.

Article 6

The Company shall specify in the shareholders' meeting notices the time period and location for registration, and other matters worthy of attention.

The check-in time described in the preceding paragraph shall be at least 30 minutes prior to the meeting. The check-in counter shall be clearly indicated and competent personnels shall be assigned to help shareholders check in.

The shareholder or the shareholder proxy (hereinafter referred to as the shareholder) shall present the attendance certificate, attendance card or other attendance certificate at the Shareholders' meeting; the solicitor of authorization letters shall carry an identity document for verification.

The Company shall prepare a check-in book for shareholders to sign in; shareholders may hand in

an attendance card in lieu of signing on the check-in book.

The Company shall furnish attending shareholders with the meeting agenda, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. In case of an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a corporate is a shareholder, it may have more than one representative at a shareholders' meeting. When a corporate is appointed to attend a shareholders' meeting, it may designate only one person to do so.

Article 7

When a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. In case the Chairman of the Board is on leave or unable to exercise the power of Chairman, the vice Chairman shall preside. If the Board has not appointed a vice Chairman or the vice Chairman is also on leave or unable to exercise the power of the vice Chairman, the Chairman shall appoint one of the managing directors to preside. If managing directors have not been appointed, one of the directors shall be appointed to preside. When the Chairman has not made such appointment, the managing directors or the directors shall elect a chair from among themselves.

When the chair is elected from the managing directors or directors, those who have held the position for six months or longer and understand the financial and business operations of the Company shall be considered with priority. The same shall be true for a representative of a corporate director that serves as chair.

Shareholders's meetings convened by the Board of Directors shall be attended by a majority of the directors. If an eligible party other than the Board of Directors convenes a shareholders' meeting, the convening party shall chair the meeting. In case of two or more convening parties, they shall select a chair from among themselves. The Company may appoint its attorneys, certified public accountants, or related personnels to attend a shareholders' meeting as guests.

Article 8

The Company shall record, uninterruptedly, the full process of the meeting with audio and video, from the beginning of reception, discussions to voting/vote counting.

The aforementioned video and audio files shall be kept for at least one year. If, however, a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballots shall be retained until the litigation is closed.

Article 9

Attendance at a shareholders' meeting shall be calculated based on the number of shares. The number of shares in attendance shall include the shares indicated by the check-in book and the sign-in cards handed in, plus the number of shares whose voting rights are exercised in writing or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders have not yet represented a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, are made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted in accordance with Paragraph 1, Article 175 of the Company Act. All shareholders shall be notified of the tentative resolution and another shareholders' meeting, which is to be convened within 1 month.

When, prior to the close of the shareholders' meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote at the meeting in accordance with Article 174 of the Company Act.

Article 10

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, and shall not be changed without a resolution by the shareholders.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by an eligible party other than the Board of Directors.

The chair shall not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda as referred to in the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders. If the chair declares the meeting adjourned in violation of the Rules, other members of the Board of Directors shall promptly assist the attending shareholders to elect a new chair according to statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals, amendments and extempore motions put forward by the shareholders; when the chair judges that a proposal has been discussed sufficiently, the chair may announce the discussion closed and call for a vote.

Article 11

An attending shareholder shall, before speaking, complete a speaker's slip indicating the subject of speech, shareholder's account number (or the number of attendance permit) and account name. The sequence of speeches shall be determined by the chair.

An attending shareholder who has submitted a speaker's slip but did not speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the content of the speech shall prevail.

Unless permitted by the chair, a shareholder shall not speak more than twice on a proposal, and each speech shall not exceed 5 minutes. If the shareholder's speech violates the regulations or diverges from the agenda, the chair may terminate it. Unless permitted by the chairman and the shareholder who has the floor, no shareholder shall interrupt the speech; otherwise the chair shall stop such interruption.

When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on a proposal.

After an attending shareholder has finished his speech, the chair may respond in person or appoint relevant personnel to respond.

