



2017 Annual Shareholders' Meeting Meeting Agenda

(Translation)

Time: 9:00 a.m., June 20th (Tue), 2016
Place: No. 2, Zhaye 1st Rd., Hsinchu

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ASolid Technology Co., Ltd.

2017

Agenda of Annual Shareholders' Meeting

I. Meeting Agenda

1. Time: 9:00 a.m., June 20th (Tue), 2017
2. Place: 2F., No.2, Zhanye 1st Rd., Hsinchu
3. Call the Meeting to Order
4. Chairman Remarks
5. Report Items
 - (1) 2016 Business Report
 - (2) Audit Committee's Review Report on the 2016 Financial Statements
 - (3) Report on 2016 Directors' Compensation and Employees' Profit Sharing
6. Proposals
 - (1) Adoption of 2016 Business Report and Financial Statements
 - (2) Proposal for Distribution of 2016 Profits
7. Discussion and Election Matters
 - (1) Proposal for Issuance of New Shares through Capitalization of 2016 Earnings
 - (2) Election of New Directors (Including Independent Directors)
 - (3) Release of Non-Compete Restrictions on New Directors and Their Representatives
8. Special Motions
9. Meeting Adjourned

II. Report Items

Item 1: 2016 Business Report

Explanatory Notes:

Please refer to Attachment 1: 2016 Business Report

Item 2: Audit Committee's Review Report on the 2016 Financial Statements

Explanatory Notes:

Please refer to Attachment 2: Audit Committee's Review Report on the 2016 Financial Statements

Item 3: Report on 2016 Directors' Compensation and Employees' Profit Sharing

Explanatory Notes:

Please refer to Attachment 3: Report on 2016 Directors' Compensation and Employees' Profit Sharing

III. Proposals

Item 1: To approve 2016 Annual Business Report and Financial Statements

Proposed by the Board of Directors

Explanatory Notes:

1. The Company's 2016 Financial Statements, including Balance Sheets, Income Statements, Statements of Changes in Equity and Statements of Cash Flows, were audited by independent auditors, Mr. Jin-Jhang Chen and Ms. Mei-Jhen Cai, of Deloitte & Touche. Independent Auditor's Report was issued accordingly.
2. The aforementioned Financial Statements, Independent Auditor's Report and 2015 Annual Business Report had been approved by the Board of Directors, and audited by the Audit Committee. The Audit Committee's Review Report on the 2015 Financial Statements was issued accordingly.
3. Please refer to Attachment 1: 2016 Annual Business Report, Attachment 4: 2016 Independent Auditors' Report and Consolidated Financial Statements, respectively.
4. Approval is respectfully requested.

Resolution:

Item 2: To approve Proposal for Distribution of 2016 Profits

Explanatory Notes:

1. The Company's 2016 net profit after tax is NT\$ 139,329,275. After setting aside 10% of the aforementioned amount as legal reserve of NT\$ 13,932,928, and then adding beginning retained earnings of NT\$ 59,296,786, the distributable net profit is NT\$ 184,693,133. Out of the distributable net profit, the proposed cash dividend to shareholders is NT\$45,668,250 (with NT\$ 1.5 per share) and the proposed stock dividend to shareholders is NT\$ 45,668,250 (with NT\$ 1.0 per share). The unappropriated retained earnings are NT\$ 108,579,383.
2. 2015 cash dividend is NT\$ 1.5 per share, and stock dividend is NT\$ 1.0 per share. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date, ex-rights date, and other relevant issues. In the event that the total amount of the Company's outstanding shares, the proposed stock and cash distribution ratio to shareholders are affected by a buyback of shares or any transfer or retirement of treasury shares, exercising employee stock option certificates converted to issuance of new shares, it is proposed that the Chairman of the Board of Directors be authorized to adjust the cash and stock dividends to be distributed to each share and relevant issues.
3. The cash dividend will be paid in cash with calculation rounded down to the nearest one NTD (any amount under one NTD will be discarded). The remaining fraction will be incorporated into other incomes.
4. Please refer to the Profit Distribution Table as follows:

ASolid Technology Co., Ltd.
Profit Distribution Table
Year 2016

Unit: NT\$

Beginning Retained Earnings	59,296,786
Add: net profit after tax	139,329,275
Less: 10% legal reserve	13,932,928
Distributable net profit	184,693,133
Distributable items:	
Dividend to shareholders	
(Cash Dividend of NT\$1.5 per share)	45,668,250
(Stock Dividend of NT\$1.0 per share)	30,445,500
Unappropriated retained earnings	108,579,383

Chairman:
Kun-Wang Liu

Manager:
Kun-Wang Liu

FAD Director:
Mei-Jhih Chen

5. Approval is respectfully requested.

Resolution:

IV. Discussion and Election Matters

Item 1: To discuss the issuance of new shares through capitalization of 2016 earnings

Proposed by the Board of Directors

Explanatory Notes:

