Stock Code：**3010**

WAH LEE INDUSTRIAL CORP.

2018 Annual Shareholders' Meeting Manual

Date：May 30, 2018

Meeting Venue: 5F, No.211, Zhongzheng 4th Road, Kaohsiung City

(Mega International Commercial Bank South District Training Centre)

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Wah Lee Industrial Corp.

2018 Meeting Order

1. Call meeting to order

2. Chairman Address

3. Reporting Items

4. Proposed Resolutions

5. Discussion

6. Special Motion

7. Meeting Adjourned

Wah Lee Industrial Corp.

2018 Annual Shareholders’ Meeting Agenda

Date：Wednesday, May 30, 2018 @ 9:30

Meeting Venue: 5F, No.211, Zhongzheng 4th Road, Kaohsiung City (Mega International Commercial Bank South District Training Centre)

1. Call meeting to order (Report presented shares)
2. Chairman Address
3. Reporting Items
    (I) 2017 Business Reporting
    (II) 2017 Audit committee review reporting
    (III) To report 2017 employees’ profit sharing bonus and directors’ compensations
    (IV) 2017 Endorsement and guarantees reporting
    (V) 2017 Lending of capital reporting
    (VI) 2017 Investments in China reporting
    (VII) The 2nd Domestic Unsecured convertible corporate bond issuance progress reporting
    (VIII) Partial article revision of “Code of Ethics of Directors and Managers”
4. Proposed Resolutions
    (I) 2017 Business reporting and financial statements
    (II) The proposal for distribution of 2017 earnings
5. Discussion
    Partial article revision of “The Procedures for Acquisition or Disposal of Assets”
6. Special Motion
7. Meeting Adjourned

Reporting Items

(I) 2017 Business Reporting

Explanatory Notes: Please refer to page 7 and page 8 (Attachment (I))

(II) 2017 Supervisors' review reporting

Explanatory Notes: Please refer to page 9 (Attachment (II))

(III) To report 2017 employees' profit sharing bonus and directors' compensations

Explanatory Notes:

According to article 20 of Articles of Incorporation and the approval of the Board of Directors, the compensations of Board of Directors' and Supervisors' shared 1.15 % of the corporate profit before taxes and totaled TWD 21,701,000. The employees' profit sharing bonus shared 11% of the corporate profit before taxes and totaled TWD 207,579,000. Both of them will be paid by cash.

(IV) 2017 Endorsement and guarantees reporting

Explanatory Notes: Please refer to page 10 (Attachment (III))

(V) 2017 Lending of capital reporting

Explanatory Notes: Please refer to page 11 (Attachment (IV))

(VI) 2017 Investments in China reporting

Explanatory Notes: Please refer to page 12 and page 13 (Attachment (V))

(VII) The 2nd Domestic Unsecured convertible corporate bond issuance progress reporting

Explanatory Notes: Please refer to page 14 (Attachment (VI))

(VIII) Code of Ethics of Directors and Managers

Explanatory Notes: Please refer to page 15 and page 16 (Attachment (VII))

Proposed Resolution

Proposal I by Board of Directors
Cause of action: 2017 Business reporting and financial statement recognition.
Explanatory Notes:
i) Wah Lee Industrial Corp's business reports, the parent company only financial statements, and the consolidated financial statements are audited by independent auditors, Ms. Zehn-Li Chen and Mr. Jun-ji Gong of Deloitte & Touche.
ii) For2017 business reports, the audited parent company only financial statements and, the audited consolidated financial statements. Please refer to page 7~8 (Attachment (I)) and page 17~27 (Attachment (VIII))
Vote by poll:

Proposal II by Board of Directors
Cause of action: 2017 Earnings distribution proposal recognition.
Explanatory Notes:

i) The net profit after tax of 2017 is NTD 1,409,506,076. According to Company Law and Article of Incorporation of Wah Lee Industrial Corp., TWD 140,950,608 set aside as a legal capital reserve and TWD 118,976,782 as a reverse special capital reserve. Recognized TWD 5,081,781,061 at the year end as allocable capital reserve after adding TWD 3,710,558,609 unallocated legal capital reserve at the beginning of year 2017, subtracting TWD 16,309,798 compensation and bonus allocation, and retaining TWD 16,309,798. Dividend allocation is TWD 763,587,456 and distribute in cash (NT3.3 per share)

ii) When cash dividend is issued, round it to dollar and adjust decimals with descending order and shareholders' account number with ascending order to match total allocable cash dividends.

iii) Propose to authorize the board of directors to set up ex-dividend date and other associated follow-up, once the shareholder's meeting approve this proposal.

iv) Authorize board of directors to deal with effect of the total shares outstanding if they diluted the earning per share and shareholders' dividends.

v) 2017 Earnings distribution proposal. Please refer to page 28 (Attachment (IX))

Voting by poll:

Discussion

Proposal by Board of Directors
Cause of action: Partial article revision of “The Procedures for Acquisition or Disposal of Assets”
Explanatory Notes:

i) The Company has ablished “Long term and short term investment management proposal”, thus deleting related wordings relate to “Long tterm and short term investment management proposal”, and revise partial “The Procedures for Acquisition or Disposal of Assets”.

ii) “The Procedures for Acquisition or Disposal of Assets” revision comparison. Please refer to page 29~30 (Attachment (X).

i) “The Procedures for Acquisition or Disposal of Assets” before the revision. Please refer to page 39~56 (Attachment (III).

Voting by poll:

Special Motion

Meeting Adjourned

Wah Lee Industrial Corp.

2017 Business report

2017 was a year for Wah Lee to celebrate its good harvest. Our consolidated revenue officially broke through the NT$40 billion mark, reaching 42.9 billion dollars. The after-tax net profit per share also reached a new high in the past seven years, and the net profit after tax per share was 6.09 dollars. The after-tax net profit per share increased by 35% compared with the previous year. Wah Lee not only establishs the status of the electronic circuit industry as a flagship in sales, but also become an indicator of the profitability of the industry. Looking forward to the coming year, various economic forecasting agencies generally believe that this year's growth trend will be slightly slower after significant growth last year. Research institutions such as the Organisation for Economic Co-operation and Development (OECD) predict that the average global economic growth rate for this year (2018) is between 3.1% and 3.7%, and for mainland China is between 6.4% and 6.6%. Under such conditions of economic growth, Wah Lee will try to set a new record in revenue with reasonable administrative costs. In order to create amazing profits, this year will once again put up a bright transcript.

In 2017 fiscal year, the revenue of Wah Lee parent company only was NTD 26.391 billion, an increase of 6.6 percent year over year; Net income was NTD .439 billion, an increase of 61.9 percent compared to 2016. Non-operating income was NTD 1.219 billion. The net income was NTD 1.409 billion, a 34.8 percent increased, and the diluted earnings per share wasNTD 6.09. In the consolidated statement section, Wah Lee consolidated revenue for the year of 2017 was 42.916 billion dollars, an increase of 8.5% from the previous year.

Wah Lee has actively deployed high-tech growth markets: In recent years, especially smart phones, green energy environmental protection industry, electric vehicle market, next-generation electronic market and emerging biomedical industry have become the key industries promoted by Wah Lee. Wah Lee has taken a leading position in the industry in terms of sales of high-functional engineering plastics needed in the telecommunications industry, including new types of connectors, antenna modules for new smart phones, optical lens components, automotive components, and automatic driving. The lens modules, medical equipment, and food packaging materials were successfully connected to the above-mentioned high-growth application fields; sales of semiconductor products continued to be fermented on higher-order processes, and the mainland’s semiconductor manufacturing industries were greatly expanded, and Wah Lee’s electronic-grade chemicals and originals The consumption of consumables such as gas and gas has been increasing, and the revenue of the semiconductor industry has continued to grow. The PCB industry has benefited from the adoption of higher-ranking class carrier PCBs by U.S.-owned mobile phone manufacturers to make our dry film and copper foil substrates, etc. The sales of consumables have grown significantly; related materials such as 5G communications, cloud computing, high-frequency transmission, smart phones, and automotive electronics will continue to drive future growth momentum; the panel industry will also enter the mass production period due to large-scale investment in the mainland, for our consumables. , optical plates, and electronic components have greatly increased demand, plus we are developing next-generation electronics New products and geographic expansion of success, the panel industry in the last year show substantial growth.

The company strived to spend as little as possible on expense control, which resulted in a more streamlined operating expenses. As a result, the consolidated operating expenses for 2017 increased by only 6.1%, and the net profit was 1.46 billion dollars last year, which was higher than the previous year. In addition, the profit from non-operating income also showed the achievement of Wah Lee's pioneering deployment of solar power plants. In combination with the existed investment, the profit from non-operating income has grown substantially from the previous year. In summary, the consolidated net profit after tax for the year of 2017 was 1.409 billion dollars, a significant increase of 34.8% from the previous year. In terms of financial indicators, Wah Lee consolidated current ration and quick ratio were 170% and 131% in 2017, respectively, and cash turnover days were also shorter than the previous year. At the same time, the return on equity for 2017 was 13.56%. All financial indicators are well maintained.

After half a century, Wah Lee has experienced numerous industrial changes and the overall economic cycle. However, Wah Lee has always been able to deliver operating results that are profitable every year. This is a record that has been created with outstanding results and has maintained a leading position in the industry. Looking forward to the future, we are confident that we can continue to create a sustainable business operation. We believe that in the next 50 years, we can still play a key role in leading the industry and achieve the goals of growth and profitability, and create a better future for shareholders, customers, suppliers and employees. Thanks to shareholders for their consistent and strong support for Wah Lee.

Chairman: Ray-Ching Chang CEO: Tsuen-Hsien Chang Accounting Controller: Guo-Ping Li w【附件二】

審計委員會查核報告書

董事會造送本公司民國 106 年度營業報告書、財務報表及盈餘分派議案，其中財務報表業經委託勤業眾信聯合會計師事務所查核完竣，並出具查核報告。上述營業報告書、財務報表及盈餘分派議案經本審計委員會查核，認為尚無不符，爰依證券交易法及公司法之相關規定報告如上，敬請鑒核。

華立企業股份有限公司

審計委員會召集人：徐守德 徐守德

中 華 民 國 1 0 7 年 3 月 2 6 日

Attachment II

Audit Committee review reporting

After the Board of Director reviewed 2017 business report, financial statements, and earnings distribution proposal and appointed Deloitte & Touche for an audit, Wah Lee Industrial Corp's business reports, the parent company only financial statements, and the consolidated financial statements were audited by Deloitte & Touche and the audit report has been generated. The business report, financial statements, and earnings distribution proposal were sent to the audit committee and deemed to respect Securities Exchange Act and Company Act.

Respectfully present

Wah Lee Industrial Corp.

Audit committee converner: Shyu, So-De

Date: March 26, 2018

Attachment III

Wah Lee Industrial Corp.

Endorsement & Guarantees Report

January 1 to December 31, 2017

Unit: 1000 NTD

(Unless otherwise stated)

Number	Endorser	Endorsee		Single Company Endorsement Limit	Beginning Balance	Ending Balance	Incurred Amount	Insured by Assets	% of Accumulated Endorsement/latest net income	ndorsement Maximum	Endorsement Parent to subsidiary	Endorsement Subsidiary to Parent	Endorsement to China	Note
		Company Name	Relationship											
0	Wah Lee Industrial Corp.	Nagase Wahlee Plastics Corp.	Shareholder’s Capital Holdings (%)	$ 2,157,251	$ 448,000	$ 398,000	$ 251,685	$ -	3.69	$ 7,550,378	N	N	N	1 & 3
0	Wah Lee Industrial Corp.	Asahi Kasei Wah Lee Hi-Tech Corporation	Shareholder’s Capital Holdings (%)	2,157,251	25,194	25,194	15,504	-	0.23	7,550,378	N	N	N	1 & 3
0	Wah Lee Industrial Corp.	Raycong Industrial (H.K.) Ltd.	Subsidiary	3,235,876	532,350	193,440	47,637	-	1.79	7,550,378	Y	N	N	2, 3, & 4
0	Wah Lee Industrial Corp.	Shanghai Yikang Chemicals & Industries Co., Ltd.	Subsidiary	2,157,251	511,032	209,154	42,556	-	1.94	7,550,378	Y	N	Y	1, 3, & 4
0	Wah Lee Industrial Corp.	Dongguan Hua Gang International Trading Co., Ltd.	Subsidiary	3,235,876	1,246,000	421,760	386,134	-	3.91	7,550,378	Y	N	Y	2, 3, & 4
0	Wah Lee Industrial Corp.	Raycong Industrial (H.K.) Ltd. Shanghai Yikang Chemicals & Industries Co., Ltd. Dongguan Hua Gang International Trading Co., Ltd.	Subsidiary	3,235,876	120,000	120,000	39,514	-	1.11	7,550,378	Y	N	Y	2&3
0	Wah Lee Industrial Corp.	Shanghai Hua Chang Trading Co., Ltd.	Shareholder’s Capital Holdings (%)	2,157,251	623,766	610,080	489,469	-	5.66	7,550,378	N	N	Y	1, 3, & 4
0	Wah Lee Industrial Corp.	Wah Lee Tech (Singapore) Pte. Ltd.	Subsidiary	3,235,876	746,118	562,464	355,013	-	5.21	7,550,378	Y	N	N	2, 3, & 4
0	Wah Lee Industrial Corp.	Skypower Ltd.	Subsidiary	2,157,251	177,486	170,145	-	-	1.58	7,550,378	Y	N	N	1, 3, & 4
0	Wah Lee Industrial Corp.	Okayama Solar Ltd.	Subsidiary	2,157,251	261,544	-	-	-	-	7,550,378	Y	N	N	1, 3, & 4
0	Wah Lee Industrial Corp.	Sakuragawa Solar Ltd.	Subsidiary	2,157,251	174,179	166,974	153,145	-	1.55	7,550,378	Y	N	N	1, 3, & 4
0	Wah Lee Industrial Corp.	Miyazaki Solar Ltd.	Subsidiary	2,157,251	204,220	195,772	164,059	-	1.82	7,550,378	Y	N	N	1, 3, & 4
0	Wah Lee Industrial Corp.	PT. Wah Lee Indonesia	Subsidiary	2,157,251	75,825	44,640	44,640	-	0.41	7,550,378	Y	N	N	1, 3, & 4
0	Wah Lee Industrial Corp.	Wah Lee (Vietnam) Co., Ltd.	Subsidiary	3,235,876	60,840	59,520	23,893	-	0.55	7,550,378	Y	N	N	2, 3, & 4
1	Shanghai Yikang Chemicals & Industrial Co. Ltd.	Shanghai Chang Wah Electromaterials Inc.	Shareholder’s Capital Holdings (%)	655,691	53,757	51,038	32,814	-	1.56	1,639,228	N	N	Y	1, 3, & 4
2	Raycong Industrial (Hong Kong) Limited	Dongguan Hua Gang International Trading Co., Ltd.	Subsidiary	1,465,664	15,673	-	-	-	-	2,442,774	Y	N	Y	1, 3, & 4

Notes:

1. Single Company Endorsement Limit=20% of Net Worth
2. Endorsee has100% shareholders’ voting right of subsidiary directly or indirectly =30% of Net Worth
3. Endorsement Maximum =70% of Net Worth; 50% of Net Worth for Shanghai Yikang Chemicals & Industrial Co. Ltd. and Raycong In dustrial (Hong Kong) Limited.
4. US exchange rate US$1=$29.76; Japanese Yen exchange rate= JPY$1=$0.2642

Attachment IV

Wah Lee Industrial Corp.

