

Stock Code: 2356

Inventec Corporation

Inventec

2018 Annual General Shareholders' Meeting

Meeting Agenda (Translation)

Time: Thursday, June 14, 2018. 9:00 a.m.

Place: No.16, Sec. 4, Jhongshan N. Rd., Shilin District, Taipei City.

Chientan Youth Activity Center's Ching-Kuo Memorial Hall.

This English version is a translation based on the original Chinese version. Where any discrepancy arises between the two versions, the Chinese version shall prevail.



Rapid Innovation



Sustainable Energy



Cloud Solutions



Mobile Lifestyle



Emerging Markets

Table of Contents

A. Meeting Agenda.....	01
B. Report Items.....	02
C. Ratification Items.....	03
D. Discussion Items.....	04
E. Extraordinary Motions.....	07
F. Adjournment.....	07

Appendix

1. 2017 Business Report.....	08
2. 2017 Audit Committee's Review Report.....	10
3. Independent Auditors' report and Individual Financial Statements for Year 2017.....	11
4. Independent Auditors' report and Consolidated Financial Statements for Year 2017.....	19
5. Profit Distribution Table for Year 2017.....	28
6. Articles of Incorporation.....	29
7. Regulations Making of Endorsements/Guarantees.....	38
8. Rules of Procedure for Shareholders Meetings.....	43
9. Shareholdings of Directors	50

A. Meeting Agenda

Time: Thursday, June 14, 2018. 9:00 a.m.

Place: No.16, Sec. 4, Jhongshan N. Rd., Shilin District, Taipei City.
Chientan Youth Activity Center's Ching-Kuo Memorial Hall.

A. Call the Meeting to Order

B. Chairman Remarks

C. Report Items:

- (1) 2017 Business Report
- (2) 2017 Audit Committee's Review Report
- (3) The Status of Distribution Remuneration of Employees and Directors in 2017

D. Ratification Items

- (1) Ratification of the 2017 Business Report and Financial Statements
- (2) Adoption of the Proposal for Distribution of 2017 Profits

E. Discussion Items:

- (1) Amendment to the "Articles of Incorporation"
- (2) Amendment to the "Regulations Making of Endorsements/Guarantees"
- (3) Proposal for release the prohibition on Directors Chang,Ching-Sung 、
Chen,Ruey-Long and Shyu,Jyuo-Min from participation in competitive business

F. Extraordinary Motions

G. Adjournment

B. Report Items

1. 2017 Business Report (Please refer to Appendix 1)
2. 2017 Audit Committee's Review Report (Please refer to Appendix 2)
3. The Status of Distribution Remuneration of Employees and Directors in 2017

Explanation: (1) According to the article 26 of Articles of Incorporation, if the Company has a profit of the year shall distribute not less than 3% of the balance as remuneration to Employees and not more than 3% to Directors of the Corporation. The remuneration of the supervisors prior to the establishment of the audit committee shall be distributed in accordance with preceding paragraph.

- (2) The board of directors and remuneration committee resolved to distribute NT \$ 422,632,888 to remuneration of employees in cash and NT\$ 118,337,208 to remuneration of directors. There is no difference between the amount of distribution and the expense which is recognized in 2017.

C. Ratification Items

Item 1

Proposed by the Board

Proposal: Ratification of the 2017 Business Report and Financial Statements.

Explanation: The Company's 2017 Individual Financial Statements and Consolidated Financial Statements, including the balance sheet, comprehensive income statement, statements of cash flows, and statement of changes in equity, were audited by independent accountants, Lin, Wan-Wan and Yang, Liu-Fong of KPMG Certified Public Accountants. Also Business Report and Financial Statements have been approved by the Board and examined by the Audit Committee of Inventec Corporation. (Please refer to Appendix 1 for Business Report, Appendix 3 for Independent Accountants' Audit Report and Individual Finance Statements, and Appendix 4 for Independent Accountants' Audit Report and Consolidated Finance Statements.)