1. Pursuant to Article 240 of the Company Act, the Company shall withdraw NT\$ 30,445,500 from 2016 unappropriated retained earnings to issue new shares through capitalization (with a total of 3,044,550 new shares, and NT\$ 1.0 per share).
2. After the proposal for capitalization has been approved by the competent authority, the new shares will be determined by the shareholding ratio of shareholders in the registry of shareholders on the record date. Each common share holder will be entitled to receive 100 stock dividends from retained earnings for each 1,000 shares owned. If the stock distribution includes any fractional shares, the shareholders concerned may arrange for pooling together their fractional shares to form one full share and register the same within 5 days after the record date. For the fractional share which cannot be pooled, the distribution will be made in the form of cash rounded to the nearest dollar amount calculated at par value. Such fractional shares will be purchased by persons arranged by the Chairman as authorized by the Board of Directors.
3. The rights and obligations of the new shares issued through capitalization shall be the same as existing shares.
4. After the resolution of record date for the issuance of new shares through capitalization and related issues have been approved in the Annual Shareholders' Meeting and the proposal for capitalization has been approved by the competent authority, the Board of Directors is authorized to determine the aforementioned matters. In the event that the total amount of the Company's outstanding shares, the proposed stock dividend distribution ratio to shareholders are affected by a buyback of shares or any transfer or retirement of treasury shares, exercising employee stock option certificates converted to issuance of new shares, it is proposed that the Chairman of the Board of Directors be authorized to adjust the stock dividends to be distributed to each share and relevant issues.
5. Resolution is respectfully requested.

Resolution:

Item 2: To elect new Directors (including Independent Directors)

Proposed by the Board of Directors

Explanatory Notes:

1. The term of current Directors and Independent Directors positions will be expired on November 11, 2017; therefore, the election of new Directors and Independent Directors the new will be held in this Annual Shareholders' Meeting.
2. Pursuant to Article 15 and 18 of the Articles of Incorporation, seven (7) Directors (including three (3) Independent Directors) shall be elected. The election of new Independent Directors shall be by the nominee system whereby the shareholders elect candidates from the candidates list.
3. The term of new Directors' positions shall be three years from June 20, 2017 to June 19, 2020. The outgoing Directors will be discharged ipso facto from the inauguration of new Directors.
4. The election is conducted in accordance with the Company's Rules for Director and Supervisor Elections.
5. The nominee list of Independent Directors candidates has been reviewed by the Board of Directors on May 8, 2017. The list of Independent Directors candidates is as follows:

No.	Name	Shareholding	Education and Experience
1	Victor Tsan	-	Ph.D. in Information Management, National Central University M.S. in Business Administration, National Cheng Chi University B.S. in Electrical Engineering, National Central University
2	Simon Fang	-	Ph.D. in Materials Science and Engineering, Stanford University M.S. in Materials Science and Engineering, Stanford University B.S. in Department of Physics, National Central University
3	Toshiba Cheng	-	M.S. in Electrical Engineering, National Taiwan University B.S. in Electrical Engineering, National Taiwan University

6. Election is respectfully requested

Resolution:

Item 3: To release the non-competition restrictions on new Directors and their representatives

Proposed by the Board of Directors

Explanatory Notes:

1. Pursuant to Article 209 of the Company Act, a Director engaging, either for himself or on behalf of another person, activities that are within the scope of the Company's business, shall explain at the shareholders' meeting the essential details of such activities and obtain the shareholders' approval for engaging in such activities.
2. To acquire the aid of the expertise and relevant experiences of the Directors, it is proposed to release the non-competition restrictions on new Directors and their representatives.
3. Resolution is respectfully requested.

Resolution:

V. Special Motions

VI. Meeting Adjourned

Attachment 1: 2016 Business Report

2016 Business Report

1. 2016 Business Results

ASolid's operating revenue in 2016 totaled NT\$1,008 million with the gross profit margin of 42%. Over the past year, the market demand for Flash controllers was severely impacted by the shortage of NAND Flash and decrease in customer needs, ASolid's operating revenue in 2016 fell by NT\$80 million compared to the same period of 2015. As SD3.0 controller products accounted for an increasing portion of ASolid's total shipments, an increase in gross margin was driven with a 6% growth compared to 2015. The Company's net profit after tax in 2016 was NT\$139 million, with an EPS of NT\$4.6.

2. Business Guidelines and Practices

ASolid is dedicated to the research and development of NAND Flash controller solutions with premium quality and performance in response to the surging global demands for NAND Flash storage products. Our controller product family mainly consists of "SD memory card controllers", "USB flash controllers", "embedded EMMC controllers" and "SSD controllers". In terms of memory card controllers, our products have established well-received and trustworthy reputations among our customers, thus have been widely adopted and distributed throughout every region of the world, including Taiwan, Mainland China, Asia, the Americas, Europe, and even Africa. Besides our SD2.0 controller products with comprehensive support for consumer devices (e.g. mobile phones, tablets), we have also launched high-performance SD3.0 controller products with enhanced support for UHS Video Speed Class 30 (V30) UHS on 4K2K UHD TVs and other advanced video-recording devices, providing the best controller chip solutions for the rapid-growing multimedia memory storage card market. ASolid continues to aggressively extend the market reach of its SD controller products beyond the existing customer bases, and expects a steady market share growth in the coming years. In terms of UFD flash controllers, our USB2.0 controller solutions have been successfully certified and adopted by leading-brand manufacturers. While the standards of UFD are gradually shifting from USB2.0 toward USB3.1, ASolid's USB 3.1 controller chip solutions are developed in corporation with customers and ready for mass production. USB3.1 controller chip solutions can support USB Type-C applications, providing 10x data transfer rates with significantly shortened copy-read time. Since this year, the USB 3.1 controller products have started to contribute sales revenue to the Company. Additionally, ASolid continues to focus on the development of industrial grade products with its major customer base in Japan. For the coming years, ASolid plans to invest more resources in this product line to develop a diverse customer base from different regions. ASolid's embedded

eMMC 5.1 controllers adopt the enhanced ECC algorithm to extend eMMC product stability and lifecycle, and now have passed verification for mass production. Also, our SSD (SATA III) controller products are configured with dual-channel architecture and now have passed customer verification, expecting for mass production in the first half of 2017. The complement of eMMC5.1 and SSD in our product lines has started to bring positive effects on the Company's competitiveness by providing our customers with more comprehensive NAND Flash controller IC solutions.