Lending of capital Report

January 1 to December 31, 2017

(In thousands of New Taiwan Dollars)

Number	Lessor	Lessee	Accounting Item	Relationship	Lending Maximum	Ending Balance	Incurred lending Amount	nterest Rate (%)	Purpose of Lending	Business Transaction Amount	Short Term Lending Rationale	Estimate Allowance of Doubtful Account	collateral		Single Company Lending Limit	Individual Lending Limit	Note
													Name	Market Price			
1	Shanghai Yikang Chemicals & Industrial Co. Ltd.	Dongguan Hua Gang International Trading Co., Ltd.	Other Account Receivable-related	Yes	$ 273,108	$ -	$ -	-	Short-term operating	$ -	For Operating	$ -	-	$ -	$ 983,537	$ 983,537	
2	Shanghai Yikang Chemicals & Industrial Co. Ltd.	Alex&Dick International Trading(Shanghai) Co., Ltd.	Other Account Receivable-related	Yes	45,781	45,744	9,263	5.72	Short-term operating	-	For Operating	-	-	-	983,537	983,537	

Notes:

1. RMB exchange rate CNY$1＝$4.5744
2. Individual lending guideline is not exceeding 30% of Net Worth the Net Worth for Shanghai Yikang Chemicals & Industrial Co.
3. Single Company Lending Limit: Lending guideline is not exceeding 30% of Net Worth the Net Worth for Shanghai Yikang Chemicals & Industrial Co.

Attachment V

Wah Lee Industrial Corp.

Investment in China Report

January 1 to December 31, 2017

Unit: 1000 NTD

(Unless otherwise stated)

Invested Company	Business Items	Actual Equity	Investment Method	Beginning Balance of Investment Wired from Taiwan	Wired to or Collected from the Invested Company		Ending Balance of Investment Wired from Taiwan	Net Income (Loss) of Year End	Directly or Indirectly Held by Invested Company Shareholding %	Realized Net Income (Loss) of Year End	Market Value of shareholding	Realized Net Income Wired back to Taiwan	Note
					Wired to	Collected from							
Wah Fu International Trade Co. Ltd. (Shenzhen)	Industrial material sales	$	Via the existing subsidiary in the third country to invest	$ 34,461	$	$	$ 34,461	$ -	100.00	$	$ -	$ -	1
Dongguan Nai Li Optoelectronics Co. Ltd	Industrial plastic cutting and sales	-	Via the existing subsidiary in the third country to invest	-			-	-	100.00		-	-	1
Dongguan Hua Gang International Trading Co., Ltd.	Business Items	761,400	Via the existing subsidiary in the third country to invest	-			-	154,055	100.00	153,80	1,495,121	-	
Shanghai Yikang Chemicals & Industrial Co. Ltd.	Chemical materials, Wax processing and sales, international trades, bonded area trades, domestic trades and warehouse business.	898,752	Via the existing subsidiary in the third country to invest	340,629			340,629	409,543	70.00	286,33	2,313,391	-	1, 2
Huaying Supply Chain Management (Shenzhen) Co., Ltd.	Industrial material sales	26,649	Via the existing subsidiary in the third country to invest	-			-	58,707	100.00	58,62	130,943	-	
Shanghai Hua Chang Trading Co., Ltd.	International trade & consulting; bonded area trades, domestic trades & simple processing business	71,424	Via the existing subsidiary in the third country to invest	43,714			43,714	199,554	30.00	59,86	578,368	-	1
Guangzhou Youguang Optoelectronics Co., Ltd.	Light box, LED components and composites.	116,031	Via the existing subsidiary in the third country to invest	-			-	-	12.82		-	-	
Shanghai Chang Wah Electro Material Inc.	IC materials and equipment as an distributed agency	119,040	Via invested company in China to invest	-			-	31,391	30.63	9,82	66,055	-	
COMPAL PRECISION MODULE (JIANGSU) CO., LTD.	Properties of Cast Magnesium alloys & sales	12,201,600	Via the existing subsidiary in the third country to invest	42,644			42,644	-	0.75		-	-	
COMPAL ELECTRONIC TECHNOLOGY (CHONGQING) CO., LTD.	Properties of Cast Magnesium alloys & sales	1,785,600	Via the existing subsidiary in the third country to invest	-			-	-	-		-	-	
Wuhan Kaidi Water Services Co., Ltd.	Industrial water cycle, industrial water waste cycle, waste water & Ocean water treatment	228,719	Via the existing subsidiary in the third country to invest	120,334			120,334	-	12.00		39,769	-	
Alex&Dick International Trading(Shanghai) Co., Ltd.	Import and Export of Goods and Technologies	4,574	Via invested company in China to invest	-			-	(3,405)	100.00	(2,76	(2,322)	-	

Investor	Accumulated investment in China at year end (Note 3)	Ministry of Economic Affairs Investment Committee Approved Investment Amount (Note 4)	Investment Limit in China (Note 5)
Wah Lee Industrial Corp.	$ 581,782	$ 2,086,687	$ -

(Continued to the following page)

Notes:
1. Shanghai Hua Chang Trading Co., Ltd.   recorded USD 6,354,000 on SHC Holding Ltd as Distributed surplus summed up from2006 to 2016; Shanghai Yikang Chemicals & Industrial Co. Ltd. recorded NTD 101,880,000 (equivalent to Cash USD 486,000; comprehensive income USD 13,790,000) on Global SYK Holding Ltd. as distributed surplus.

Wah Fu International Trade Co. Ltd. (Shenzhen) recoded RMB 12,800,000 as distributed surplus and liquidated on July 2010; USD 4,942,000 transferred back to Raycong Industrial (H.K.) Ltd. and SHC Holding. USD 2, 602, 000 of Wah Lee Holding Ltd is recorded as distributed surplus. Up until December 2016, it has not wired back Taiwan. Moreover, Wah Fu International Trade Co. Ltd. (Shenzhen) and Dongguan Nai Li Optoelectronics Co. Ltd had been liquidated in October 2010 and August 2012.
2. According to No. 09900572160 of Ministry of Economic Affairs Investment Committee on January 18, 20, 2011, Global SYK Holding Ltd. transferred its Shanghai Yikang Chemicals & Industrial Co. Ltd. shareholdings to Raycong Industrial (Hong Kong) Limited now held 70% shareholding of Shanghai Yikang Chemicals & Industrial Co. Ltd.

3. Ministry of Economic Affairs Investment Committee approved the variance of NTD 1,504,905,000 will be reinvested NTD 947,133,000 by the subsidiary, Raycong Industrial (Hong Kong) Limited (Equivalent to USD 8,4,88,000 and HKD 167,000,000); reinvested NTD 108,887,000 (Equivalent to USD 3,497,000) by Wah Yuen Technology Holding Limited; Shanghai Yikang Chemicals & Industrial Co. Ltd. retained earning transferred to reinvestment of NTD 434,385,000 (equivalent to USD 13,790,000); and SHC Holding Ltd. invested NTD 14,500,000 (equivalent USD 500,000) to Guangzhou Youguang Optoelectronics Co., Ltd.

4. Ministry of Economic Affairs Investment Committee approved that Wah Lee invested USD 3,100,000 to Wah Fu International Trade Co. Ltd. (Shenzhen) ; USD 1,260,000 to Dongguan Nai Li Optoelectronics Co. Ltd, USD 5,128,000 Dongguan Hua Gang International Trading Co., Ltd. and HKD 160,000,000; USD 1,290,000 to Shanghai Hua Chang Trading Co., Ltd. .; USD 24,130,000 to Shanghai Yikang Chemicals & Industrial Co. Ltd.; USD 4,142,000 to Ju Bao (Jiangsu) Precision Industry Co., Ltd.; USD 500,000 to Guangzhou Youguang Optoelectronics Co., Ltd.; HKD 7,000,000 to Huaying Supply Chain Management (Shenzhen) Co., Ltd.; USD 675,000 COMPAL ELECTRONIC TECHNOLOGY (CHONGQING) CO., LTD.; and RMB 24,144,000 Wuhan Kaidi Water Services Co., Ltd. based on No. 10500160180 totaled 60 percent investments in exchange of 8.8 percent shareholding of Singapore listed company, Darco Water Technologies.

5. According to No. 0970460680 on August 29, 2008 amended by Ministry of Economic Affairs and amended announcement of “the guidance reviewing and auditing the investment in China or work with China in technology cooperation”. Wah Lee Industrial Corp has gained the approval by Industry Department of Ministry of Economic Affairs to meet the third point amendment criteria and also qualify to expand its business to China with no investment limit.

Wah Lee Industrial Corp.

Unsecured convertible corporate bond issuance progress reporting

<table>
<tr><td colspan="2">Type of Corporate Bond</td><td>The 2nd Domestic Unsecured convertible corporate bond issuance</td></tr>
<tr><td colspan="2">Issue Date</td><td>August 1, 2014</td></tr>
<tr><td colspan="2">Face Value</td><td>NTD 100,000</td></tr>
<tr><td colspan="2">Issue and Trade Place</td><td>Taiwan Exchange Direction Over-the-Counter stocks market</td></tr>
<tr><td colspan="2">Issue Price</td><td>Face Value</td></tr>
<tr><td colspan="2">Totaled Issue Value</td><td>NTD one billion</td></tr>
<tr><td colspan="2">Interest</td><td>0%</td></tr>
<tr><td colspan="2">Term</td><td>Three years. Redemption date: August 1, 2017.</td></tr>
<tr><td colspan="2">Guarantor</td><td>Not applicable</td></tr>
<tr><td colspan="2">Trustee</td><td>Hua Nan Bank Trust Department</td></tr>
<tr><td colspan="2">Securities Underwriter</td><td>Yuanta Securities</td></tr>
<tr><td colspan="2">Certified Legal service</td><td>Tai-Yuan Huang of Hui-Guo Law Firm</td></tr>
<tr><td colspan="2">Certified Accounting Service</td><td>Certified Accountants: Ms. Qiu-Yan Wu and Mr. Jun-ji Gong of Deloitte & Touche</td></tr>
<tr><td colspan="2">Bond Redemption</td><td>Cash redemption at maturity except for Wah Lee Industrial Corp’s early exchange or early redemption notice</td></tr>
<tr><td colspan="2">Principal subject to redemption</td><td>NTD 0</td></tr>
<tr><td colspan="2">Terms of Redemption or Early Redemption</td><td>Refer to Corporate Bond Issuance and Exchange</td></tr>
<tr><td colspan="2">Condition</td><td>Refer to Corporate Bond Issuance and Exchange</td></tr>
<tr><td colspan="2">Credit Rating Agency, Rate Date, and Rating</td><td>Not applicable</td></tr>
<tr><td rowspan="2">Others</td><td>Before annual reporting date, share exchange to equivalency of common share, Global Depository Receipts/American Depository Receipts, or other financial instrumen</td><td>Not applicable</td></tr>
<tr><td>Terms of Issuance or Exchange</td><td>Refer to Market Observation Post System Bond Issuance Division</td></tr>
<tr><td colspan="2">Issuance, Convertible, Exchange, and terms of Diluted Earning Per Share taken effect of outstanding shares</td><td>On August 1, 2017, the Company Wah Lee repaid 10,000 repayments. It has fully repaid and terminated the sale of the counters on August 2, 2017.</td></tr>
<tr><td colspan="2">Exchange Instrument Trustee</td><td>Not applicable</td></tr>
</table>

Wah Lee Industrial Corp

Code of Ethics of Directors and Managers

Approved by board of directors on 11/9/2017

Rule one: Set goals and basis

Purpose: To direct the directors and managers of the company (including general manager and equivalent grade, deputy general manager and equivalent grades, associate and equivalent grades, head of financial department, head of accounting department, and other corporate management and signing rights The person's behavior is in line with the ethical standards, and the company's stakeholders are more aware of the company's ethical standards, and the guidelines are established for compliance.