Article 12

Voting at a shareholders' meeting shall be based on the number of shares.

With respect to the resolutions at the shareholders' meeting, the number of shares held by a shareholder with no voting right shall not be counted as part of the total number of issued shares.

A shareholder, whose interests may be related to a matter so as to potentially jeopardize the interests of the Company, shall not vote on that matter, and shall not exercise his voting right as proxy for other shareholder.

Under the preceding paragraph, the number of shares which voting rights can not be exercised shall not be counted as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, a shareholder proxy concurrently appointed by two or more shareholders, shall not have voting rights exceeding 3% of those represented by the total number of issued shares; the excess of voting rights shall not be counted.

Article 13

A shareholder shall be entitled to one vote for each share, except when the shares are deemed restricted shares or non-voting shares under Paragraph 2, Article 179 of the Company Act.

When the Company convenes a shareholders' meeting, its voting rights may be exercised in writing or electronically (For the company that shall adopt an electronic ballot under Paragraph 1, Article 177-1 of the Company Act convenes a shareholders' meeting, it may exercise its voting rights electronically and in writing); when the Company has decided to exercise voting rights in writing or electronically, the method of exercise shall be detailed in the meeting notice. A shareholder exercising voting rights in writing or electronically will be deemed to have attended the meeting in person, but shall be deemed to have waived his rights with respect to extempore motions and revisions to the original proposals of that meeting. It is therefore advisable that the Company avoids submission of extempore motions and revisions to the original proposals.

A shareholder intending to exercise voting rights in writing or electronically under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days before the date of the

shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised his voting rights in writing or electronically, if he wishes to attend the meeting in person, he shall withdraw, in the same manner, the previous exercise of voting rights no later than 2 days before the shareholders' meeting. Once the withdrawal is overdue, the previous exercise of voting rights in writing or electronically shall prevail. When a shareholder has exercised his voting rights in writing or electronically and at the same time has appointed a proxy to attend the shareholders' meeting, the voting rights exercised by the proxy shall prevail in the meeting.

Except as otherwise dictated in the Company Act and in the Articles of Incorporation, the agreement on a proposal shall require the concurrence of a majority of the voting rights represented by the attending shareholders. At voting, the total number of voting rights of the attending shareholders shall be declared by the chair or a designated person on a case-by-case basis. A proposal is deemed to have passed when no attending shareholders gave a dissent after being inquired by the chair, and the effect thereof is the same as a vote. If there is a dissent, the voting as referred to in the preceding paragraph shall be adopted.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If one of the proposals is passed, the others will then be deemed rejected and no further voting is required.

Vote-monitoring and vote-counting personnels for a vote on a proposal shall be appointed by the chair, provided that all monitoring personnels are shareholders of the Company.

When voting on motions or elections, the vote counting shall be conducted at an open space in the shareholders' meeting, and the results, including weights, shall be announced immediately after counting and recorded.

Article 14

The election of directors or supervisors at a shareholders' meeting shall be conducted in accordance with the applicable election and appointment rules of the Company, and the voting results shall be announced on-site immediately, including the names of those elected directors and supervisors and the numbers of votes with which they are elected.

The ballots for the election as referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnels and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballots shall be retained until the close of the litigation.

Article 15

The resolutions made in a shareholders' meeting shall be recorded in the minutes and shall be handled in accordance with Article 183 of the Company Act.

Article 16

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement detailing the number of shares obtained by solicitors through solicitation, and the number of shares represented by proxies; the Company shall disclose explicitly the statement at the shareholders meeting.

If a matter put to a resolution at a shareholders' meeting constitutes material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the Market Observation Post System (MOPS) within the prescribed time period.

Article 17

Staff handling the administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

The chair may direct proctors or security personnels to help maintain order at the meeting. When the proctors or security personnels help maintain order at the meeting, they shall wear an identification card or an armband bearing the word "Proctor."