In order to adapt to the ever-changing landscape of IT industry and Flash application trends, ASolid will continue its devotion to the research and development of highly innovative and cost-effective products through its top-notch integration ability, and broaden its product coverage to enhance business competitive strength. Also, ASolid will expand its sales territory thorough its proactive development of new customers and market segments. We expect to move toward the goal of business diversification, and achieve the synergy of "one plus one greater than two" by providing customers with more comprehensive products and services thorough the implementation of corporate governance and resource integration among subsidiaries. Prospecting the future, ASolid will drive the next wave of business growth, and share its business success with shareholders and employees.

At last, we would like to take this opportunity to thank our shareholders for your continuous support.

Sincerely yours,

Chairman and President	Kun-Wang Liu
FAD Director	Mei-Jhih Chen

Attachment 2: Audit Committee's Review Report on the 2016 Financial Statements

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2016 Business Report, Financial Statements (including Consolidated and Individual Financial Statements) and proposal for allocation of profits. The independent auditors, Mr. Jin-Jhang Chen and Ms. Mei-Jhen Cai, of Deloitte & Touche, were retained to audit ASolid's Financial Statements and have issued an audit report relating to the Financial Statements. The Business Report, Financial Statements and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of ASolid Technology Co., Ltd. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

ASolid Technology Co., Ltd.
Chairman of the Audit Committee
Wen-Nan Zhan

March 20, 2017

Attachment 3: Report on 2016 Directors' Compensation and Employees' Profit Sharing

1. The Board of Directors adopted a proposal for 2016 compensation to Directors and employees' cash profit sharing on March 20, 2017. The proposal will be effected upon the approval of shareholders at the Annual Shareholders' Meeting on June 20, 2017.
 - (1) Employees' cash profits sharing: NT\$14,163,000.
(Distributed by way of cash to full-time employees of the Company and its subsidiaries)
 - (2) Directors' compensation: NT\$1,800,000

2. Explanation on the amounts of the aforementioned items and the expenses recognized accrued for the year:
 - (1) Discrepancy: None
 - (2) Cause: N/A
 - (3) Treatment: N/A

Attachment 4: Independent Auditors' Report and Consolidated Financial Statements

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2016 AND 2015

(In Thousands of New Taiwan Dollars)

	2016		2015			2016		2015	
	Amount	%	Amount	%		Amount	%	Amount	%
ASSETS					LIABILITIES AND EQUITY				
CURRENT ASSETS					CURRENT LIABILITIES				
	\$		\$				\$		
Cash and cash equivalents (Notes 4, 6, 27 and 30)	519,079	44	321,991	35	Short-term borrowings (Notes 14)	\$ 79,910	7	-	-
Debt investments with no active market - current (Notes 4, 7, 27 and 29)	2,047	-	2,034	-	Trade payables to unrelated parties (Notes 15, 27 and 30)	52,702	4	31,445	3
Trade receivable, from unrelated parties (Notes 4, 7, 27 and 30)	67,058	6	265,220	29	Other payables (Notes 16 and 27)	81,347	7	74,927	8
Other receivables (Note 8)	1,969	-	3,832	-	Current tax liabilities (Note 4 and 21)	22,860	2	14,516	2
Inventories (Note 4, 5 and 9)	340,640	29	225,651	24		<u>18,23</u>		<u>40</u>	
Prepayments	27,660	2	5,220	1	Other current liabilities (Note 16)	<u>6</u>	<u>2</u>	<u>2</u>	<u>-</u>
Other current assets (Note 13)	<u>27,25</u>		<u>80,09</u>					<u>121,29</u>	
	<u>2</u>	<u>2</u>	<u>6</u>	<u>9</u>	Total current liabilities	<u>255,055</u>	<u>22</u>	<u>0</u>	<u>13</u>
			<u>904,04</u>						
Total current assets	<u>985,705</u>	<u>83</u>	<u>4</u>	<u>98</u>	NON-CURRENT LIABILITIES				
					Deferred tax liabilities (Note 21)	1,345	-	1,198	-
NON-CURRENT ASSETS					Guarantee deposits received	<u>114</u>	<u>-</u>	<u>114</u>	<u>-</u>
Property, plant and equipment (Note 4 and 11)	99,256	8	9,008	1					
Goodwill (Note 5 and 24)	29,290	2	-	-	Total non-current liabilities	<u>1,459</u>	<u>-</u>	<u>1,312</u>	<u>-</u>
Other intangible assets (Note 4 and 12)	65,930	6	4,485	-					
Deferred tax assets (Note 4 and 21)	9,885	1	6,611	1	Total liabilities	<u>256,514</u>	<u>22</u>	<u>122,602</u>	<u>13</u>
Other non-current assets (Note 13)	<u>1,500</u>	<u>-</u>	<u>1,263</u>	<u>-</u>	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 4 and 18)				
					Share capital				
Total non-current assets	<u>205,861</u>	<u>17</u>	<u>21,367</u>	<u>2</u>	Ordinary shares	<u>304,455</u>	<u>25</u>	<u>237,460</u>	<u>25</u>
					Capital surplus				
					Additional paid-in capital	374,07		359,21	
					Employee share options	<u>6</u>	<u>31</u>	<u>9</u>	<u>39</u>
						<u>7,122</u>	<u>1</u>	<u>10,503</u>	<u>1</u>
					Total capital surplus	<u>381,198</u>	<u>32</u>	<u>369,722</u>	<u>40</u>
					Retained earnings				
					Legal reserve	27,660	2	15,050	2
					Unappropriated retained earnings	<u>198,626</u>	<u>17</u>	<u>166,890</u>	<u>18</u>
					Total retained earnings	<u>226,286</u>	<u>19</u>	<u>181,940</u>	<u>20</u>
					Other equity	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>
					Total equity attributable to owner of the Company	911,941	76	789,122	85
					NON-CONTROLLING INTERESTS	<u>23,111</u>	<u>2</u>	<u>13,687</u>	<u>2</u>
					Total equity	<u>935,052</u>	<u>78</u>	<u>802,809</u>	<u>87</u>
TOTAL ASSETS	<u>\$ 1,191,566</u>	<u>100</u>	<u>\$ 925,411</u>	<u>100</u>	TOTAL LIABILITIES AND EQUITY	<u>\$ 1,191,566</u>	<u>100</u>	<u>\$ 925,411</u>	<u>100</u>