In accordance with: In accordance with the relevant provisions of the letter of the Securities Fair and Futures Bureau dated October 28, 2004 and the relevant issue of the Stock Exchange on November 11th, 2004, the letter of the Taiwan Stock Exchange No. 0930028186. The ethical code of conduct also requires different managers to set their own ethical standards of conduct.

Rule two: Prevent conflicts of interest

A conflict of interest arises when personal interests intervene or may intervene in the company's overall interests, for example, when a company director or manager is unable to handle official business in an objective and efficient manner, or based on his or her position in the company to make himself or his spouse. Relatives of parents, children, or two parents, etc., have obtained improper benefits. The company shall pay special attention to the relationship with the above-mentioned personnel, such as the lending of corporate funds or the provision of guarantees for them, major asset transactions, and incoming and outgoing goods transactions. The company should establish policies to prevent conflicts of interest and provide appropriate channels for directors or managers to actively explain whether or not they have potential conflicts of interest with the company.

Rule three: Avoid private opportunities

The company should avoid the following issues for directors or managers: (1) Opportunities for personal gain through the use of company property, information, or through their position; (2) Access through the use of company property, information, or through employment Private interest; (3) Competing with the company. When a company has a profit opportunity, the director or manager has the responsibility to increase the legitimate interests that the company can obtain.

Rule four: Duty of confidentiality

Directors or managers shall have confidentiality obligations in respect of the information of the company or purchase (selling) customers, unless they are made public by authorization or by law. Information that should be kept confidential includes all undisclosed information that may be harmful to the company or customer after being exploited or leaked by a competitor

Rule five: Fair trade

Directors or managers should treat the company's import (selling) customers, competitors and employees fairly, and must not manipulate, hide, misuse information based on their position, make false statements about important matters or other unfair trading practices. Get improper benefits.

Rule six: Protect and properly use company assets

Directors or managers have the responsibility to protect the company’s assets and ensure that they can be effectively used legally in order to avoid being stolen, negligent, or wasteful to the company’s profitability.

Rule seven: Follow laws and regulations

The company shall strengthen the compliance with the securities trading law and other laws and regulations and the rules and regulations of the company.

Rule eight: The company should strengthen its internal awareness of ethics and encourage employees to report sufficient information to the audit committee, line manager, internal audit supervisor, or other appropriate person when they suspect or discover violations of statutory or ethical code of conduct. After the prosecution case has been confirmed and confirmed, the company will award it according to the personnel management rules. The company properly handles the above reported information in a confidential and responsible manner, and will do its utmost to protect the safety of those who report in good faith and protect them from any form of retaliation.

Rule nine: Disciplinary measures

Where a director or manager has violated the Code of Ethical Conduct, the company shall identify the relevant evidence and report it to the Audit Committee after deliberation and send it to the Board of Directors for confirmation of the manner of punishment in order to dispose of the relevant violations of the personnel and be legally responsible for all civil and criminal cases. Or administrative responsibilities, and immediately disclose information on violation dates, violations, violations of standards, and handling of violations of ethical standards by public observatories. The company should also formulate relevant complaints system and provide the means for the violation of the ethical code of conduct.

Rule ten: Exemption from applicable procedures

The company's ethical standards of conduct must stipulate that exempt directors or managers must follow the company's ethical code of conduct, must be reviewed by the audit committee and sent to the board of directors for resolution, and immediately disclose the date on which the board passed the exemption, exemption, and Information about the period, objections or reservations of independent directors, the reasons for the exemption and the criteria applicable to the exemption, the profit-sharing shareholders assess whether the resolutions of the board of directors are appropriate in order to prevent arbitrary or suspicious exemptions from complying with the standard and ensure any exemptions There are proper control mechanisms in the case of following the guidelines to protect the company.

Rule eleven: Exposing methods

The company's ethical standards of conduct are considered by the audit committee and sent to the board of directors for approval and delivery to the shareholders' meeting for amendment.

Rule twelve: Execution

The company's ethical standards of conduct are considered by the audit committee and sent to the board of directors for approval and delivery to the shareholders' meeting for amendment.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Wah Lee Industrial Corporation

Opinion

We have audited the accompanying consolidated financial statements of Wah Lee Industrial Corporation and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2017 and 2016, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of the other independent auditors' (refer on paragraph of Other Matter), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 for the year ended December 31, 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2017 are discussed as follows.

<u>Evaluation of Trade Receivables Collectability</u>

The trade receivables of the group as of December 31,2017 was NT$ 10,815,442 thousand, representing 39% of total consolidated assets. We considered the trade receivables collectability as one of the key audit matters.

The group reviewed the collection of trade receivables regularly, and assessed on trade receivables individually that were past due or had impairment concerns, then assessed allowance for doubtful accounts based on the aging of trade receivables.

Our key audit procedures performed included the following:

1. Examined the existence of the balance of trade receivable on a test basis, including making confirmation of balance of trade receivables on the balance sheet date, and checking the collection after the balance sheet date, original customers' purchase orders, shipping orders or other records.

2. Obtained and examined, on a test basis, the aging schedule to assess the adequacy of trade receivables aging classification. We inquired management the reason of specific overdue receivables.

3. Evaluated the accounts balance of allowance for doubtful trade receivables by reviewing the evaluation documentation of individual trade receivables with impairment concerns, past experience of collect and overdue status, etc.

Impairment of Inventories

Inventories were stated at the lower of cost and net realizable value. The estimation was assessed based on current market conditions and sales experience of similar products. The evaluation of net realizable value might be significantly changed by industrial market conditions. Therefore, we focused on the adequacy of impairment of inventories.

Apart from confirming that the management evaluated inventory impairment by different industries and types of products, we also performed key audit procedures as the following:

1. Obtained the inventory aging report by inventory code and assessed, on a test basis, the adequacy of inventory aging classification.

2. Tested if the net realizable value were evaluated according to the aging and industry of the inventories and further examined the supporting documents of the selling price related to net realizable value used on the above mentioned inventory aging report.

3. Examined if the impaired inventory were recorded at net realizable value, and assessed the adequacy of the amounts of impairment of inventories.

Other Matter

The consolidated financial statements of subsidiary Wah Lee Tech (Singapore) Pte., Ltd. and certain investee which were accounted for using equity method in the Group's consolidated financial statements for the years ended December 31, 2016, were audited by other independent auditors, insofar as it relates to the amounts and information disclosed, is based solely on the report of the other independent auditors. The financial statements of Wah Lee Tech (Singapore) Pte., Ltd. reflected total assets of NT$771,719 thousand, representing 3% of total consolidated assets as of December 31, 2016; and reflected total operating revenues of NT$1,239,160 thousand, representing 3% of total consolidated operating revenues for the years ended December 31, 2016. The carrying value of the investments accounted for using equity method were NT$671,351 thousand, representing 3% of total consolidated assets as of December 31, 2016; and the share of profit of associates was NT$58,221 thousand, representing 4% of consolidated profit before income tax for the years ended December 2016.

We have also audited the parent company only financial statements of Wah Lee Industrial Corporation and for the years ended December 31, 2017 and 2016 on which we have expressed an unmodified opinion.

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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' 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 auditors' 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 the auditing standards generally accepted in the Republic of China 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 the auditing standards generally accepted in the Republic of China, 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 auditors' 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 auditors' 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 and appropriate audit evidence regarding the financial information of 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 for the year ended December 31, 2017 and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audit resulting in this independent auditors' report are Chen-Li Chen and Jun-Ji Kung.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 26, 2018

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance 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.

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	December 31, 2017		December 31, 2016	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 2,450,213	9	$ 2,465,568	10
Available-for-sale financial assets - current (Notes 4 and 7)	127,446	1	285,731	1
Notes receivable (Notes 4, 5, 8, 29 and 30)	1,789,902	7	1,243,859	5
Trade receivable, net (Notes 4, 5 and 8)	10,718,844	39	9,558,550	38
Trade receivable - related parties (Notes 4, 5, 8 and 29)	96,598	-	131,701	1
Other receivables	41,985	-	44,578	-
Other receivables - related parties (Note 29)	7,396	-	21,850	-
Inventories (Notes 4, 5 and 9)	3,811,771	14	3,173,030	13
Other financial assets - current (Notes 4, 10 and 30)	46,458	-	83,154	-
Other current assets (Note 29)	752,241	3	407,653	2
Total current assets	19,842,854	73	17,415,674	70
NONCURRENT ASSETS				
Available-for-sale financial assets - noncurrent (Notes 4 and 7)	670,850	3	551,062	2
Investments accounted for using equity method (Notes 4 and 12)	4,372,941	16	4,219,655	17
Property, plant and equipment (Notes 4, 13 and 30)	1,983,218	7	2,322,312	9
Goodwill (Note 4)	56,874	-	58,587	-
Computer software	8,600	-	2,762	-
Deferred tax assets (Notes 4 and 22)	237,775	1	198,277	1
Prepayments for equipment (Note 31)	15,513	-	808	-
Refundable deposits (Note 26)	84,265	-	86,952	1
Other noncurrent assets	59,537	-	62,328	-
Total noncurrent assets	7,489,573	27	7,502,743	30
TOTAL	$ 27,332,427	100	$ 24,918,417	100

	December 31, 2017		December 31, 2016	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES				
Short-term loans (Notes 14 and 30)	$ 3,700,990	13	$ 2,133,852	9
Notes payable (Note 15)	551,080	2	583,182	2
Notes payable - related parties (Notes 15 and 29)	321,117	1	276,403	1
Trade payable (Note 15)	5,178,939	19	5,204,673	21
Trade payable - related parties (Notes 15 and 29)	272,859	1	271,234	1
Other payables (Notes 18 and 29)	1,059,547	4	887,348	4
Current tax liabilities (Notes 4 and 22)	219,788	1	130,342	1
Provisions - current (Note 4)	172,248	1	166,485	1
Current portion of long-term debts (Notes 16, 17 and 30)	31,908	-	1,044,391	4
Other current liabilities	171,580	1	117,509	-
Total current liabilities	11,680,056	43	10,815,419	44
NONCURRENT LIABILITIES				
Long-term debts (Note 16 and 30)	2,555,689	10	2,073,211	8
Provision - noncurrent (Note 4)	14,760	-	14,760	-
Net defined benefit liabilities - noncurrent (Notes 4 and 19)	341,217	1	345,804	2
Guarantee deposits received	3,020	-	425	-
Deferred tax liabilities (Notes 4 and 22)	896,294	3	830,550	3
Total noncurrent liabilities	3,810,980	14	3,264,750	13
Total liabilities	15,491,036	57	14,080,169	57
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 20)				
Share Capital	2,313,901	8	2,313,901	9
Capital surplus	1,440,508	5	1,378,680	6
Retained earnings				
Legal reserve	1,809,112	6	1,704,573	7
Special reserve	197,138	1	72,302	-
Unappropriated earnings	5,103,755	19	4,541,549	18
Total retained earnings	7,110,005	26	6,318,424	25
Other equity	(78,160)	-	(124,837)	(1)
Total equity attributable to owners of the Company	10,786,254	39	9,886,168	39
NON-CONTROLLING INTERESTS (Notes 20, 24 and 25)	1,055,137	4	952,080	4
Total equity	11,841,391	43	10,838,248	43
TOTAL	$ 27,332,427	100	$ 24,918,417	100

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

(With Deloitte & Touche audit report dated March 26, 2018)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2017		2016	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 4 and 29)	$42,915,920	100	$39,541,801	100
OPERATING COSTS (Notes 9, 21 and 29)	38,998,979	91	35,787,422	90
GROSS PROFIT	3,916,941	9	3,754,379	10
OPERATING EXPENSES (Notes 19 and 21)				
Selling and marketing expenses	2,030,762	4	1,928,181	5
General and administrative expenses	426,283	1	386,812	1
Total operating expenses	2,457,045	5	2,314,993	6
OPERATING INCOME	1,459,896	4	1,439,386	4
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 21 and 29)	85,690	-	129,102	-
Gain from bargain purchase acquisition of subsidiaries (Note 24)	10,953	-	-	-
Other gains and losses (Note 21)	67,740	-	(95,133)	-
Finance costs (Note 21)	(107,919)	-	(107,852)	-
Share of profit of associates	453,847	1	206,165	-
Total non-operating income and expenses	510,311	1	132,282	-
PROFIT BEFORE INCOME TAX	1,970,207	5	1,571,668	4
INCOME TAX EXPENSE (Notes 4 and 22)	432,201	1	425,751	1
NET PROFIT FOR THE YEAR	1,538,006	4	1,145,917	3
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans (Note 19)	(16,136)	-	(3,159)	-
Share of the remeasurement of the defined benefit plans of associates accounted for using the equity method	(2,917)	-	(4,927)	-
Income tax relating to items that will not be reclassified subsequently to profit (Note 22)	2,743	-	537	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations (Note 20)	(150,381)	-	(439,431)	(1)

(Continued)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2017		2016	
	Amount	**%**	**Amount**	**%**
Unrealized gain on available-for-sale financial assets (Note 20)	$ 154,582	-	$ 68,668	-
Share of other comprehensive gain (loss) of associates (Note 20)	9,414	-	(135,677)	-
Income tax relating to items that may be reclassified subsequently to profit (Note 22)	21,535	-	68,049	-
Other comprehensive loss for the year, net of income tax	18,840	-	(445,940)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,556,846	4	$ 699,977	2
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	$ 1,409,506	3	$ 1,045,390	3
Non-controlling interests	128,500	1	100,527	-
	$ 1,538,006	4	$ 1,145,917	3
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	$ 1,439,873	4	$ 674,516	2
Non-controlling interests	116,973	-	25,461	-
	$ 1,556,846	4	$ 699,977	2
EARNINGS PER SHARE (Note 23)				
Basic	$ 6.09		$ 4.52	
Diluted	$ 5.78		$ 4.20	