At the shareholders' meeting, if a shareholder attempts to speak through any device other than the equipment set up by the Company, the chair may stop the shareholder.

When a shareholder violates the Rules by defying the chair's correction, obstructing the proceedings, or refusing to heed calls to stop, the chair may direct the proctors or security personnels to escort the shareholder from the meeting.

Article 18

When a meeting is in progress, the chair may announce a break in view of the time. If a force majeure event occurs, the chair may suspend the meeting temporarily and, in view of the circumstances, announce a time to resume the meeting.

If the meeting venue is no longer available for use and the meeting agenda (including extempore motions) has not been fully addressed, the shareholders may agree to resume the meeting elsewhere.

The shareholders may agree to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19

The Rules shall be effective as of the date it is approved at the Shareholders' meeting. The same applies in case of revision.

All Ring Tech Co., Ltd.
Rules and Procedures of Board of Directors' Meetings (before Amendment)

Article 1 (Provisions)

In order to establish efficient governance of the directors to improve supervision and strengthen management, the Company has set up the Rules and Procedures of Directors' Meetings in accordance with Article 2 of the "Regulations Governing Procedure for Board of Directors' Meetings of Public Companies."

Article 2 (Scope)

Meeting regulations, the main agenda, operational procedures, particulars to be specified in the meeting minutes, public announcements, and other compliance matters shall be handled in accordance with the Rules and Procedures of Directors' Meetings.

Article 3 (Convening directors' meeting and notice of meeting)

Directors' meetings shall be convened quarterly.

Reasons for convening a directors' meeting shall be notified to directors and supervisors 7 days in advance. In the event of emergency, a meeting may be convened at any time.

The Company shall notify the directors and the supervisors of a directors' meeting in writing, or by e-mail or fax, with the consent of the addressees.

Article 4 (Notices and materials of the meeting)

The Finance Department of the Company is designated to handle the administrative matters relating to directors' meetings. The Finance Department shall prepare the agenda for directors' meetings and provide comprehensive meeting materials to be sent together with the meeting notice.

If a director finds the meeting materials insufficient, he/she may ask the Finance Department for supplemental materials. If a director finds the material of an proposal insufficient, he may postpone the resolution upon the approval of the Board.

Article 5 (Preparation of documents such as check-in books and the attendance by a director proxy)

When a directors' meeting is convened, a check-in book shall be prepared for attending directors to sign up at the meeting for future reference. A director attending via videoconferencing is deemed to have attended in person.

All directors shall attend directors' meetings in person. if a director is unable to attend in person, he may, in accordance with the Articles of Incorporation, appoint another director to attend as proxy. A director appointing another director to attend a directors' meeting on his behalf shall in each case provide a written authorization detailing the scope of authorized rights related to the convening reasons.

The director proxy under the preceding paragraph shall represent one director only.

Article 6 (Guidelines for location and time of directors' meeting)

A directors' meeting shall be held at the premises of the Company and at office hours, or at a suitable location and at a time convenient to all directors.

Article 7 (Chair and deputy of directors' meeting)

Chairman of the Board shall convene directors' meetings and preside. The first meeting of newly-elected directors shall be convened and chaired by the director who represents the largest number of voting rights elected at the shareholders' meeting. If two or more directors are entitled to convene the meeting, they shall select from among themselves to do so.

When the Chairman of the Board is on leave or unable to exercise the powers of the Chairman, the vice Chairman shall act as proxy. If no vice Chairman has been appointed or the vice Chairman is also on leave or unable to exercise the power, the Chairman shall appoint a managing director to act as proxy. If no managing directors have been appointed, the Chairman shall appoint a director to act as proxy. If the Chairman did not appoint a proxy, the managing directors or the directors shall select from among themselves to serve as proxy.