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

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED DECEMBER 31, 2016 AND 2015

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2016		2015	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 19)	\$ 1,055,140	100	\$ 1,104,986	100
OPERATING COSTS (Note 9)	<u>(625,851)</u>	<u>(59)</u>	<u>(709,347)</u>	<u>(64)</u>
GROSS PROFIT	<u>429,289</u>	<u>41</u>	<u>395,639</u>	<u>36</u>
OPERATING EXPENSES (Notes 20)				
Selling and marketing expenses	(44,044)	(4)	(39,976)	(4)
General and administrative expenses	(52,565)	(5)	(57,415)	(5)
Research and development expenses	<u>(192,681)</u>	<u>(19)</u>	<u>(181,580)</u>	<u>(16)</u>
Total operating expenses	<u>(289,290)</u>	<u>(28)</u>	<u>(278,971)</u>	<u>(25)</u>
PROFIT FROM OPERATIONS	<u>139,999</u>	<u>13</u>	<u>116,668</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 20)	712	-	622	-
Other gains and losses (Note 20)	5,472	1	12,591	1
Finance costs (Notes 4 and 20)	<u>(1,635)</u>	<u>-</u>	<u>(1,043)</u>	<u>-</u>
Total non-operating income and expenses	<u>4,549</u>	<u>1</u>	<u>12,170</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	144,548	14	128,838	12
INCOME TAX EXPENSE (Notes 4 and 21)	<u>(17,180)</u>	<u>(2)</u>	<u>(21,834)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	<u>127,368</u>	<u>12</u>	<u>107,004</u>	<u>10</u>
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	\$ <u>3</u>	<u>-</u>	\$ <u>-</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 127,371</u>	<u>12</u>	<u>\$ 107,004</u>	<u>10</u>
NET PROFIT ATTRIBUTABLE TO:				
Owner of the Company	\$ 139,330	13	\$ 126,096	12
Non-controlling interests	<u>(11,962)</u>	<u>(1)</u>	<u>(19,092)</u>	<u>(2)</u>
	<u>\$ 127,368</u>	<u>12</u>	<u>\$ 107,004</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the Company	\$ 139,332	13	\$ 126,096	12
Non-controlling interests	<u>(11,961)</u>	<u>(1)</u>	<u>(19,092)</u>	<u>(2)</u>
	<u>\$ 127,371</u>	<u>12</u>	<u>\$ 107,004</u>	<u>10</u>

(Continued)

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED DECEMBER 31, 2016 AND 2015

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2016		2015	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 22)				
Basic	\$ 4.60		\$ 4.69	
Diluted	\$ 4.46		\$ 4.45	

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

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2016 AND 2015
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company							Non-controlling Interests	Total Equity
	Share Capital		Capital Surplus		Retained Earnings		Other Equity		
	Shares (In thousands)	Capital Share	Additional Paid-in Capital	Employee Share Options (Note 23)	Legal Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations		
BALANCE, JANUARY 1, 2015	20,000	\$ 200,000	\$ 277,478	\$ 7,935	\$ 2,061	\$ 133,783	\$ -	\$ 32,779	\$ 654,036
Capital Increase by Cash, NOVEMBER, 2015	2,300	23,000	73,820	-	-	-	-	-	96,820
Appropriations of 2014 earnings									
Legal reserve	-	-	-	-	12,989	(12,989)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(70,000)	-	-	(70,000)
Share dividends distributed by the Company	1,000	10,000	-	-	-	(10,000)	-	-	-
Other changes in capital surplus									
Recognition of employee share options by the Company	-	-	-	5,137	-	-	-	-	5,137
Transfer of employee share options	446	4,460	7,921	(2,569)	-	-	-	-	9,812
Net profit for the year ended December 31, 2015	-	-	-	-	-	126,096	-	(19,092)	107,004
Total comprehensive income (loss) for the ended December 31, 2015	-	-	-	-	-	126,096	-	(19,092)	107,004
BALANCE, DECEMBER 31, 2015	23,746	\$ 237,460	\$ 359,219	\$ 10,503	\$ 15,050	\$ 166,890	\$ -	\$ 13,687	\$ 802,809
Appropriations of 2015 earnings									
Legal reserve	-	-	-	-	12,610	(12,610)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(35,619)	-	-	(35,619)
Share dividends distributed by the Company	5,937	59,365	-	-	-	(59,365)	-	-	-
Other changes in capital surplus									
Recognition of employee share options by the Company	-	-	-	2,320	-	-	-	-	2,320
Transfer of employee share options	763	7,630	14,857	(5,701)	-	-	-	-	16,786
Net profit for the year ended December 31,2016	-	-	-	-	-	139,330	-	(11,962)	127,368
Other comprehensive income (loss) for the year ended December 31, 2016	-	-	-	-	-	-	2	1	3
Total comprehensive income for the year ended December 31,2016	-	-	-	-	-	139,330	2	(11,961)	127,371
Non-controlling interest arising from acquisition of subsidiaries	-	-	-	-	-	-	-	21,385	21,385
BALANCE, DECEMBER 31, 2016	30,446	\$ 304,455	\$ 374,076	\$ 7,122	\$ 27,660	\$ 198,626	\$ 2	\$ 23,111	\$ 935,052