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

(With Deloitte & Touche audit report dated March 26, 2018) (Concluded)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										
			Retained Earnings			Other Equity					
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Cash Flow Hedges	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Subtotal	Non-controlling Interest	Total Equity
BALANCE AT JANUARY 1, 2016	$ 2,313,901	$ 1,331,568	$ 1,591,558	$ 72,302	$ 4,241,476	$ 283,851	$ -	$ (45,363)	$ 9,789,293	$ 935,471	$ 10,724,764
Appropriation of 2015 earnings (Note 20)											
Legal reserve	-	-	113,015	-	(113,015)	-	-	-	-	-	-
Cash dividends distributed by the Company - 27%	-	-	-	-	(624,753)	-	-	-	(624,753)	-	(624,753)
	-	-	113,015	-	(737,768)	-	-	-	(624,753)	-	(624,753)
Change in capital surplus from investments in associates accounted for by using equity method	-	47,112	-	-	-	-	-	-	47,112	-	47,112
Net profit for the year eded December 31, 2016	-	-	-	-	1,045,390	-	-	-	1,045,390	100,527	1,145,917
Other comprehensive income (loss) for the year ended December 31, 2016, net of income tax (Note 20)	-	-	-	-	(7,549)	(430,740)	(213)	67,628	(370,874)	(75,066)	(445,940)
Total comprehensive income (loss) for the year ended December 31, 2016	-	-	-	-	1,037,841	(430,740)	(213)	67,628	674,516	25,461	699,977
Adjustment of non-controllng interests	-	-	-	-	-	-	-	-	-	(8,852)	(8,852)
BALANCE AT DECEMBER 31, 2016	2,313,901	1,378,680	1,704,573	72,302	4,541,549	(146,889)	(213)	22,265	9,886,168	952,080	10,838,248
Appropriation of 2016 earnings (Note 20)											
Legal reserve	-	-	104,539	-	(104,539)	-	-	-	-	-	-
Special reserve	-	-	-	124,836	(124,836)	-	-	-	-	-	-
Cash dividends distributed by the Company - 26%	-	-	-	-	(601,615)	-	-	-	(601,615)	-	(601,615)
	-	-	104,539	124,836	(830,990)	-	-	-	(601,615)	-	(601,615)
Change in capital surplus from investments in associates accounted for by using equity method	-	61,828	-	-	-	-	-	-	61,828	-	61,828
Disposal of subsidary (Note 20)	-	-	-	-	-	-	-	-	-	(75,258)	(75,258)
Net profit for the year ended December 31, 2017	-	-	-	-	1,409,506	-	-	-	1,409,506	128,500	1,538,006
Other comprehensive income (loss) for the year ended December 31, 2017, net of income tax (Note 20)	-	-	-	-	(16,310)	(137,335)	213	183,799	30,367	(11,527)	18,840
Total comprehensive income (loss) for the year ended December 31, 2017	-	-	-	-	1,393,196	(137,335)	213	183,799	1,439,873	116,973	1,556,846
Adjustment of non-controllng interests	-	-	-	-	-	-	-	-	-	61,342	61,342
BALANCE AT DECEMBER 31, 2017	$ 2,313,901	$ 1,440,508	$ 1,809,112	$ 197,138	$ 5,103,755	$ (284,224)	$ -	$ 206,064	$ 10,786,254	$ 1,055,137	$ 11,841,391

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

(With Deloitte & Touche audit report dated March 26, 2018)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2017	**2016**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,970,207	$ 1,571,668
Adjustments for:		
Depreciation expenses	108,593	101,176
Amortization expenses	2,133	6,905
Impairment loss recognized (reversal of impairment loss) on trade receivables	4,613	(2,409)
Finance costs	107,919	107,852
Interest income	(9,701)	(22,362)
Dividend income	(10,830)	(5,955)
Share of profit of associates	(453,847)	(206,165)
Gain on disposal of property, plant and equipment	460	(25,177)
Gain on disposal of investments	(10,469)	(22,884)
Impairment loss on financial assets	-	61,672
Write-down of inventories	56,808	11,638
Net loss on foreign currency exchange	40,841	15,492
Gain on disposal of subsidaries	(112,577)	-
Others	(2,469)	7,588
Changes in operating assets and liabilities		
Notes receivable	(531,423)	517,751
Trade receivable	(1,229,064)	(416,336)
Trade receivable - related parties	35,103	(31,204)
Other receivable	(12,111)	(61)
Other receivable - related parties	14,434	(16,578)
Inventories	(693,979)	862,023
Prepayments and other current assets	(345,372)	74,676
Notes payable	(46,073)	171,308
Notes payable - related parties	44,714	26,123
Trade payable	9,476	(157,500)
Trade payable - related parties	12,848	14,614
Other payables	126,113	95,870
Provisions	6,892	104,537
Other current liabilities	45,238	(79,492)
Net defined benefit liabilities	(19,699)	(4,848)
Cash generated from (used in) operations	(891,222)	2,759,922
Interest received	9,701	22,362
Dividend received	370,584	228,560
Interest paid	(94,011)	(94,575)
Income tax paid	(292,214)	(346,120)
Net cash generated from (used in) operating activities	(897,162)	2,570,149
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	(85,025)	(50,048)

(Continued)

WAH LEE INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2017	**2016**
Proceeds from sale of available-for-sale financial assets	$ 285,531	$ 95,718
Net cash inflow on acquisition of subsidiaries (Note 24)	21,812	-
Net cash inflow on disposal of subsidaries (Note 25)	267,706	-
Proceeds from capital reduction from associates accounted for using equity method	-	21,989
Payments for property, plant and equipment	(80,710)	(350,704)
Proceeds from disposal of property, plant and equipment	211	386,479
Increase in refundable deposits	(22,468)	(21,014)
Decrease in refundable deposits	32,961	38,559
Payments for intangible assets	(7,983)	(264)
Increase in other financial assets	(70,680)	(114,621)
Decrease in other financial assets	105,089	848,581
Increase in other noncurrent assets	(8,227)	(7,121)
Net cash generated from investing activities	438,217	847,554
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term loans	12,088,235	10,033,753
Repayments of short-term loans	(10,462,548)	(11,551,177)
Repayments of bond payables	(1,015,075)	-
Proceeds from long-term debts	5,500,000	1,539,989
Repayment of long-term debts	(4,882,800)	(2,059,331)
Increase of guarantee deposits received	2,595	-
decrease of guarantee deposits received	-	4
Cash dividends	(601,615)	(624,753)
Net cash generated from (used in) financing activities	628,792	(2,661,515)
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(185,202)	(390,833)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,355)	365,355
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,465,568	2,100,213
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 2,450,213	$ 2,465,568

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

(With Deloitte & Touche audit report dated March 26, 2018) (Concluded)

Attachment IX

Wah Lee Industrial Corp.

The Proposal for Distribution of 2017 Earnings

Unit: NT Dollars

Items	Amount	
	Subtotal	total
Beginning Undistributed earnings		3,710,558,609
Less: Remeasurements of Defined Benefit Plans in Retained Earning	(16,309,798)	
Adjusted Undistributed Earnings		3,694,248,811
Add: Net Profit After tax	1,409,506,076	
Less: 10% Legal Reserve	(140,950,608)	
Less: Reverse Special surplus reserve	118,976,782	
Distributable Net Profit		5,081,781,061
Distributable Items:		
Dividend to shareholders- Cash (NT $3.3 per share)	(763,587,456)	
Un-appropriated undistributed earnings		4,318,193,605

Notes: The amount of this profit Distribution has priority in 2017profit net.

President: Ray-Ching Chang Manager: Tsuen-Hsien Chang Accounting Supervisor: Guo-Ping Li

AttachmentX

Wah Lee Industrial Corp.

Articles of “Procedures for Acquisition or Disposal of Assets” Before and After Amendments

Article no.	Contents		Basis and reason for amendment
	Before amendment	After amendment	
Article 7	Evaluation and operating procedures <No revision done to I and II> III. Executive unit When the company obtains or disposes of assets, it shall report it step by step according to the following regulations, and report it to the board of directors if necessary: (i)The company obtains or disposes of marketable securities, which are unlisted or unlisted companies, and is handled by the Investor Relations and Investment Management Department and the Finance Department in accordance with the “Long and Short-Term Investment Management Measures” of the Company. In the case of a listed or over-the-counter company, the designated person designated by the chairman of the board of directors regards the company's funds as a condition, and it is used in a centralized trading market or a securities dealer's business office. (ii)The company acquires or disposes of immovable property and equipment, which is	Evaluation and operating procedures < No revision done to I and II > III. Executive unit When the company obtains or disposes of assets, it shall report it step by step according to the following regulations, and report it to the board of directors if necessary: (i)The company obtains or disposes of marketable securities, which are unlisted or unlisted companies, and is handled by the investor relations and investment management department and the financial department in accordance with the "investment cycle" of the company's internal control system. In the case of a listed or over-the-counter company, the designated person designated by the chairman of the board of directors regards the company's funds as a condition, and it is used in a centralized trading market or a securities dealer's business office. (ii)The company acquires or disposes of immovable property and equipment, which is handled by the Operation	The company has repealed the "Long-term and short-term investment management measures," and therefore deleted the "long-term, short-term investment management measures" related text.

Article no.	Contents		Basis and reason for amendment
	Before amendment	After amendment	
	handled by the Operation Support Department in accordance with the company's "Circular of Real Estate, Plant and Equipment". (iii) When the company obtains or disposes of a membership card or intangible assets, the operating support department shall verify the authority's authority in accordance with the preceding paragraph. The use department and related departments shall be responsible for the execution. (iv) The Company obtains or disposes of derivative products, which shall be handled by the Ministry of Finance in accordance with this processing procedure. (v) When the company handles mergers, divisions, acquisitions or transfer of shares, it shall appoint an attorney, accountant and underwriter, etc., to jointly study the estimated timetable for the statutory procedures, and form an ad hoc group to execute the statutory procedures. < No revision done from IV to IX >	Support Department in accordance with the company's "Circular of Real Estate, Plant and Equipment". (iii) When the company obtains or disposes of a membership card or intangible assets, the operating support department shall verify the authority's authority in accordance with the preceding paragraph. The use department and related departments shall be responsible for the execution. (iv) The Company obtains or disposes of derivative products, which shall be handled by the Ministry of Finance in accordance with this processing procedure. (v) When the company handles mergers, divisions, acquisitions or transfer of shares, it shall appoint an attorney, accountant and underwriter, etc., to jointly study the estimated timetable for the statutory procedures, and form an ad hoc group to execute the statutory procedures. < No revision done from IV to IX >	

Appendix I

Wah Lee Industrial Corp.

Regulations of Shareholders' Meeting

Passed by the discussions of the shareholders' meeting on June 17, 2016

1. With the exception of other provisions, the shareholders' meeting of the company shall be held in accordance with this regulation.

2. Shareholders or deputies attending the shareholders' meeting shall sign in, and sign-in procedures shall be replaced by handing in attendance cards. Attendance shares shall be calculated in accordance with the attendance card and the voting right that is exercised in written or electronic form. In order to confirm the attendance of the shareholders or their deputies, the shareholders or their deputies shall carry the documents to prove their identity for the inspection at the time of signing in. The company shall not require any additional documents apart from the certified documents of the shareholders. Solicitors that are classified to proxy solicitation document should carry proof of identity documents for verification.

3. When the Company holds a shareholders' meeting, it may take the exercise of its voting rights in written or electronic form.
The shareholders who exercise their voting rights in written or electronic form are considered to be present at the shareholders' meeting in person, but they shall be considered to have abstained the right to amend the motions and the reports of the shareholders' meeting.
The attendance and voting of the shareholders' meeting shall be calculated on the basis of the shares, but the restricted or the non-voting persons listed in Article 179.2 of the Company Law shall not be limited.

4. The place where the shareholders' meeting of the company shall be at the place where the company is located or is convenient for shareholders' presence and is suitable for the convening of the shareholders' meeting. The meeting shall not be earlier than 9:00 am or later than 3:00 pm.
The time to accept the sign-in of the shareholders should be 30 minutes before the start of the meeting.

5. If the shareholders' meeting is convened by the board of directors, the moderator shall be the Chairman. If the Chairman is absent or fails to exercise his powers, the Vice Chairman shall depute. If there is no Vice Chairman or the Vice Chairman is absent or fails to exercise his powers, the Chairman shall assign one of the directors to depute. If the Chairman does not assign a deputy, directors shall elect a person to depute. The director who deputes the Chairman shall be who has served for more than six months and has been informed of the Company's financial business. If the moderator is a representative of a director of a legal person, it shall be the same.
The shareholders' meeting convened by the board of directors shall be held by the Chairman in person, and more than half of the directors of the board of directors shall attend the meeting and at least one representative of the members of the functional committee shall attend the meeting and the attendance shall be recorded in the proceedings of the shareholders' meeting. If the shareholders' meeting is convened by the person apart from the board of directors who own the right to convene, the person shall be the moderator. If there are more than two persons as conveners, the moderator shall be mutually elected.

6. The company may appoint its appointed lawyer, accountant or related person to attend the shareholders' meeting.

7. The company shall uninterruptedly videotape or voice-record the sign-in of the shareholders, the

meeting and the voting process.
The audio and video information should be kept for at least one year, but those that are suited by the shareholder in accordance with Article 189 of the Company Law and shall be kept until the end of the trial.

8. At the starting time of the meeting, the moderator shall announce the meeting immediately, only with the absence of shareholders who hold more than half of the number of shares the moderator is able to postpone the meeting. The number of delays shall be limited to two times, and the delay shall not exceed one hour. If there are still not enough attendants after two delays but there are shareholders who hold more than one third of the number of shares present, it shall be regulated as a false resolution in accordance with Article 175.1 of the Company Law.
If the number of shares represented by the present shareholders is less than half of the total number of issued shares before the meeting is completed, the moderator shall resubmit the false resolution to the vote of the shareholders' meeting in accordance with the provisions of Article 174 of the Company Law.