Article 8 (Directors' meeting materials, guests and the convening of the meeting)

When a directors' meeting is convened, the Finance Department shall prepare relevant information for participating directors to review at any time. When convening a directors' meeting, the Company may, in view of the meeting agenda, notify personnels of the relevant departments or subsidiaries to attend the meeting as guests. When necessary, the Company may also invite certificated public accountants, attorneys, or other professionals to attend as guests and provide additional information, provided that they leave the meeting at the time of deliberation or voting.

When a majority of the directors have arrived near the appointed meeting time, the chair may call the meeting to order.

If half of the directors do not attend at the time of the meeting, the chair may announce a postponement, provided that no more than two such postponements are made. Otherwise, the chair shall re-convene a meeting in accordance with the procedure as dictated in Paragraph 2, Article 3.

The term "the directors" as referred to in the preceding paragraph and in Subparagraph 2, Paragraph 2, Article 16, refer to the directors actually in office.

Article 9 (Records or recordings of directors' meetings)

The directors' meeting shall be recorded with audio or video throughout the course of the meeting, and shall be kept in electronic files for at least 5 years.

If a lawsuit concerning the resolutions of the Board of Directors occurs before the retention period as referred to in the preceding paragraph expires, the relevant audio or video files shall continue to be retained; the provisions in the preceding paragraph shall not apply.

When using videoconferencing, the audio and video recordings of the meeting shall be part of the meeting minutes and be kept permanently.

Article 10 (Content of the Proceedings)

The content of the directors' regular meeting shall include at least the following:

1. Report items:

- (1) Minutes of the last meeting and execution.
- (2) Report of important financial and business matters.
- (3) Report of internal audit activities.
- (4) Other important matters to be reported.

2. Discussions:

- (1) Items discussed and continued from the last meeting.
- (2) Items to be discussed at this meeting.

3. Extempore motions.

Article 11 (Agenda discussion)

The Board of Directors shall conduct a meeting according to the agenda as specified in the meeting notice. The agenda may be altered with the approval of a majority of the directors attending the meeting. The chair shall not declare the meeting adjourned without the approval of a majority of the directors attending the meeting.

During a directors' meeting, if the directors sitting at the meeting do not constitute a majority of the attending directors, then by the request of the sitting directors, the chair shall declare a suspension of the meeting, under the provisions to which Paragraph 3, Article 8 shall apply *mutatis mutandis*.

After a director has finished his speech, the chair may respond in person or appoint a relevant personnel or an attending professional to provide relevant information.

If a director has repeated his statements on a agenda or has diverged from the agenda, to the extent of affecting other directors' turn for speech or hindering the meeting process, the chair shall terminate the speech.

Article 12 (Matters to be discussed by the Board of Directors)

The following matters shall be discussed in the directors's meeting. Except in an emergency or for a good reason, these matters shall be set out in the meeting notice and may not be raised as extempore motions:

1. Operating plan of the Company.
2. Annual and semi-annual financial reports. With the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by certified public accountants (CPA).
3. Adoption or amendment of the internal control system in accordance with Article 14 of the Securities Exchange Act (hereinafter referred to as the "Taiwan SEA").
4. Adoption or amendment, in accordance with Article 36-1 of Taiwan SEA, of the handling procedures of important financial or operational actions, such as acquisition or disposal of

assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.

5. Offering, issuance, or private placement of any equity-type securities.
6. Appointment or dismissal of a financial, accounting, or internal audit officer.
7. Donation to a related party or major donation to a unrelated party, with the exception of the donation of public interest designed for disaster relief of a major natural disaster. In the latter case, the donation may be submitted for acceptance at the next meeting by the directors.
8. Any matters pertaining to the Article 14-3 of the Taiwan SEA, other regulations or bylaws to be approved at a shareholders' meeting or a directors' meeting, or any such matters as prescribed by the authority.