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

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2016 AND 2015 (In Thousands of New Taiwan Dollars)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 144,548	\$ 128,838
Depreciation expenses	6,174	3,240
Amortization expenses	24,422	10,421
Provision (reversal of provision) for bad debt expense	(1,500)	3,442
Finance costs	1,635	1,043
Interest income	(466)	(571)
Compensation cost of employee share options	2,320	5,137
Gain for market price decline and obsolete and slow-moving inventories	15,414	3,971
Others	435	-
Unrealized foreign exchange loss (gain)	2,522	(2,844)
Changes in operating assets and liabilities:		
Trade receivables	208,639	22,301
Other receivables	2,441	(1,125)
Inventories	(90,671)	47,594
Prepayments	23,968	(4,294)
Other current assets	71,480	(79,215)
Notes payable	(7,306)	-
Trade payables	(2,615)	(260,807)
Other payables	(27,129)	22,078
Other current liabilities	<u>(4,856)</u>	<u>161</u>
Cash generated from operations	369,455	(100,630)
Interest paid	(1,635)	(1,043)
Income tax paid	<u>(11,967)</u>	<u>(30,497)</u>
Net cash generated from (used in) operating activities	<u>355,853</u>	<u>(132,170)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of debt investments with no active market	-	63,484
Net cash inflow on acquisition of subsidiaries	30,023	-
Payments for property, plant and equipment	(91,797)	(2,888)
Increase in refundable deposits	4,260	(2)
Payments for intangible assets	(59,359)	(2,638)
Increase (decrease) in prepayments for business facilities	-	(301)
Interest received	<u>453</u>	<u>571</u>
Net cash generated from (used in) investing activities	<u>(116,420)</u>	<u>58,226</u>

(Continued)

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2016 AND 2015 (In Thousands of New Taiwan Dollars)

	2016	2015
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	\$ 326,500	\$ 373,377
Decrease in short-term loans	(347,619)	(373,377)
Exercise of employee share options	16,786	9,812
Cash dividends paid to owners of the Company	(35,619)	(70,000)
Issuance of new shares	<u>-</u>	<u>96,820</u>
Net cash generated from (used in) financing activities	<u>(39,952)</u>	<u>36,632</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(2,393)</u>	<u>1,560</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>197,088</u>	<u>(35,752)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>321,991</u>	<u>357,743</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 519,079</u>	<u>\$ 321,991</u>

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

(Concluded)

Appendix 1: Articles of Incorporation (Translation)

Articles of Incorporation of ASolid Technology Co., Ltd.

Section I General Provisions

- Article 1: The Company shall be incorporated as a company limited by shares under the Company Act and its name shall be “ASolid Technology Co., Ltd.”
- Article 2: The scope of business of the Company shall be as follows:
ZZ99999. Other than the business which requires special approval, the Company may conduct any business that is not prohibited or restricted by any law or regulations.
- Article 3: The Company shall have its head-office in Hsinchu City and, if necessary, may set up business offices in and out of this country upon a resolution of its Board of Directors.
- Article 4: Public notices of the Company shall be made in accordance with Article 28 of the Company Act.
- Article 5: The Company may provide endorsement and guarantee and act as a guarantor for the purpose of business needs pursuant to the regulations required by the Company’s Operational Procedures for Endorsements.

Section II Shares

- Article 6: The total capital stock of the Company shall be in the amount of 500,000,000 New Taiwan Dollars, divided into 50,000,000 shares with a par value of ten New Taiwan Dollars. The Board of Directors is authorized to issue the un-issued shares in installments, of which 50,000,000 New Taiwan Dollars are reserved and divided into 5,000,000 shares with a par value of ten New Taiwan Dollars for the issuance of employee stock options in installments pursuant to the resolutions of the Board of Directors.
- Article 7: All share certificates of this Company shall be issue in registered form. The Company may issue registered stock without printing share certificates provided that the paid-in capital of the Company does not achieve the standard amount for printing share certificates required by the Company Act and related regulations. Upon the publicly issuance of stocks, it is permitted not to print the share certificates for the issued shares of the Company, but it is required that these shares shall be recorded by a centralized securities custodian or placed under the custody of such custodian.
- Article 8: The entries in the shareholders’ roster shall not be altered within 30 days prior to the convening date of a regular shareholders’ meeting, or within 15 days prior to the convening date of a special shareholders’ meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits. The periods specified in the preceding paragraph shall commence from the applicable convening date of shareholders’ meeting or from the applicable target date, as the case may be.