9. If the shareholders' meeting is convened by the board of directors, the agenda shall be determined by the board of directors. The meeting shall be conducted on the basis of the scheduled agenda and shall not be changed without the resolution of the shareholders' meeting.
If the shareholders' meeting is convened by the person apart from the board of directors who own the right to convene, the provisions of the preceding paragraph shall be used.
Before the preceding two agendas scheduled in the proceedings (including motions) ends, the moderator shall not adjourn the meeting without resolution. But if the moderator violated the rules of procedure and announced to adjourn the meeting, the present shareholders shall vote more than half to elect one person to serve as the moderator and continue the meeting.

10. Before speaking, the present shareholder must first fill in the speech notes to indicate the purpose of the speech, the number of shareholders (or attendance card number) and the name. The speaking order is decided by the moderator. Present shareholders who only provide speech notes but do not speak are considered not to speak. For those whose content of the speech and the content of the speech notes do not match, the content of the speech shall be taken as final.
At the time of the speech of a present shareholder, the other shareholders shall not speak without the consent of the moderator. The moderator shall cease the violator.

11. Each shareholder shall not speak more than twice for the same bill without the consent of the moderato, and each speech shall not exceed three minutes. When the shareholder speaks in violation of the preceding regulation, to speak overtime or beyond the scope of the issue, or violate the order of the meeting, the moderator shall suspend his speech. If the shareholder still violates after suspension, the moderator shall stop his speech.

12. When the legal person is entrusted to attend the shareholders meeting, the legal person is only able to appoint one representative to attend.
If a legal person shareholder appoints two or more representatives to attend the shareholders' meeting, only one person shall speak for one bill.

13. After the speech of the present shareholders, the moderator shall reply in person or assign the relevant personnel to reply.

14. In the discussion of the bill, if the moderator thinks that it has reached the point of voting, he is able to stop the discussion and vote.

15. The persons who monitor and calculate the votes of the bill are assigned by the moderator, but

the persons should own a shareholder’s identity.
The voting operation of the shareholders' meeting or the election of the bill shall be done in public at the meeting place of the shareholders’ meeting, and the result shall be announced right after the completion of the counting of votes, including the weight of the statistics, and make it into record.

16. When the company convenes a shareholders' meeting, the exercise of its voting right shall be in written or electronic form. When the voting right is exercised in written or electronic form, the method to exercise shall be set out in the notice of the convention of the shareholders' meeting. Shareholders who exercise their voting rights in written or electronic form are considered to be personally present at the shareholders 'meeting, but is considered to abstain to the amendments of the motions and reports in the shareholders’ meeting. Therefore, the company shall avoid making any amendments to the motions and the reports.
The voting on the reports, with the exception of the provisions of the Company Law and the company policy, shall be passed with more than half of the approval of the present shareholders' voting rights. The report shall be passed without objection after the moderator asked all present shareholders. The effect is considered the same as the voting.
If voting on a case-by-case basis, after the moderator or his deputy announce the total number of voting rights of the present shareholders, the shareholders shall vote on a case-by-case basis. The results of the shareholders’ consent, objection and abstention shall be entered into the public information observation place on the day of the shareholders' meeting.

17. In the case of an amendment or an alternative to the same report, the moderator shall decide the voting order with the original report. If one of the report has been passed, the other reports shall be considered to have been vetoed.

18. The moderator shall command the picket (or security officer) to assist in maintaining the order of the venue. When the picket (or security officer) is present to assist in maintaining the order, the "picket" armband should be worn.

19. At the time of the meeting, the moderator may, at his discretion, declare a rest. Under irresistible circumstances, the moderator shall adjudicate that the meeting be suspended, and announce the continued time for the meeting depending on the situation.
Before the agenda scheduled in the proceedings (including motions) ends, if the venue of the meeting is not be able to continue to use, the shareholders' meeting shall resolute another venue for the meeting.

20. If the agenda cannot be proceeded for any reason, the extension or renewal of the preceded shall be decided by the resolution of the shareholders' meeting within five days, in no accordance with the regulations relevant to convention procedures in Article 182 of the Company Law.

21. The matters not provisioned in these regulations shall be governed by the provisions of the Company Law, the Articles of Association of the company and other relevant laws and regulations.

22. The rules and amendments shall be adopted after being passed by the shareholders’ resolution.

Appendix II

Wah Lee Industrial Corp.

Articles of Incocrporation

Chapter 1 General Rule

Article 1: The company is named WAH LEE INDUSTRIAL CORP. in accordance with the provisions of the Company Law.

Article 2: Below are the businesses that the company runs:

(1) F401010 International trade.
(2) F107120 Wholesale of precision chemical materials.
(3) F107140 Wholesale of plastic raw materials.
(4) F119010 Wholesale of electronic materials.
(5) F113110 Wholesale of battery.
(6) F113070 Wholesale of telecommunications equipment.
(7) F213010 Retail of electric appliances.
(8) F108031 Wholesale of medical equipment.
(9) F107130 Wholesale of synthetic resin.
(10) F107150 Wholesale of synthetic rubber.
(11) F107170 Wholesale of industrial additives.
(12) F113100 Wholesale of pollution prevention and cure equipment.
(13) F120010 Wholesale of refractory materials.
(14) F107990 Wholesale of other chemical products (photoresist, metal oxide and silicon oxide grinding fluid, silicon carbide tube, glass substrate, conductive glass, liquid crystal, dry film photoresist, foaming agent, Air conditioning refrigerant, automotive and refrigerator refrigerant, flexible fiber, glass fiber, carbon fiber, boron fiber, polyethylene fiber).
(15) F113030 Wholesale of precision instrument.
(16) F103010 Wholesale of feed.
(17) F202010 Retail of feed.
(18) ZZ99999 In addition to the permitted business, the company is able to operate businesses which are not prohibited or restricted.

Article 3: The company set the headquarters in Kaohsiung City, and is able to set branches domestically and abroad with the approval of the board of directors if necessary.

Article 4: The announcement method of the company shall be handled in accordance with the relevant provisions of the Company Law.

Chapter 2 Shares

Article 5: The total capital of the company is denominated as 3 billion NTD, divided into 10 million shares, 10 NTD per share, with the board of directors authorized to issue partially.

1 billion NTD of the total capital is reserved for the issuance of the warrants, the subsidiary equity interests or the special shares of the equity interests, totaling 10 million shares, 10 NTD per share, and shall be issued partially in accordance with the resolutions of the board of directors.

Article 6: The stocks of the company are "in registered form", and are signed or stamped by three or more directors, and are issued by the authority or its authorized issuance registration agency.

When the company issues new shares, it shall merge and print the stocks together on the basis of the total number issued, and shall have them kept by the securities centralized management institution custody.

The shares issued by the company shall also be exempt from being printed and shall be registered to the securities centralized management institution and shall not apply the provisions of the preceding two regulations.

Article 7: The shares of the company shall be handled in accordance with the relevant provisions of the Administration with the exception of the provisions of the Act or the securities regulations.

Article 8: (Deleted)

Chapter 3 Annual Shareholder Meeting

Article 9: Shareholders' meeting shall be of the following two kinds: Regular shareholders' meeting and special shareholders' meeting. The regular meeting of shareholders referred to in the preceding Paragraph shall be convened within six months after close of each fiscal year, unless otherwise approved by the competent authority for good cause shown whereas a special meeting of shareholders to be held when necessary abided by law.

Article 10: A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the corporate stating therein the scope of power authorized to the proxy abided to not only Company Act but also “Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies”.

Article 10-1: The corporate obligates to send its shareholders the shareholder meeting associated documents as well as notifications electronically.

Article 11: The voting right accompanied with each share; the shareholder has right to vote unless otherwise is stated “The shares held by shareholders having no voting right” in accordance with the provisions of Article 179, Company Act.

Article 12: A shareholders meeting shall, unless otherwise provided for in this Act, be convened by the Board of Directors. The chairman is the corporate CEO. When the corporate CEO is absent, the vise CEO will be the chairman. When the corporate vise CEO absence, the CEO will appoint a director to be a chairman. In case the chairman is not appointed by the CEO, one of the director will be the chairman where as for a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

Chapter 4 Directors, Supervisor, and Audit Committee

Article 13: The corporate designs to have seven to eleven directors elected with a three-year term elected or re-elected for the following terms by the shareholders. He or she will have the director term extension if the new director election has not taken place in time. The shareholding of all the shareholders’ combined is abided by Financial Supervisory Commission.

Three independent directors are included with the required above. The directors will be nominated for each election held by the shareholders’ meeting. The expertise, shareholding, occupation limitation of the three independent directors in accordance of the law governed by Financial Supervisory Commission.

Article 13-1: The corporation will set up the audit committee and assembled by all the independent directors authorized to execute Company Act, Securities and Exchange Law, and associated regulations as supervisors’.

Audit committee member will be abided by all associated laws as well as the corporate structures approved by the board of directors.

The corporation will compensate to level of committee abided by law or after considering its individual executing criteria.

Article 13-2: (Deleted).

Article 14: Board of Director is assembled by directors. Two-third of directors' presence and half of the directors agree to elect one director as a corporation CEO to manage the company and vise CEO will be elected to assist CEO for maintaining the corporation operations.

Article 14-1: Under urgent circumstance, the meeting of Board of Director meeting will be called; the directors should be notified by one of delivery methods via an internal document, an email, or an fax seven days prior to its execution.

Article 15: Internally, CEO of the corporation represents shareholders and the chairman of Board of Director; externally, CEO represents the corporation. When CEO is absent or unable to execute his or her duties, the vise CEO will substitute to maintain the company operations. Under the circumstance of the absence for both CEO and vise CEO, one director will be appointed to present the meeting by CEO. When no director appointed, one director will be the chairman to proceed.

Article 16: Board of Director meeting is called by the corporation CEO unless Company Act regulated otherwise. In case a director appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only.

In case the independent director cannot present to the Board of Director meeting, his or her opposite or reserved resolutions shall be documented, presented to the Board of Director, and recorded on the Board of Director meeting minute. A written proxy of appointing the other independent director to the meeting is forbidden.

Article 16-1: Any resolution of Board of Director requires half of the directors' presence and half of the presented directors agree to proceed, and this meeting minute shall be signed or stamped by the corporation CEO.

Article 16-2: (Deleted).

Article 16-3: (Deleted).

Chapter 5 managerial personnel

Article 17: A Chief Executive Officer and Vise Chief Executive Officer will be elected by Board of Director to maintain the corporation operations and policies executions.

One President followed by the supervision of Board of Director and executed within the authorized range in the corporation operations will be set up by the corporation. The President's appointment, disappointment, and his or her the remuneration will abide by Article 29, Company Act.

Chapter 6 Accountant

Article 18: The corporation requires to finalize (1) Business Report, (2) Financial Statements, and (3) Surplus Distribution or a legal reserve coverage proposal, present to Board of Director, and request for its recognition.

Article 19: The directors will be paid regardless the surplus or the loss of the fiscal year. The scale of this remuneration will be adjusted by Board of Director based on the individual involvement, not exceeding the highest remuneration scale of the corporation. When the surplus is reported, the remuneration of directors will be paid in accordance of Article 20.

The directors will be covered by their liability insurance based on their liabilities in the business dealings.

Article 20: Nine percent to thirteen percent of the surplus will be accrued as employees' bonuses, and the remuneration of the directors' and the supervisors' cannot be 2 percent higher of the year end surplus. The loss, on the other hand, will be estimated and realized accordingly.

Employees who qualify to receive the bonuses will be paid by stock dividends or cash dividends.

Both employees' bonuses and the remuneration of the directors' and the supervisors' are present to Board of Director and report to the shareholders' meeting.

Article 20-1: The corporation surplus will be obligated to pay its corporation taxes first, covered the legal reserve, ten percent set aside as a legal reserve. When a legal reserve reach its paid-in capital, the legal reserve will stop recorded. The remainder will set aside another sum as special reserve or otherwise allocated to respect the law; The remainder can be combined with unallocated surplus on the account, then present to Board of Director for the proposals of earring distribution as for shareholders' dividends for a resolution in the shareholders' meeting.

The corporation dividend distribution policy will take into the consideration of company's potential developments, the investment environment, the demand of capitals, domestic competitions as well as the international competitors, and shareholders' benefits before its final resolution. Every year, not lower than ten percent of allocable surplus will be accounted for shareholders' dividends and accumulated earring cannot be lower than one percent of the actual company capital or no shareholders' dividends will be allocated. The shareholders' dividends will be paid with cash dividends or stock dividends and the cash dividends cannot be lower than fifty percent of the totaled shareholders' dividends.

Article 20-2: If the corporation intended to buy the company outstanding shares and transfer them to the employees the price per share lower than the market price, this shall be abided by Article 10-1 and Article 13 under "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies" and approved by the latest shareholders' meeting (a half of the shareholders out of total outstanding shares of the corporation and approved by two-third of the presented shareholders) and resolved by the shareholders' meeting before the shared being transferred to the employees.

Article 20-3: If the corporation intended to issue number of shares subscription warrants to the employees with the lower market price (price per share) shall be regulated by Article 56-1 and Article 76 of Regulations Governing Information to be Published in Public Offering and Issuance Prospectuses and resolved by the shareholders' meeting before the issuance.

Chapter 7 Additions

Article 21: The corporation's external endorsements required to respect the company endorsement procedures.

Article 22: The corporation reinvestment has not limited to forty percent of the pain-in capital, but its procedures requires to follow the company short-term and long-term investment procedures.