Resolution:

Item2

Proposed by the Board

Proposal: Adoption of the Proposal for Distribution of 2017 Profits

Explanation: (1) With regard to earnings in 2017, an earnings distribution table has been prepared in accordance with the Company's Articles of Incorporation. The distributable net profit for 2017 is NT\$ 6,745,370,357 and the proposed cash dividend to shareholders is NT\$1.65 per share (NT\$ 5,919,333,859).The earnings distribution table was reviewed by the Audit Committee and attached in Appendix 5.

(2) In the event that, before the distribution record date, the proposed profit distribution is affected by buyback of shares, it is proposed that the Board of Directors be authorized to adjust the cash distribution ratio based on the number of actual shares outstanding on the record date.

(3) Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors is authorized to resolve the ex-dividend record date.

Resolution:

D. Discussion Items

Item 1

Proposed by the Board

Proposal: Discussion of Amendments to the “Articles of Incorporation”.

Explanation: (1) Propose to amend Article 2 of business scope and revise Article 26 of “Articles of Incorporation” to meet the need of business.

(2) Propose to amend Article 29 of “Articles of Incorporation” to add revised date.

(3) Please refer to the comparison chart of amendments to “Articles of Incorporation” below.

Comparison Chart of Amendments to “Articles of Incorporation”

Original Version		Amendment Version		Reason
Article 2	<p>The business scope of the Company is as following:</p> <ol style="list-style-type: none"> 1. CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing 2. CC01060 Wired Communication Equipment and Apparatus Manufacturing 3. CC01070 Telecommunication Equipment and Apparatus Manufacturing 4. CC01080 Electronic Parts and Components Manufacturing 5. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing. 6. CC01110 Computers and Computing Peripheral Equipments Manufacturing 7. CC01990 Electrical Machinery, Supplies Manufacturing. 8. CE01030 Photographic and Optical Equipment Manufacturing 9. CE01040 Watches and Clocks Manufacturing 10. F113010 Wholesale of Machinery 11. F113020 Wholesale of Household Appliance 12. F119010 Wholesale of Electronic Materials 13. F401010 International Trade 14. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import 	Article 2	<p>The business scope of the Company is as following:</p> <ol style="list-style-type: none"> 1. CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing 2. CC01060 Wired Communication Equipment and Apparatus Manufacturing 3. CC01070 Telecommunication Equipment and Apparatus Manufacturing 4. CC01080 Electronic Parts and Components Manufacturing 5. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing. 6. CC01110 Computers and Computing Peripheral Equipments Manufacturing 7. CC01990 Electrical Machinery, Supplies Manufacturing. 8. CE01030 Photographic and Optical Equipment Manufacturing 9. CE01040 Watches and Clocks Manufacturing 10. F113010 Wholesale of Machinery 11. F113020 Wholesale of Household Appliance 12. F119010 Wholesale of Electronic Materials 13. F401010 International Trade 	Add Business item to meet the need of business

	15. I301010 Software Design Services 16. I301020 Data Processing Services 17. CB01010 Machinery and Equipment Manufacturing 18. CC01120 Data Storage Media Manufacturing and Duplicating 19. H701010 Residence and Buildings Lease Construction and Development 20. H701020 Industrial Factory Buildings Lease Construction and Development 21. H701040 Specialized Field Construction and Development 22. H703090 Real Estate Commerce 23. H703100 Real Estate Rental and Leasing 24. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.		14. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import 15. I301010 Software Design Services 16. I301020 Data Processing Services 17. CB01010 Machinery and Equipment Manufacturing 18. CC01120 Data Storage Media Manufacturing and Duplicating 19. H701010 Residence and Buildings Lease Construction and Development 20. H701020 Industrial Factory Buildings Lease Construction and Development 21. H701040 Specialized Field Construction and Development 22. H703090 Real Estate Commerce 23. H703100 Real Estate Rental and Leasing 24. <u>CF01011 Medical devices Manufacturing</u> 25. <u>F108031 Wholesale of Medical devices</u> 26. <u>F208031 Medical devices Retailing</u> 27. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.	
Article 26	<p>If the Company has a profit of the year shall distribute not less than 3% of the balance as remuneration to Employees and not more than 3% to Directors of the Corporation.</p> <p>However, require that earnings shall first be offset against any deficit. The Corporation may issue stock or distribute cash to employees and the qualification requirements including the employees of subsidiaries of the company. The conditions and measures set by the Board of Directors. The remuneration of the supervisors prior to the establishment of the audit committee shall be distributed in accordance with preceding paragraph.</p>	Article 26	<p>If the Company has a profit of the year shall distribute not less than 3% of the balance as remuneration to Employees and not more than 3% to Directors of the Corporation.</p> <p>However, require that earnings shall first be offset against any deficit. The Corporation may issue stock or distribute cash to employees and the qualification requirements including the employees of subsidiaries of the company. The conditions and measures set by the Board of Directors.</p>	Delete the remuneration of the supervisors