Provided the Company has its shares issued to the public, the entries in its shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.

Section III Shareholders' Meeting

Article 9: Shareholders' meeting shall be of two types, namely general and extraordinary shareholders' meeting; the former shall be convened once a year by the Board of Directors in accordance with laws within six months after the close of each accounting fiscal year and the latter shall be convened in accordance with laws whenever necessary. When the Company holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means in accordance with related regulations and laws.

Article 11: Unless otherwise specified in the Article 157 Paragraph 3 and Article 179 of the Company Act, each shareholder shall be entitled to one vote for each share owned.

Article 12: Unless otherwise provided by the Company Act, a resolution of shareholders shall be adopted, if passed, a majority of the votes held by shareholders present at the meeting attended by shareholders representing a majority of the total issued and outstanding shares.

Article 12-1: The shareholders' meeting shall be convened by the Board of Directors and chaired by the Chairman of the Board of Directors. In the event the Chairman of the Board of Directors is absent, the Chairman shall designate one Director to act on his behalf. In the absence of such a designation, the Directors shall elect a director from among themselves to preside at the meeting. If the shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the meeting shall be chaired by the convening party. When there are two or more such convening parties, they shall mutually elect a chair from among themselves to preside at the meeting.

Article 13: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

Upon the public issuance of shares, the Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

Article 14: Provided the Company has its share certificates publically issued, a resolution for revoking the publically issued shares shall be adopted by a majority vote at a meeting of shareholders attended by shareholders representing two-thirds or more of the total number of the outstanding shares of the Company.

Section IV Directors and Supervisors

Article 15: The Company will have three (3) to five (5) Directors and one (1) to three (3) Supervisors to be elected at a shareholders' meeting from persons of legal capacity to serve a term of three years. A director or supervisor may be re-elected.

Provided the public issuance of the Company's shares, the Company shall have five (5) to seven (7) Directors and two (2) to three (3) Supervisors to be elected at a shareholders' meeting from persons of legal capacity to serve a term of three years. A Director or Supervisor may be re-elected.

The Company shall purchase liability insurance for the Directors and Supervisors based on their operational business scopes during their terms.

Article 16: When the posts of one-third or more of the Directors have been vacated or all of the Supervisors have been discharged, an extraordinary meeting of shareholders shall be convened by the Board of Directors to elect Directors or Supervisors to fill the vacancies within thirty (30) days. Provided the public issuance of the Company's shares, an extraordinary meeting of shareholders shall be convened by the Board of Directors to elect Directors or Supervisors to fill the vacancies within sixty (60) days.

Article 17: In the event that no new Directors or Supervisors can be elected immediately after the expiration of a term of office, the current Directors or Supervisors shall continue to perform their duties until the new Directors or Supervisors are elected and assume their office. However, the competent authority may order the Company to elect new Directors or Supervisors within a given time limit; and if no re-election is effected after expiry of the given time limit, the out-going Directors and Supervisors shall be discharged ipso facto from such expiration date.

Article 18: Provided the Company has its share certificates issued publically, the Company shall appoint independent directors in accordance with Article 14-2 of the Securities and Exchange Law. The positions held by Independent Directors shall be no less than two in number and no less than one-fifth of the total number of Directors. The candidates for Independent Directors are nominated and then elected by the shareholders' meeting from among the nominees listed in the roster of director candidates. The professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination and appointment and other matters for compliance with respect to Independent Directors shall be handled in accordance with the Company Act, Securities and Exchange Act and relevant regulations.

Article 18-1: Provided the Company has its share certificates issued publically, the Company shall comply with Article 14-4 of the Securities and Exchange Law and establish an Audit Committee, which shall consist of all Independent Directors. The Audit Committee or the members of Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Act, Securities and Exchange Law and other relevant regulations.

Article 19: The Board of Directors shall be organized by the Directors. The Chairman of the Board of Directors shall be elected by a majority of the Directors present at a meeting attending by two-thirds of the Directors. The Chairman of the Board of Directors shall be the authorized representative of the Company.

Article 20: In the event that the Chairman of the Board of Directors is on leave or cannot exercise his/her duties for any reasons, his/her proxy shall act in accordance with Article 208 of the Company Act. Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors. Directors shall be present at the Board of Directors meeting in person. If a video conference is held, a Director attends such conference through visual means shall be deemed present at the conference

as if the director were there in person. Where a Director is unable to attend the Board of Directors meeting, he/she may issue proxy setting forth the scope of authorization by signing or affixing his/her seal on the proxy form for another director to present on his/her behalf. The representative shall serve as the proxy for one Director only.

In calling a meeting of the Board of Directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each director and supervisor no later than 7 days prior to the scheduled meeting date. However, in the case of emergency, the meeting may be convened at any time. The notice of Board of Directors meeting may be made to each Director and Supervisor by correspondence or electronic or facsimile means.

Article 21: The Board of Directors is authorized to determine the compensation payable to the Chairman, Directors and Supervisors of the Company, taking into account their contributions to the Company and also with reference to the industry payout standard.

Section V Managers

Article 22: The Company may have Managers, whose appointments, discharge and compensations shall be subject to provisions in Article 29 of the Company Act.