Article 23: Uncovered mater of Article of Incorporation shall be abided by Company Act.

Article 24: These Articles of Incorporation are agreed to and signed on August 22, 1968 by all the promoters of the corporation, and the first Amendment was approved by the shareholders' meeting on July 13, 1974, the second Amendment on September 21, 1974, the third Amendment on February 5, 1975, the fourth Amendment on July 13, 1977, the fifth Amendment on August 29, 1981, the sixth Amendment on September 18, 1983, the seventh Amendment on November 22, 1984, the eighth Amendment on October 8, 1986, the ninth Amendment on September 25, 1987, the tenth Amendment on December 7, 1989, the eleventh Amendment on September 7th, 1990, the twelfth Amendment on September 15, 1991, the thirteenth Amendment on January 24, 1992, the fourteenth Amendment on October 20, 1993, the fifteenth Amendment on November 20, 1993, the sixteen Amendment on January 27, 1994, the eighteenth Amendment on June 25, 1996, the nineteenth Amendment on July 31, 1996, the twentieth Amendment on October 3, 1996, the twenty-first Amendment on December 29, 1996, the twenty-second Amendment on June 15, 1997, the twenty-third Amendment on September 4, 1007, the twenty-fourth Amendment on October 17, 1997, the twenty-fifth Amendment on November 22, 1997, the twenty-six Amendment on May 19, 1998, then twenty-eight Amendment on October 17, 1998, the twenty-ninth Amendment on June 11, 1999, the thirtieth Amendment on May 15, 2000, the thirty-first Amendment on April 30, 2001, the thirty-second Amendment on May 30, 2002, the thirty-third Amendment on May 30, 2002, the thirty-fourth Amendment on June 18, 2003, the thirty-fifth Amendment on May 18, 2004, the thirty-sixth Amendment on June 7, 2005, the thirty-seventh Amendment on May 24, 2006, the thirty-eighth Amendment on June 13, 2007, the thirty-ninth Amendment on June 18, 2008, the fortieth Amendment on June 8, 2010, the forty-first Amendment on June 3, 2013, the forty-third Amendment on May 26, 2017.

Wah Lee Industrial Corp.

CEO：Ray-chin Chang

Appendix III

Wah Lee Industrial Corp.

Procedures for Acquisition or Disposal of Assets

Amended and passed in the shareholders' meeting on May 26, 2017

Article 1 Purpose

The Procedures are established for the protection of assets and the implementation of information disclosure. Outstanding matters not covered in the Procedures shall be handled according to the provisions of relevant laws and regulations.

Article 2 Legal basis

The Procedures are established pursuant to the provisions of relevant laws and regulations of the Financial Supervisory Commission (hereinafter referred to as the SFC).

Article 3 Asset range

1. Long and short term securities: shares, bonds, corporate bonds, financial bonds, securities representing fund holdings, depository receipts, call (put) warrants, beneficiary certificates and asset-backed securities.
2. Property (including land, houses and buildings, investment-oriented property and land use rights) and equipment.
3. Memberships.
4. Intangible assets: patents, copyrights, trademark rights and concessions.
5. Claims of financial institutions (including accounts receivable, negotiations and discounts, loans and overdue accounts receivable).
6. Derivative products.
7. Assets acquired or disposed of through merger, division, acquisition or share exchange in accordance with the law.
8. Other important assets.

Article 4 Definitions

1. Derivative products: Long-term contracts, options contracts, futures contracts, leverage contracts, exchange contracts and composite contracts formed by combinations of the products above, the values of which are derived from assets, interest rates, exchange rates, indices or other benefits. The long-term contracts above do not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts and long-term import and export contracts.
2. Assets acquired or disposed of through merger, division, acquisition or share exchange in accordance with the law: Assets acquired or disposed of through merger, division or acquisition in accordance with the Corporate Merger and Acquisition Act, the Financial Holding Company Act, the Financial Institution Merger Act or other laws, or other companies' shares received in exchange of the Company's new shares (hereinafter referred to as transfer-in shares) in accordance with the provisions of Article 156 (8) of the Company Law.
3. Related parties and subsidiaries: To be further defined in accordance with the provisions of the securities issuer's financial reporting standards.
4. Professional appraisers: Property appraisers or other persons engaged in the property or equipment valuation business according to laws.
5. Date of occurrence of the fact: The contract signing date, payment date, commissioned trading date, title transfer date, board resolution date or the dates on which the transaction counterparty and the transaction amount can be determined, whichever is earlier. For an investment which is subject to the approval of the competent authority, the date shall be the earlier of the dates above and the date of receipt of the approval of the competent authority.
6. Mainland China investment: Investment in mainland China in accordance with the provisions of the "Licensing Approach for Investment or Technical Cooperation in Mainland China" of the Investment Commission of the Ministry of Economic Affairs.

Article 5 The Company in principle does not engage in the transaction of acquisition or disposal of claims of financial institutions, and if the Company thereafter wishes to engage in such transactions, it shall obtain the approval from the board of directors and then establish the related appraisal and operation procedures.

Article 6 1. Regarding the appraisal report or the opinion of the accountant, the lawyer or the securities underwriter obtained by the Company, the professional appraising firm and its appraisers, the accountant, the lawyer, the securities underwriter and the transaction counterparty shall not be a related party of the Company.

2. The professional appraising firm and its appraisers shall not have any criminal conviction or punishment sentencing.

3. According to the Procedures, the Company shall obtain two or more professional appraising firms' appraisal reports, and the different professional appraising firms and their appraisers shall not be related parties with each other.

Article 7: Assessment and operating procedures

1. Price determination and references

(1) The Company’s acquisition or disposal of assets shall be handled by the relevant supervisor in accordance with the provisions of the "Property, Plant and Equipment Cycle and Investment Cycle" of the Company's internal control system.

(2) The Company obtains or disposes of marketable securities, except that securities expected to hold less than one year in order to respond to the rapid changes in the market environment, shall be handled in accordance with the company's authority to approve the transaction; it is expected to hold securities of one year or more. The investment should first be used as the reference for assessing the transaction price by the company’s most recent auditor’s audited visa or audited financial statement and handled in accordance with the “investment cycle” of the company’s internal control system. The evaluation of the company's long- and short-term securities investment should be handled in accordance with the relevant laws and regulations of the generally accepted accounting principles.

(3) Regarding the Company’s acquisition or disposal of property, the publically announced present value, the appraised value and the actual transaction price of the neighboring property shall be referred to in order to determine the terms and conditions and the price of the transaction, and the matter shall be handled in accordance with the Company’s rules.

(4) Regarding the Company’s acquisition or disposal of property, plant and equipment, prudent assessments shall be made in the price inquiry, comparison and negotiation process before the submission of information to the relevant departments, and the matter shall be handled in accordance with the Company’s levels of authority.

(5) Regarding the Company’s acquisition or disposal of memberships, the fair market price shall be referred to in order to determine the terms and conditions and the price of the transaction, and the matter shall be handled in accordance with the Company’s levels of authority.

(6) Regarding the Company’s acquisition or disposal of intangible assets, the professional appraisal report and the fair market price, the terms and conditions of the transaction and the transaction price shall be referred to in order to determine the terms and conditions and the price of the transaction, and the matter shall be handled in accordance with the Company’s levels of authority.

(7) Regarding the Company’s acquisition or disposal of derivative products, the trader shall formulate the trading strategy for all the Company's financial products, and shall calculate the position value on a regular basis, collect market information, conduct trend judgment and risk assessment and formulate the trading strategy. These shall be used as the basis for trading after the approval in accordance with the Company’s levels of authority.

(8) Regarding the Company’s merger, division, acquisition or share exchange, the opinion of the accountant, the lawyer or the securities underwriter on the rationality of the share exchange ratio, the purchase price or cash or other

properties allotted to the shareholders shall be sought before the relevant board meeting, and the proposal shall be approved by the board of directors.

2. Investment limits and levels of authority

(1) The acquisition or disposal of portfolio investment shall be subject to the authority to approve the company's provisions; if the transaction amount exceeds NT$100 million (excluding), it shall be subject to the approval of the board of directors.

(2) The property, plant and equipment required for business or non-business purposes of the Company s hould be based on the authority of the company's nuclear authorization; if the transaction amounted to NT$100 million (excluding) or more, it must be approved by the board of directors.

(3) The total value of the property or securities respectively purchased by the Company and its subsidiaries for non-business purposes, and the value of individual securities to be invested in shall be subject to the following limits:

i. The total value of the property for non-business purposes shall not exceed 30% of the net value of the Company as in its latest financial statements; the total value of the property purchased by all the subsidiaries of the Company for non-business purposes shall not exceed 10% of the net value of the Company as in its latest financial statements.

ii. The total value of the securities shall not exceed 100% of the net value of the Company as in its latest financial statements; the total value of the securities purchased by all the subsidiaries of the Company for non-business purposes shall not exceed 50% of the net value of the Company as in its latest financial statements.

iii. The total value of the individual securities investment shall not exceed 30% of the net value of the Company as in its latest financial statements; the total value of the individual securities investment of all the subsidiaries of the Company shall not exceed 30% of the net value of the Company as in its latest financial statements.

iv. If the company or a company holding more than 50 percent of the shares of the company participates in the establishment of investment or serves as a director/monitor, and intends to hold it for a long period of time, when calculating the investment ratios mentioned in the preceding paragraphs 2 to 3, they must not be counted.

(4) Regarding the Company’s acquisition or disposal of memberships, if the value is less than NT$10 million (inclusive), it shall be handled according to the authorization of the company and reported in the next board meeting. If the value is more than NT$10 million, it shall be approved by the board of directors in advance.

(5) Regarding the Company’s acquisition or disposal of intangible assets, if the value is less than NT$30 million (inclusive), it shall be handled according to the authorization of the company and reported in the next board meeting. If the value is more than NT$30 million, it shall be approved by the board of directors in advance.

(6) Regarding the Company’s acquisition or disposal of derivative products, in addition to considering the Company's turnover growth and changes in the risk exposure, based on security considerations, for each transaction the personnel in charge shall file an application with the financial supervisor for an initial approval, and then submit the application to the Chairman for a final approval before the transaction. The Chairman’s approval is also required for any subsequent amendment. If there is a time constraint, the personnel in charge may first obtain the verbal consent of the financial supervisor and the Chairman for trading, and then submit the application afterwards; the relevant transaction details shall also be reported to the board of directors.

(7) Regarding the Company’s assets acquired or disposed of through a merger, division, acquisition or share exchange in accordance with the law, before the shareholders' meeting the Company shall prepare documents to the shareholders concerning the important contracts and relevant matters of the merger, division or acquisition, and have them delivered to the shareholders together with the expert opinions referred to in Item (8) above and the meeting notice for their reference. This requirement does not apply to the merger, division or acquisition which is exempt by other laws or regulations from holding a shareholders’ meeting for a resolution. Furthermore, if a shareholders’ meeting for a resolution can not be held due to an insufficient number of attendees or voting rights of any of the companies involved in the merger, division or acquisition or due to other legal restrictions, or due to the motion being rejected by the shareholders, these companies involved in the merger, division or acquisition shall immediately disclose the reasons for it and carry out the follow-up operations and reserve another date for the shareholders’ meeting.

(8) Regarding the Company’s acquisition or disposal of assets which needs to be approved by the board of directors in accordance with the Procedures or other laws, it is necessary to take into account the views of the independent directors and include their pros and cons into the meeting minutes.

(9) If the various departments of the Company need to acquire or dispose of assets due to business requirements, and if the transaction falls under the significant matters listed in Article 185 of the Company Law, then the transaction shall be submitted to the shareholders’ meeting for approval.

3. Implementation units

For the Company’s acquisition or disposal of assets, the reporting lines in the following rules shall be followed. If necessary, the transaction shall be reported to the board of directors for approval:

(1) If the Company’s securities acquired or disposed of are unlisted or non-OTC shares, the transaction shall be handled by the Investor Relations and Investment Management Department and the Finance Department in accordance with the "Long and Short-term Investment Management Measures" of the Company. If the securities are listed or OTC shares, the Chairman shall designate a person to execute the transaction in the centralized market or at securities brokers’ business premises based on the Company's financial situation.

(2) The Company’s acquisition or disposal of property or equipment shall be handled by the Operations Support Department in accordance with the Company's "Property, Plant and Equipment Cycle".

(3) The Company’s acquisition or disposal of memberships or intangible assets shall be submitted by the Operations Support Department in accordance with the aforementioned level of authority, and then executed by the department using such assets and relevant departments.

(4) The Company’s acquisition or disposal of derivative products shall be handled by the Finance Department in accordance with the Procedures.

(5) In the Company’s handling of a merger, division, acquisition or share exchange, a lawyer, accountant and underwriter shall be appointed to jointly discuss and determine at timetable of the legal procedures, and form a task group to execute the transaction in accordance with the legal procedures.

4. Property or equipment appraisal report

Regarding the property or equipment acquired or disposed of by the Company, except for transactions with government agencies, commissioned-construction on the Company’s own land, commissioned-construction on leased land, or acquisition or disposal of equipment for business use, if the transaction amount reaches 20% of the Company’s paid-in capital or NT$300 million, a professional valuer’s appraisal report shall be obtained before the date of occurrence of the fact, and the transaction shall meet the following requirements:

(1) The transaction shall be approved by the board of directors if a limited price, specified price or special price is to be used as the reference price of the transaction for special reasons. This requirement also applies to future changes to the transaction conditions.

(2) If the transaction amount exceeds NT$1 billion, two or more professional valuers shall be hired for the appraisal.