The term "related party" in Subparagraph 7 of the preceding paragraph refers to a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" refers to any individual donation, or cumulative donations within one year to a single recipient, at an amount of NT\$100 million or more, or at an amount equal to or greater than 1% of the net operating revenue or 5% of the paid-in capital, of the recent year, as stated in the CPA-attested financial report. (For foreign companies whose stock has no par value or a par value other than NT\$10, 5% of the paid-in capital in the present paragraph shall be replaced with 2.5% of the shareholder equity.)

The term "within one year" as referred to in the preceding paragraph refers to a period of 1 year prior to the date of the current directors' meeting. The amount of donation already submitted to and passed by the directors are to be exempted.

Independent directors shall attend in person a meeting concerning matters that require a resolution by the Board of Directors under Article 14-3 of Taiwan SEA, Any opposing or reserved opinion by an independent director shall be recorded in the meeting minutes. If the independent director cannot personally attend the meeting to express their opinion, they may, except for a justifiable cause, submit their opinion in writing, which shall be included in the meeting minutes.

Article 13 (Voting "1")

When the chair at a directors' meeting judges that a proposal has been sufficiently discussed, the chair may terminate the discussion and call for a vote.

When voting on a proposal, if the chair inquires of all the attending directors and finds no objection, the proposal is deemed approved. If the chair finds any dissent, the proposal shall be brought to a vote.

The chair shall decide to adopt which of the following voting methods. In case of a dissent by an attendee, the voting method shall be decided by a majority of the attending directors.

1. Vote by a show of hands or by a polling system.
2. Vote by roll call.

3. Vote by ballot.

4. The Company's own voting system

"All the attending directors" as referred to in the preceding paragraph exclude those directors prohibited from exercising voting rights in accordance with Paragraph 1, Article 15.

Article 14 (Voting "2" Voting, scrutinizing ballots and ballots counting method)

Except as otherwise stated in the Securities Exchange Act or in the Company Act, a resolution at a directors' meeting requires the approval of a majority of the attending directors who constitute a majority of the directors.

When there is an amendment or an alternative on a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If one of the above proposals is approved by vote, the rest is deemed rejected, and no further vote is required.

The chair shall appoint vote-monitoring and vote-counting personnels if necessary, provided that all vote-monitoring personnels are directors. The voting results shall be reported during the meeting and recorded in the minutes.

Article 15 (Director's interest avoidance system)

The following directors or corporates of other representatives shall abstain during the deliberation of the matters listed below. They shall have the right to provide opinions and answer to the inquiry, but shall not be allowed to join the discussion and vote. They shall abstain during the discussion and ballot, and shall not represent other directors to exercise their voting rights:

1. Those who have interests with a legal entity or its legal representative. They shall report at the directors' meeting the key content of the interests that may pose a potential harm to the interests of the Company.
2. Those that the directors consider to abstain.
3. Those that the Board of Directors decide to abstain.

The resolution by the Board of Directors shall apply to directors who are not permitted to exercise their voting rights in accordance with Paragraph 3, Article 206 of the Company Act, under which the provisions of Paragraph 2, Article 180 shall apply *mutatis mutandis*.

Article 16 (Meeting minutes and signed Items)

Proceedings of the Board of Directors shall be recorded in the meeting minutes. The minutes shall detail the following matters:

1. Session (or year) and time/location of the meeting
2. Name of the chair
3. Attendance of directors at the meeting, including names and number of the members present, excused, and absent.
4. Names and titles of guests.
5. Name of the meeting secretary.

6. Report Items

7. Matters discussed: Resolution methods and results; summary of the statement by directors, supervisors, experts, and other personnel; names of directors involved in the interests as referred to in the first paragraph of the preceding article; description of the important content of the interests; reasons for abstention or no abstention, and how a director has abstained; objections and/or reservations with records or written statements; and written opinions issued by independent directors in accordance with Paragraph 4, Article 12.

8. Extempore motion: Names of sponsors; resolution methods and results; summary of the statement by directors, supervisors, experts, and other personnel; names of directors involved in the interests as referred to in the first paragraph of the preceding article; description of the important content of the interests; reasons for abstention or no abstention, and how a director has abstained; objections and/or reservations with records or written statements; and written opinions issued by independent directors.