Section VI Accounting

Article 23: The Board of Directors shall prepare at the close of each accounting fiscal year for the Company (1) Business Report, (2) Financial Statements, (3) Proposal of Distribution of Earnings or Making Up of Loss, etc. and forward them to the Auditor for examination thirty days prior to the regular meeting of Shareholders, and submit them to the regular meeting of Shareholders for approval pursuant to the applicable laws.

Article 24: If the Company has any profits (referring to as the balance profits which the earnings before tax minus the compensation distribution for employees and directors) in the fiscal year, the Company shall set aside 7~17% of the profit left over as the compensation to employees and no higher than 5% as the compensation to directors. Provided the Company has any accumulated losses (including the adjustment of unappropriated retained earnings), the Company shall retain the offset amount for losses in advance.

Employee bonus may be distributed by way of stock or cash and the employees qualifying for such distribution may include the employees of subsidiaries of the Company who met certain specific requirements defined by the Board of Directors. The compensation to the directors may be distributed by way of cash only. The distribution proposal for employee bonus and directors' compensation shall be approved with a resolution by a majority of the directors present at a meeting attending by two-thirds of the directors, and then appropriated according to a resolution adopted in the shareholders' meeting.

When allocating the net income for each fiscal year, the Company shall first offset its accumulated losses (including the adjustment of unappropriated retained earnings) in the previous years and set aside a legal reserve at 10% of the profit left over, until the accumulated legal capital reserve has equaled the total paid-in capital of the Company, then set aside special capital reserve in accordance

with relevant laws and regulations, and then set aside the special capital reserve which could be appropriated in accordance with the applicable laws or regulations by the competent authority. Any balance left over, along with the prior year unappropriated retained earnings (including adjustment of the unappropriated retained earnings), shall be allocated based on the proposal for distribution established by the Board of Directors and then submitted for distribution per resolution of the shareholders' meeting. The distribution policy of the Company is made in accordance with the factors, such as its current and future business plans, investment environments, capital needs and the foreign and domestic competition conditions and shareholders' benefits. Among the distribution of earnings, the cash dividends shall not be lower than 10% of total dividends to shareholders, provided the Company might adjust its distribution policy for cash and stock dividends pursuant to the factors, such as the economic conditions, industry development, capital needs, etc.

Section VII Additional Rules

Article 25: The Company may invest in other companies based on its business needs and such investment by the Company and the position as the shareholder of other companies shall be made in accordance with a resolution adopted by the Board of Directors. The total amount of such investment shall exceed 40% of the amount of the Company's paid-in capital.

Article 26: In regard to all matters not provided for in these Articles of Incorporation, the Company Act shall govern.

Article 27: These Articles of Incorporation were enacted on Jan. 21, 2008

The 1st amendment was on Feb. 29, 2008

The 2nd amendment was on Mar. 2, 2009

The 3rd amendment was on Jan. 4, 2010

The 4th amendment was on Sep. 15, 2011

The 5th amendment was on Dec. 31, 2013

The 6th amendment was on Jun. 23, 2014

The 7th amendment was on Jun. 14, 2016

ASolid Technology Co., Ltd.

Kun-Wang Liu

Appendix 2: Rules of Procedures for Shareholders' Meetings

1. Revision History: 01

2. Purpose:

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these rules are adopted pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.

3. Scope:

The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.

4. Responsibility: N/A

5. Definition: N/A

6. Operation Content

6.1. Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.

6.2. The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of Directors or Supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place. The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of Directors or Supervisors, amendments to the Articles of Incorporation, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders' meeting. None of the

above matters may be raised by an extraordinary motion. A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders' meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publically announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals that conform to the provisions of this Article. At the shareholders' meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

6.3. For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

6.4. The venue for a shareholders' meeting shall be the premises of this Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the Independent Directors with respect to the place and time of the meeting.

6.5. The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors or Supervisors, pre-printed ballots shall also be furnished. When the government or a justice person is a shareholder, it may be presented by more than one representative at a shareholders' meeting. When a justice person is appointed to attend as proxy, it may designate only one person to present it in the meeting.

- 6.6. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the Managing Directors to act as chair, or, if there are no Managing Directors, one of the Directors shall be appointed as chair. Where the Chairman does not make such designation, the Managing Directors or the Directors shall select from among themselves one person to serve as chair.**

When a Managing Director or a Director serves as chair, as referred to in the preceding paragraph, the Managing Director or Director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a justice person director that serves as chair. It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman of the Board and attended by a majority of the Directors, and at least one Independent Director in person. The attendees shall be recorded in the meeting minutes. If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

- 6.7. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.**

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

- 6.8. Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements**

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 pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within 1 month.

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

- 6.9. 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, which may not be changed without a resolution of the shareholders' meeting.**

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with 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 for proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

- 6.10. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.**

A shareholder in attendance who has submitted a speaker's slip but does not actually 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 spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation. When a justice person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

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

- 6.11. Voting at a shareholders' meeting shall be calculated based on the number of shares.**

With respect to resolutions of shareholders' meetings, the numbers of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. When a shareholder is an interested party in relation to an agenda item, and there is the

likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated 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, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded; the voting rights in excess of that percentage shall not be included in the calculation.

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

When the Company holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voted after solicitation by the Chairman. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended in the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before 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 voting rights by correspondence or electronic means, in the event that the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voted after solicitation by the Chairman.