(3) If the appraisal result of the professional valuer has one of the following circumstances, unless the appraisal result of the assets to be acquired is higher than the transaction amount or the appraisal result of the assets to be disposal of is lower than the transaction amount, the accountant shall be contacted for a specific opinion on the difference and the fairness of the transaction price in accordance with the provisions of the Audit Standards Bulletin No. 20 of the Accounting Research and Development Foundation:

i. The difference between the appraisal result and the transaction amount is more than 20% of the transaction amount.

ii. The difference between the appraisal results of two or more professional valuers is more than 10% of the transaction amount.

(4) The time lag between the professional valuer’s appraisal report issuing date and the contract date shall not be more than three months. However, if the appraisal report applies to the present value of the same period which has been publically announced for no more than six months, then the Company may request the original professional valuer to issue an opinion.

5. Expert opinion on acquisition or disposal of securities

Regarding the Company’s acquisition or disposal of securities, the subject company’s latest CPA audited or reviewed financial statements shall be obtained before the date of occurrence of the fact as the reference for assessing the transaction price. In addition, if the transaction amount reaches 20% of the Company’s paid-in capital or NT$300 million, the accountant shall be consulted before the date of occurrence of the fact for an opinion on the rationality. If the accountant needs an expert’s report, the matter shall be handled in accordance with the provisions of the Audit Standards Bulletin No. 20 of the Accounting Research and Development Foundation. This requirement is not applicable if the securities have a public quotation on an active market or are in compliance with the requirements of the SFC.

6. Professional appraisal report on acquisition or disposal of memberships or intangible assets

If the Company’s acquisition or disposal of memberships or intangible assets reaches an amount of 20% of the Company’s paid-in capital or NT$300 million, except for transactions with government agencies, the accountant shall be consulted before the date of occurrence of the fact for an opinion on the rationality. The accountant shall handle the matter in accordance with the provisions of the Audit Standards Bulletin No. 20 of the Accounting Research and Development Foundation.

7. If the Company acquires or disposes of assets through the auction process of the court, the appraisal report or the accountant's opinion can be substituted with the certificate issued by the court.

8. The transaction amount calculation in Items 4 to 6 shall be handled in accordance with the provisions of Article 11.1(5), and the one year referred to is one year before the date of occurrence of the transaction. The requirement above is not applicable if a professional appraisal report or the accountant's opinion has been obtained in accordance with the provisions of the Procedures.

9. Significant acquisition or disposition of asset transactions shall be subject to the approval of the audit committee in accordance with the relevant provisions, and the resolution of the board of directors shall be submitted.

Article 8 Procedures for transactions with related parties

1. Regarding the Company's acquisition or disposal of assets with related parties, in addition to following the procedures for acquisition of property in the preceding Article, following the provisions below for handling relevant resolutions and assessing the rationality of transaction conditions, if the transaction amount reaches 10% of the Company's total assets, the provisions of the previous section shall be followed to obtain a professional appraisal report or the accountant's opinion.

   The transaction amount calculation shall be handled in accordance with the provisions of Article 7.8.

   On the determination of related parties in a transaction, in addition to the relevant legal requirements, the substantive relationship shall be considered.

2. Appraisal and operating procedures

   Regarding the Company's acquisition or disposal of property with related parties, or acquisition or disposal of non-property assets with related parties, if the transaction amount reaches 20% of the Company's paid-in capital, 10% of the total assets or NT$300 million, then other than the purchase and sale of government bonds, bonds with re-purchase or re-sale agreements and subscription or redemption of domestic money market funds, the following information shall be submitted to the board of directors for approval and the supervisors for acknowledgement before the transaction contract is signed and the payment is made:

   (1) The purpose, necessity and expected benefits of acquiring or disposing of the assets.
   (2) The reasons for the selection of the related party for the transaction.
   (3) The information on the reasonableness of the planned transaction conditions assessed in accordance with the provisions of Paragraphs 3(1) and 3(5) of this Article for the acquisition or disposal of property with related parties.
   (4) The related party's date and price of the asset acquisition, the transaction counterparty and its relationship with the Company and the related party.
   (5) The monthly cash flow forecast in the year after the expected contract month, and the assessment of the necessity of the transaction and the rationality of the use of funds.
   (6) The professional appraisal report or the accountant's opinion obtained in accordance with the provisions of the first paragraph.
   (7) The restrictions on the transaction and other important matters.

   In the discussion of the board of directors in accordance with the preceding paragraph, the opinions of the independent directors shall be fully taken into account. If there are any objections or reservations from the independent directors, they shall be recorded in the minutes of the board meeting.

   The aforementioned transaction amount calculation shall be handled in accordance with the provisions of Article 11.2, and the one year referred to is one year before the date of occurrence of the transaction. The requirement above is not applicable if a proposal is already submitted for the board of directors' approval and the supervisors' acknowledgement in accordance with the provisions of the Procedures.

Regarding the acquisition or disposal of equipment for business purpose between the Company and its parent company or subsidiaries, the board of directors may, in accordance with Article 7.2(2), authorize the Chairman to make a decision within a certain amount, and have the transaction acknowledged in the latest board meeting.

3. Transaction cost rationality assessment

(1) The following method shall be followed in assessing the rationality of the transaction costs when the Company acquires or dispose of property with related parties:

i. The necessary interest expense and the cost that the buyer shall bear according to law shall be added to the price of the transaction with related parties. The interest expense is calculated on the basis of the weighted average interest rate in the year of the Company's borrowing for its purchase of assets, but it shall not be higher than the lending rate of non-financial institutions as announced by the Ministry of Finance.

ii. If the related party concerned has pledged the subject matter to a financial institution for funds, the financial institution shall assess the total value of the loan for the subject matter, but the accumulated loan amount actually extended shall be more than 70% of the assessed total value of the loan, and the existing loan extension period shall be more than a year. This requirement is not applicable if the financial institution is affiliated with one of the transaction parties.

(2) For the purchase of both the land and the building of the same subject matter, either of the methods in the preceding paragraph may be applied for the respective assessment of the transaction costs of the land and the building.

(3) Regarding the Company’s acquisition of property from a related party, the cost of the property shall be assessed in accordance with the provisions of Paragraphs 3(1) and 3(2) of this Article, and the accountant shall be consulted for a review and a specific opinion.

(4) Regarding the Company’s acquisition of property from a related party, if any of the circumstances occurs, then the transaction shall be processed in accordance with the provisions of Paragraphs 1 and 2 of this Article, and the provisions of Article 3(1), 3(2) and 3(3) on the assessment of the transaction cost rationality do not apply.

i. The related party obtained the property through inheritance or by gift.

ii. The related party’s contract for the property has been entered into for more than five years from the date of this transaction.

iii. The property is obtained through a joint-construction with the related party, or by commissioning the related party for construction on the Company’s own land or leased land.

(5) If the results of the appraisals in accordance with the provisions of Paragraph 3(1) and 3(2) of this Article concerning the Company’s acquisition of property from a related party are lower than the transaction price, then the transaction shall be handled in accordance with the provisions of Paragraph 3(6) of this Article.

This requirement does not apply if any of the circumstances occur and an objective evidence and the opinions of a professional property valuer and accountant on the transaction rationality can be presented:

i. If the related party obtained undeveloped land or leased the land for building construction, then the Company may prove that one of the following criteria is met:

(1) The undeveloped land is assessed in accordance with the method in the provisions of the preceding paragraph, the building is assessed based on the related party's construction cost plus a reasonable profit, and the total amount of the amounts above exceeds he actual transaction price. The reasonable profit refers to the lower of the average operating margin of the related party's construction unit in the last three years, and the latest gross profit margin of the construction industry announced by the Ministry of Finance.

(2) The transactions of other floors of the same subject building, or the transactions of non-related parties in the neighboring area with similar floor areas have similar transaction conditions, based on the assessment of the reasonable prices of such floors or areas in accordance with the property trading practice.

(3) The other floors of the same subject building leased by non- related parties within the past year have similar transaction conditions, based on the assessment of the reasonable prices of such floors or areas in accordance with the property leasing practice.

ii. The Company is able to prove that the property purchased from the related party has an area similar to those in the other transactions of non-related parties in the neighboring area within one year.

The aforesaid transactions in the neighboring area refers to transactions on the same or an adjacent street and within an area of less than 500 meters from the subject matter of the transaction, or transactions with similar announced present values. The aforesaid similar area means that the area of the transaction of a non-related party is not less than 50% of the area of the subject matter of the transaction. The aforesaid one year refers to the year before the date on which the property transaction occurs.

(6) Regarding the Company's acquisition of property from a related party, if the results of the appraisals in accordance with the provisions of Paragraph 3(1) and 3(2) of this Article are lower than the transaction price, then the following matters shall be handled. In addition, if the Company and the public companies which evaluate their investment in the Company with the equity method have made a provision of special surplus reserve pursuant to the aforesaid requirement, then the special surplus reserve shall not be used until a loss is recognized for the asset purchased at a higher price or the asset is disposed of, or an appropriate compensation or restitution is made, or it is proved that there is no irrationality in the transaction, and an approval is obtained from the SFC.

i. The Company shall make a provision of a special surplus reserve in accordance with the provisions of Paragraph 1 of Article 41 of the Securities Exchange Act on the difference between the transaction price of the property and the appraised cost, and shall not distribute the surplus or convert it into capital increase. If the investor who evaluates its investment in the Company with the equity method is a public company, then it shall also make a provision of a special surplus reserve in accordance with the provisions of Paragraph 1 of Article 41 of the Securities Exchange Act based on the provision amount in accordance with the proportion of its shareholding.

ii. The supervisors shall handle the above in accordance with the provisions of Article 208 of the Company Law.

(7) Regarding the Company's acquisition of property from a related party, if there is other evidence that the transaction does not comply with the business norm, then it shall also be dealt with in accordance with the provisions of Paragraph 3(6) of this Article.

Article 9 Procedures for acquisition or disposal of derivative products

1. Transaction principle and strategy

(1) Transaction types

i. Financial derivative products referred to in Article 4 of the Procedures.

ii. Bond margin trading.

(2) Operating (hedging) strategy

The Company's engagement in financial derivative transactions shall be for the purpose of hedging, and the products selected shall be those for the avoidance of the risks arising from the Company's business operations. The currency held shall conform to the foreign currency demand of the Company's actual import and export transactions, and the overall position (foreign currency income and expenditure) shall be able to be squared within the Company in order to reduce the overall foreign exchange risk of the Company and save the cost of foreign exchange operation.

(3) Division of powers and responsibilities

i. Traders

The financial derivative trading personnel is responsible for the collection of laws and regulations concerning financial derivative products, hedging strategy design and risk disclosure, and shall understand the Company's management policies and concepts and determine market trends and risks before transaction execution. The personnel shall make a proposal of the desired position and the hedging strategy according to the Company's operation strategy, and send it to the authorizing supervisor for approval before execution.

ii. Trade confirmation staff

The staff is responsible for confirming the correctness of the transactions with the correspondent bank, affixing the confirmation stamp on the trade confirmation report and returning it to the bank by mail.

iii. Settlement staff

The staff is responsible for the settlement of financial derivative transactions and the review of cash flow status regularly to ensure that the agreed contracts can be settled as scheduled.

iv. Accentuating staff

The staff is responsible for correctly and fairly expressing the hedging transactions and the profit and loss in the financial statements in accordance with the relevant provisions (Financial Accounting Standards Bulletins, etc.).

(4) Performance evaluation

i. The performance of hedging transactions is evaluated based on the hedging strategy. The Finance Department shall review the trading performance by market price evaluation every two weeks and submit the performance of the previous month to the Chairman in the first week of each month.

ii. The Finance Departments shall provide foreign exchange position evaluation, foreign exchange market trends and market analysis, and perform regular evaluation and review. In case of any abnormal circumstances, it shall immediately take the necessary measures and report the situation to the Chairman.

(5) Total contract amount and maximum loss limit

i. Total contract amount

(i.i) Hedging transaction limit

The total balance of all the Company's hedging contracts at any time is limited to the hedging demand rising from actual transactions within a year. The balance of each contract is limited to US$2 million or an equivalent amount in other foreign currencies.

(i.ii) Speculative transaction limit

The Company is not engaged in speculative transactions.

ii. Maximum loss limit

For all and each derivative contract, the maximum loss shall not exceed 20% of the total or individual contract amount.

2. Risk management measures

(1) Credit risk management

The Company's trading counterparties are limited to the Company's existing banks or internationally renowned financial institutions which can provide professional information.

(2) Market risk management

The Company's derivative transactions are limited to risk hedging, and the Company is not engaged in speculative financial operations.

(3) Liquidity risk management

In order to ensure market liquidity, it is necessary to select financial products with high liquidity (that is, can be squared in the market at any time), and the financial institutions shall have sufficient financial information and the ability to trade in any market at any time.

(4) Cash flow risk management

In order to ensure the stability of the Company's working capital turnover, the source of the Company's derivative transactions is limited to its own funds, and the capital requirements for future cash receipts and payments shall be taken into account for the amount of its operation.

(5) Operational risk management

i. The Company's levels of authorization shall be strictly followed and the operating procedures shall be included in the internal audit scope in order to avoid operational risks.

ii. The derivate traders, trade confirmation staff and settlement staff shall not share each other’s work.

iii. The risk assessment, supervision and control staff shall belong to different departments from the staff in the preceding paragraph, and shall report to the board of directors or to the senior executives who are not responsible for the transactions or do not have the decision-making responsibility.

iv. The position of derivative products shall be assessed at least once a week, and hedging transactions for business needs shall be assessed at least twice a month. The assessment report shall be presented to the senior managers authorized by the board of directors.

(6) Product risk management

The internal traders shall have complete and correct professional knowledge of financial products, and shall ask banks to fully disclose their risks in order to avoid the risk of misusing financial products.

(7) Legal risk management

Documents with financial institutions shall be duly signed after the review of the foreign exchange and the legal staff or the legal adviser to avoid legal risks.