9. Other matters to be included.

In case of any of the following matters, the Board of Directors shall, in addition to specifying the matter in the minutes, report to the Market Observation Post System designated by the Financial Supervisory Commission of the Executive Yuan within 2 days from the date of the Board of Directors:

- (1) Any matter about which an independent director expresses an objection or reservation that has been recorded or written.
- (2) Any matter that has not been passed by the audit committee of the Company, but has been approved by more than two-thirds of the directors.

The minutes of the proceedings shall be signed or sealed by the chair of the meeting and the meeting secretary, and shall be distributed to all directors and supervisors within 20 days after the meeting. The minutes shall be properly kept indefinitely as important records by the Company. The preparation and distribution of the minutes shall be done by means of public announcement. In addition, the check-in book of a directors' meeting is considered part of the minutes and shall be kept permanently.

Article 17 (Principle of authorization of the Board of Directors)

Except for the matters as set forth in Paragraph 1, Article 12 to be discussed at a directors' meeting, the Board of Directors shall authorize the Chairman of the Board to exercise the power on their behalf during the meeting recess in accordance with the Articles of Incorporation or regulations of the Company. The contents or matters of authorization are as follows:

1. The Chairman of the Board is authorized to make a decision in advance regarding the Company's endorsement within 20% of its current net worth, and then submits the report to the next directors' meeting for approval.
2. When the Company engages in derivative commodity transactions, it shall appoint a relevant personnel to handle the matters in accordance with the procedures for dealing with derivative commodity transactions, but it shall report to the Board of Directors afterwards.

Article 18 (Board of Managing Directors)

Article 2, Paragraph 2 Article 3, Article 4 to Article 6, Articles 8 to 11, and Articles 13 to 16 are applied mutatis mutandis meetings of the Company's managing directors.

Article 19 (Supplementary Provision)

The establishment and revision of the procedures of the Rules shall be approved by the Board of Directors.

The Rules were passed at the shareholders' regular meeting on June 15, 2004.

The Board of Directors revised it for the first time on December 29, 2006.

The Board of Directors revised it for the second time on March 14, 2008 .

The Board of Directors revised it for the third time on February 20, 2012 .

The Board of Directors revised it for the fourth time on December 25, 2012

Appendix IV

Shareholding of Directors and Supervisors

I. The amount of legally held shares of the current directors and supervisors of the Company are as follows:

The total shares issued by the Company are 84,238,902 common shares.

The directors of the Company are required to hold 6,739,112 shares under the relevant regulations.

The supervisors of the Company are required to hold 673,911 shares under the relevant regulations.

II. The shareholding of all directors and supervisors in the shareholders' list as of the book closure date.

The status of current shareholding is listed follows:

Record date: April 15, 2018

Title	Name	Current Shareholding	
		Shares	Percentage of Shareholding
Chairman of the Board	Jing-Lai Lu	3,757,283	4.46%
Director	Xin-Yao Cheng	503,513	0.60%
Director	Jian-Zhang Chen	2,732,431	3.24%
Director	Han-Lin Construction Co., Ltd.	775,000	0.92%
Director	Hao-Qiao Investment Co., Ltd.	7,311,625	8.68%
Director (Independent)	Jin-Bo Wang	0	0.00%
Director (Independent)	Huan-Ming Zhou	0	0.00%
Subtotal of Directors		15,079,852	17.90%

Title	Name	Current Shareholding	
		Shares	Percentage of Shareholding
Supervisor	Hong-Ren Lin	1,552,066	1.84%
Supervisor	Guo-Cheng Wu	696,129	0.83%
Supervisor	Jin-Cheng Investment Co., Ltd.	2,005,000	2.38%
Subtotal of Supervisors		4,253,195	5.05%
Total of Directors and Supervisors		19,333,047	22.95%