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. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the number of votes, shall be announced

on-site at the meeting, and a record made of the vote.

- 6.13. The election of Directors or Supervisors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as Directors and Supervisors and the numbers of votes with which they were elected.**

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

- 6.14. Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.**

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberation and their results, and shall be retained for the duration of the existence of the Company.

- 6.15. On the day of a shareholders' meeting, the Company shall compile in the prescribed format at a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.**

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws and regulation or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed period.

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

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

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

- 6.17. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting**

temporarily suspended and announce a time when, in view of circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

7. Reference: N/A

8. Application Form: N/A

9. Announcement (Implementation and Amendments)

The establishment and amendment of these Rules of Procedures shall be approved by the Board of Directors and submitted for approval by the shareholders' meeting before entering into effect.

Passed by the Board of Directors: May 19, 2014

Passed by the shareholders' meeting:: June 23, 2014

The 1st amendment was passed by the Board of Directors: March 16, 2015

The 1st amendment was passed by the shareholders' meeting: June 22, 2015

Appendix 3: Procedures for Election of Director and Supervisors

1. **Revision History: 01**

2. **Purpose:**

To ensure a just, fair, and open election of directors and supervisors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

3. **Scope:**

Except as otherwise provided by law and regulation or by this Corporation's Articles of Incorporation, elections of Directors and Supervisors shall be conducted in accordance with these Procedures.

4. **Responsibility: N/A**

5. **Definition: N/A**

6. **Operation Content**

6.1. The overall composition of the Board of Directors shall be taken into consideration in the selection of this Corporation's Directors. Each Board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the Board as a whole are as follows:

- a. The ability to make judgments about operations.
- b. Accounting and financial analysis ability.
- c. Business management ability.
- d. Crisis management ability.
- e. Knowledge of the industry.
- f. An international market perspective.
- g. Leadership ability.
- h. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other Director.

6.2. Supervisors of this Corporation shall meet the following qualifications:

- a. Integrity and a practical attitude.
- b. Impartial judgment.
- c. Professional knowledge.
- d. Board experience.
- e. Ability to read financial statements.

In addition to the requirements of the preceding paragraph, at least one among the supervisors of this Corporation must be an accounting or finance professional.

Appointments of Supervisors shall be made with reference to the provisions on independence contained in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, in order to select appropriate Supervisors to help strengthen the Corporation's risk management and control of finance and operations.

At least one Supervisor position must be held by a person having neither a spousal relationship nor a relationship within the second degree of kinship with any other Supervisor or with any Director.

A Supervisor may not serve concurrently as the Director, managerial officer, or any other

employee of this Corporation, and at least one of the Supervisors must be domiciled in the Republic of China to be able to promptly fulfill the functions of Supervisor.

- 6.3. The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

- 6.4. When the number of Directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of Directors falls short by one third of the total number prescribed in this Corporation's Articles of Incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of Independent Directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the Independent Directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of Supervisors falls below that prescribed in this Corporation's Articles of Incorporation due to the dismissal of a Supervisor for any reason, a by-election to fill the vacancy should ideally be held at the next shareholders meeting. When the Supervisors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

- 6.5. The cumulative voting method shall be used for election of the Directors and Supervisors at this Corporation. Each share will have voting rights in number equal to the Directors or Supervisors to be elected, and may be cast for a single candidate or split among multiple candidates.
- 6.6. The Board of Directors shall prepare separate ballots for Directors and Supervisors in numbers corresponding to the Directors or Supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- 6.7. The number of Directors and Supervisors will be as specified in this Corporation's Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- 6.8. Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall

be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

6.9. If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

6.10. A ballot is invalid under any of the following circumstances:

- (1) The ballot was not prepared by the Board of Directors.
- (2) A blank ballot is placed in the ballot box.
- (3) The writing is unclear and indecipherable or has been altered.
- (4) The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number does not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number does not match.
- (5) Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
- (6) The name of the candidate entered in the ballot is identical to that of another shareholder, but not shareholder account number or identity card number is provided in the ballot to identify such individual.

6.11. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as Directors or Supervisors shall be announced by the chair on the site.

6.12. The Board of Directors of this Corporation shall issue notifications to the persons elected as Directors or Supervisors.

7. Reference: N/A

8. Application Form: N/A

9. Announcement (Implementation and Amendments)

The establishment and amendment of these Rules and Procedures shall be approved by the Board of Directors and submitted for approval by the shareholders' meeting before entering into effect.

Passed by the Board of Directors: May 19, 2014

Passed by the shareholders' meeting: June 23, 2014

Appendix 4: Shareholding of All Directors

ASolid Technology Co., Ltd. Shareholding of All Directors

Unit: Share

Position	Name	Record date: April 22, 2017	
		Shares	Shareholding Ratio
Chairman	Kun-Wan Liu	3,019,429	9.68%
Director	Wen-Hong Yen	709,311	2.28%
Director	Wei-Zhe Lin	809,142	2.60%
Director	Wen-Kuan Chen	273,623	0.88%
Independent Director	Wen-Nan Zhn	-	-
Independent Director	Song-Ren Fang	-	-
Independent Director	Xin-He Zheng	-	-
Total Shareholding of all Directors		4,811,505	15.44%

Note:

1. The minimum required combined shareholding of all Directors by law is 3,600,000 shares.
2. The Company has set up an Audit Committee, so the requirement on minimum shareholdings of Supervisors is not applicable