3. Internal audit system

Internal auditors shall regularly assess the adequacy of the internal control of derivative transactions, check the compliance of the trading department with respect to derivative transaction processing procedures, analyze the transaction cycle on a monthly basis and make an audit report accordingly. In case a serious violation is found, the audit committee shall be notified in writing.

4. Periodic assessment methods

(1) The board of directors shall authorize high-level supervisors to regularly supervise and assess whether the derivative transactions are actually handled in accordance with the transaction procedures set by the Company, and whether the risks assumed are within the tolerance. If there is an abnormal situation in the valuation report (the loss has exceeded the limit), the board of directors shall be immediately notified and countermeasures shall be taken.

(2) The position of derivative products shall be assessed at least once a week, and hedging transactions for business needs shall be assessed at least twice a month. The assessment report shall be presented to the senior managers authorized by the board of directors.

5. Supervision and management principles of the board of directors

(1) The board of directors shall appoint high-level supervisors to supervise and control the risks of derivative transactions at all times. The management principles are as follows:

i. Periodically assess the adequacy of the risk management measures currently in use and check whether the Procedures are followed.

ii. Monitor the transactions and the profit and loss. If an abnormal situation is found, countermeasures shall be taken and the board of directors shall be immediately notified. The independent directors shall attend the board meeting and express their views.

(2) The performance of derivative transactions shall be regularly assessed to ensure that they conform to the established business strategy, and the risks assumed are within the tolerance of the Company.

(3) If the Company authorizes relevant personnel to be engaged in derivative transactions according to the Procedures, the authorization shall be reported in the next board meeting.

6. Establishment of reference book

The Company shall establish a reference book for derivative transactions, and record in the reference book the type, the amount, the board of directors' approval date and the matters which shall be prudently evaluated in accordance with Paragraphs 4(2), 5(1) and 5(2) of this Article.

Article 10 Procedures for mergers, divisions, acquisitions, and share exchanges

1. Board meeting date and shareholders' meeting date

For the Company's participation in mergers, divisions or acquisitions, except as otherwise stipulated in laws or an approval is obtained from the SFC due to special reasons, the parties involved shall convene a board meeting and a shareholders' meeting on the same day for a resolution of the merger, division or acquisition.

Companies participating in mergers, divisions, or acquisitions, the shareholders of either party may not be able to convene due to insufficient attendance, voting rights, or other legal restrictions, or may be rejected by the shareholders' meeting. Companies involved in mergers, divisions, or acquisitions shall be made public immediately. Explain the reason for the occurrence, follow-up operations, and the date when the shareholders' meeting is expected to be held.

For the Company's participation in a share exchange, except as otherwise stipulated in laws or an approval is obtained from the SFC due to special reasons, the parties involved shall convene a board meeting and a shareholders' meeting on the same day.

For the Company's participation in a merger, division, acquisition or share exchange of a listed company or a company whose stock is traded on a securities dealer's place of business, the following information shall be recorded and kept for a period of five years for inspection:

(1) Basic personnel information: the titles, names and identity card numbers (passport numbers if foreigners) of all people involved in the merger,

division, acquisition or share exchange plan or the plan executioners before the publication of the information.

(2) Important dates: including the date of signing the letter of intent or memorandum, entrusting a financial or legal adviser, signing a contract and a board meeting.

(3) Important documents and proceedings: including documents such as the plan of merger, division, acquisition or share exchange, the letter of intent or memoranda, important contracts and the board meeting minutes.

In the event that the Company participates in a merger, division, acquisition or share exchange of a listed company or a company whose stock is traded on a securities dealer's place of business, it shall, within two days from the date the resolution is passed in the board meeting, declare the information in the first and second items of the preceding paragraph in accordance with the prescribed format, and submit it to the SFC for review via the internet information system.

If the counterparty of a merger, division, acquisition or share exchange is not a listed company or its shares are not traded at the premises of securities brokers, the Company shall enter into an agreement with the counterparty and shall handle the matter in accordance with the provisions of Paragraphs 3 and 4.

2. Prior commitment of confidentiality

All people who participate in or are aware of the merger, division, acquisition or share exchange of the Company shall issue a written confidentiality undertaking and shall not disclose the contents of the plan before the disclosure of the information. Nor shall they, either in their own names or in the names of others, buy the shares or other securities of equity nature of any of the parties involved in the merger, division, acquisition or share exchange.

3. Principle for setting and changing share exchange ratio or share purchase price

The parties participating in a merger, division, acquisition or share exchange shall, before the board meetings of both parties, appoint an accountant, lawyer or securities underwriter to express its view on the fairness of the share exchange ratio, the purchase price or the cash or other property to be allotted to the shareholders, and submit it to the shareholders' meeting. The share exchange ratio or the purchase price shall not in any way be changed arbitrarily, except that the conditions for change have been specified in the contract and have been disclosed to the public. The conditions for change of the share exchange ratio or the purchase price are as follows:

(1) The handling of capital increase, issuance of convertible corporate bonds, allotment of bonus shares, issuance of corporate bonds with stock options, issuance of preferred shares with stock options, issuance of stock options and other securities of equity nature.

(2) The disposal of the Company's major assets which may affect the Company's financial performance.

(3) The occurrence of major disasters or major changes in technology which may affect the interests of shareholders or share prices.

(4) The buyback of treasury shares by any party involved in the merger, division, acquisition or share exchange.

(5) Changes in the participating legal entities or their numbers in the merger, division, acquisition or share transfer.

(6) Other conditions which have been specified in the contract and have been disclosed to the public.

4. Contract contents

The contracts of the parties involved in a merger, division, acquisition or share exchange shall, in addition to complying with the Company Law and related laws and regulations, include the following matters:

(1) The handling of default.

(2) The principle for handling securities of equity nature issued by the dissolved or divided company in the merger, or the treasury shares that it has repurchased.

(3) The quantity of treasury shares which may be repurchased according to law by the parties after the date the share exchange ratio is finalized, and the handling method.

(4) The handling of changes in the participating legal entities or their numbers.

(5) The schedule and expected completion date.

(6) If the plan completion is overdue, the relevant procedures for handling matters such as setting the date of the shareholders' meeting according to laws and regulations.

5. Changes in the number of participants in the merger, division, acquisition or share exchange

If any party involved in the merger, division, acquisition or share exchange decides to, after the disclosure of the information, participate in another merger, division, acquisition or share exchange with other parties, the participants may be exempted from the shareholders' meeting only if the number of participants is reduced, and the shareholders' meetings have passed the resolution and authorized the board of directors to change the authority. In the original merger, division, acquisition or share transfer case, the procedures or legal action that has been completed shall be carried out again by all participants.

6. If the participants in a merger, division, acquisition or share exchange is not a public offering company, the Company shall enter into an agreement with it and determine the date of the board meeting in accordance with the first paragraph of this Article, make a prior confidentiality commitment in accordance with the second paragraph of this Article, and handle the changes in the number of participants in the merger, division, acquisition or share exchange in accordance with the fifth paragraph of this Article.

7. The merger between the public offering company and its subsidiaries, which directly or indirectly hold 100% of the issued shares or capital, may be exempted from obtaining reasonable opinions from the accountants, lawyers or securities underwriters.

Article 11 Procedures for information disclosure

(1) If any of the following circumstances occurs in the Company's disposal of assets, the following information shall be entered in the MOPS within two days from the date of occurrence of the fact in accordance with the prescribed nature:

(i) Acquisition or disposal of property with a related party, or non-property assets with a related party and the transaction amount reaches 20% of the Company's paid-in capital, 10% of the total assets or NT$300 million, with the exception of the trading of government bonds or bonds with repurchase or resale agreements or the purchase or redemption of domestic money market funds.

(ii) Engagement in a merge, division, acquisition or share exchange.

(iii) The loss of derivative transactions reaches the overall or individual loss limit of all or individual contracts specified in the relevant procedures.

(4) Types of Assets Obtained or Punished

It is a device for business use, and the transaction partner is not a related person, and the transaction amount is one of the following:

i. When the paid-in capital of the company is less than 10 billion yuan, the transaction amounted to more than NT$500 million.

ii. When the paid-in capital of the company is more than 10 billion yuan, the transaction amount is more than NT$1 billion.

(5) The real estate is obtained from the construction of the local committee, the lease construction of the land, the construction of the sub-houses, the construction of the sub-units, the joint construction of sub-sales, and the company's investment in the amount of NT$500 million.

(6) Transactions of assets other than those in the five items above, financial institutions' disposal of debts or investment in mainland China, and the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million, with the exception of the following:

1. Trading of government bonds.
2. Trading of bonds with repurchase or resale agreements or the purchase or redemption of domestic money market funds.

(7) The amounts of the aforesaid transactions in Paragraph (6) are calculated as follows, and the one year period is one year before the dates of the transactions. The amounts already announced according to the requirements shall not be included.

i. The amount of each transaction.

ii. The total amount of all transactions with the same counterparty in one year for assets of the same nature.

iii. The total amount of transactions of property in the same development plan (with acquisition and disposal accrued separately) in one year.

iv. The total amount of transactions of the same securities (with acquisition and disposal accrued separately) in one year.

(8) The 10% of the total assets shall be calculated based on the amount of the total assets in the latest individual-entity or individual financial report as provided in the financial issuer's financial report preparation guidelines.

2. The Company shall enter into the MOPS by the 10th of each month the information about the derivative transactions of the Company and its non-public domestic subsidiaries as of the end of the previous month in accordance with the prescribed format.

3. If there is any error or omission in the Company’s announcement in accordance with the regulation, then it shall make another announcement of all such information again within two days from the date of knowledge.
4. The Company shall obtain and keep at its premises the relevant contracts, the proceedings, the reference books, the appraisal reports, and the opinions of the accountant, the lawyer or the securities underwriter concerning its acquisition or disposal of assets. Unless otherwise required by law, such documents shall be retained for at least five years.
5. After the Company announces its transaction information in accordance with the requirements in the previous paragraphs, in case of any of the following circumstances, it shall make an announcement by entering the information in the MOPS within two days from the date of occurrence of the fact:
(1) The contents of the contracts for the transaction have been changed, terminated or revoked.
(2) The merger, division, acquisition or share exchange is not completed by the scheduled completion date.
(3) The contents of the original announcement are changed.

Article 12 The subsidiaries of the Company shall comply with the following requirements.
1. The Company shall urge its subsidiaries to establish procedures for acquisition or disposal of assets in accordance with their business natures, business scales and the local laws and regulations. The subsidiaries shall follow the procedures when acquiring or disposing of assets.
2. The Company shall urge its subsidiary to check whether their operating procedures are in compliance with the Guidelines on Acquisition or Disposal of Asset by Public Offering Companies and the subsidiaries’ own procedures for acquisition or disposal of assets, and whether they operate according to such operating procedures.
3. The Company auditor shall review the subsidiaries’ self-check reports.
4. If a subsidiary is not a public offering company and its acquisition or disposal of assets reaches the announcement standard of Article 12 of the Procedures, the Company shall make the announcement on behalf of the subsidiary.
5. In the announcement standard of the subsidiary, the term “20%” of the paid-in capital of the Company or 10% of the total assets” is based on the paid-in capital or total assets of the Company.

Article 13 Penalty

If the employees of the Company who undertake the acquisition and dispose of assets violate the provisions of the Procedures, then they shall be reported for an evaluation according to the employee handbook of the Company and be punished based on the seriousness of the cases.

Article 14 Implementation and amendments

This operating procedure was approved by the audit committee and passed by the board of directors and submitted to the shareholders' meeting for approval.

Wah Lee Industrial Corporation
Shareholding of Directors

1. Company real accepted capital is NT$2,313,901,380, number of shares outstanding is 231,390,138, in accordance with 「Rules and review Procedures for Director and Supervisor Ownership Ratios at Public Companies」, the minimum shareholding of directors is 12,000,000, the minimum shareholding of supervisors is 1,200,000.
2. Until this shareholders' meeting of ended share transfer day (1st April, 2018), shareholding of directors and supervisors who listed in the shareholder booklet is presented as follows, the data is made in accordance with the provision of Article 26 of the Securities and Exchange Act

Title	Name	Date Elected	Term (Years)	Shareholding on ended share transfer day		Proxy Name
				Shares	%	
Chairman	Kang-Tai Investment Limited	2017.05.26	3	14,414,155	6.23%	Chang, Ray-Ching
Vice chairman	Chen, Chun-Yin	2017.05.26	3	3,796,014	1.64%	—
Director	Lin, Chi-Hai	2017.05.26	3	2,609,959	1.13%	—
Director	Bau Guang Investment Co., Ltd.	2017.05.26	3	1,971,873	0.85%	Lin, Shu-Chen
Director	Kang-Tai Investment Limited	2017.05.26	3	14,414,155	6.23%	Chang Tsuen-Hsien
Director	Yeh, Ching-Pin	2017.05.26	3	3,356,263	1.45%	—
Independent Director	Wang, Yea-Kang	2017.05.26	3	—	—	—
Independent Director	Chu, Hau-Min	2017.05.26	3	—	—	—
ndependent Director	Shyu, So-De	2017.05.26	3	—	—	—
	Sum			**26,148,264**	**11.30%**	

Note：1. Due to the three independent directors, other directors and supervisor can be counted at 80%.

2. 26th May, 2017 Set up an audit committee to replace the supervisor system.

Other Explanation

Shareholders' meeting of shareholding explanation：

Explanation： _

1. According to corporate law of Article 172, paragraph 1, shareholder who hold shares over 1% of issued shares shall propose to shareholder's meeting and the proposal shall present in 300 words.
2. Company accepts 2017 Shareholders' meeting proposal during 23th of March to 2nd of the April,2018 and published to public press website.
3. Company had not received any proposal until the end date.