Article 29	This Articles of Incorporation was established on April 15, 1975.(The following omitted) The forty-eighth amendment was made on June 12, 2014. The forty-ninth amendment was made on June 20, 2016. The fiftieth amendment was made on June 16, 2017.	Article 29	This Articles of Incorporation was established on April 15, 1975.(The following omitted) The forty-eighth amendment was made on June 12, 2014. The forty-ninth amendment was made on June 20, 2016. The fiftieth amendment was made on June 16, 2017. <u>The fiftieth-first amendment was made on June 14, 2018.</u>	Add amendment number and date.
------------	---	------------	--	--------------------------------

Resolution:

Item 2

Proposed by the Board

Proposal: Discussion of Amendments to the “Regulations Making of Endorsements/Guarantees”.

Explanation: (1) Proposes to amend Article 4 of “Regulations Making of Endorsements/Guarantees” to meet the need of business.

(2) Please refer to the comparison chart of Amendments to “Regulations Making of Endorsements/Guarantees” below.

Comparison Chart of Amendments to “Regulations Making of Endorsements/Guarantees”

Original Version		Amendment Version		Reason
Article 4	Total amount of endorsements/guarantees of the Company shall not exceed 50% of the net worth on the latest financial statement. Besides, the ceilings on the amount permitted to a single entity shall not exceed 50% of the net worth on the latest financial statement. (The following omitted)	Article 4	Total amount of endorsements/guarantees of the Company shall not exceed 50% of the net worth on the latest financial statement. Besides, the ceilings on the amount permitted to a single entity shall not exceed 50% of the net worth on the latest financial statement. <u>Where an endorsement/guarantee is made due to needs arising from business dealings, the amount for lending to an individual entity shall not exceed the total transaction amount between the parties in the previous year.</u> (The following omitted)	Revised limit of endorsements/guarantees

Resolution:

Item 3

Proposal: Proposal for Release the Prohibition on Directors Chang, Ching-Sung 、Chen, Ruey-Long and Shyu, Jyuo-Min from Participation in Competitive Business.

Explanation: (1) According to provisions of Company Act Article 209 Item 1, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.

(2) The meeting of shareholders on June 16, 2018 approved that the prohibition of business strife on current directors were lifted from the on board date. Proposal for release the prohibition on current director from participation in competitive business. Please refer the list of current director's new position in other companies below.

List of Current Director's New Position in Other Companies

Position	Name	Serve in other Company	Position in other company
Director	Chang, Ching-Sung	Jinlife Biotech CO., LTD.	Director
Independent director	Chen, Ruey-Long	Walsin Lihwa Corporation	Independent director
Independent director	Shyu, Jyuo-Min	Iridium Medical Technology Co., Ltd	Director
		Geothings Technology Co., Ltd	Director
		Modern Classic Limited	Director

Resolution:

E. Extraordinary Motions

F. Adjournment

Business Report

Honorable ladies and gentlemen, welcome to be present in the 2018 Shareholders' meeting of Inventec Corporation. Though major economies of the world in 2017 has gradually turned stable, the drive of recovery is apparently in slow pace. Besides, issues as increased interest rate in the US and Europe, bills of tax reform announced domestically and overseas, the unwinding of trade war around the globe, especially the foreign exchange policies among each of the major economies and the strong appreciation of New Taiwan Dollar in the early period last year have well rendered export industries confronted with risk of foreign exchange that corrodes corporate profit. However, under the joint efforts of our staffs Inventec continues to display rather a favorable operation performance last year. We will, hereby, like to express our gratefulness to the long-term support of our shareholders, and would summarize the operation performance for year 2017 as follows:

Business performance report for year 2017.

For our revenue and profit, the combined revenue for year 2017 comes to NT\$467.5 billion, which has grown by 9.11% as compared to that of year 2016 (the combined revenue is NT\$428.4 billion). The combined operating income before tax is about NT\$7.1 billion, which grows mildly by 1.36% as compared to that of year 2016. As for the net profit after tax that goes to stock-holders of the parent company, it comes to about NT\$6.7 billion, which grows by 19.83% against that of the previous year, while the surplus combined is NT\$1.88 per share after tax.

As an overview, the performance growth in 2017 proves to be a successful result and it mainly comes from the diversified operation of company products. Among them, the streamline product of notebook has benefited from the shipment of commercial models so that there is slight growth against the same period of last year. As for server products, since the company has actively developed new products and expanded client distribution so that there is growth of 8.72% against the same period of last year. The aforementioned two products have, in total, made a contribution of NT\$366.3 billion of revenue. In terms of smart device products, the shipments have been quite booming with the facilitation of new product lines with the clients, so that the revenue of operating income has increased by 36.12% against that of last year, bringing in contribution of about NT\$86.4 billion of income. In addition, the integrated benefits from solar-energy products by the group are satisfying, and the overall revenue has increased by 8.83% against the same period of last year, bringing in a contribution of NT\$14.7 billion.

Company governance and corporate social responsibility

Honesty, integrity, and sustainable operation are the cornerstone principles of Inventec, and they are regarded most highly in company governance. As such, these principles have been well echoed to the fact for Inventec has been, for three consecutive years, awarded the special honor as top best 5% companies in terms of company governance by "Company Government Assessment." We would, therefore, adhere to the spirit of "greater responsibility, greater concern" for we will strengthen the functional committees of the board established to improve company governance. In addition, we will continue to coordinate with "Inventec Charity Foundation" to serve the society, thus enhance to fulfill our corporate social responsibility.

Business plan and future prospect for year 2018

Inventec possesses strong R&D as well as high-efficiency operation team. Over a long period of time, we have built up favorable cooperation relationship with our clients; thus, though we are confronted with stringent environment of information industry Inventec should continue to adhere to unyielding spirit in order to overcome challenges domestic and oversea. Specific measures of implementation are found into following aspects:

- (1) We should continue to develop high-end notebook product so as to consolidate the market-share of Inventec in business computer. Aside from server and customized service for large-scale information center, Inventec will, in coping with high-tech development trend and future business opportunity worldwide, expand investment on technology area in 2018 in sequence by setting up three major R & D centers. These centers encompass AI application research center in Taiwan, industrial 4.0 application center at Tianjin, China, and 5G application research center of Inventec Appliances under Inventec Group. It is planned that these three centers will recruit talents concurrently.
- (2) We will actively invest into the business opportunity for the area of automobile electronics and medical equipment, simplify product development and module design, thus integrating research and development resources so that products designed can be marketed with no time lag.
- (3) Regarding goal orientation of intelligent production by industrial 4.0, we will carry out improvement to operation efficiency, and enhance the integral production performance through arrangement of flexible production system.
- (4) We will maintain favorable relationship with our client and partners, and design customized products to cope with client demands. For supply chain management, we should work to deepen the cooperation relationship with our supplies. As for the possibility actively seeking for strategic alliance at terminal-end market, we should make effort to diversify our operation.

Since technological development is changing rapidly and so as innovations with ideas, we can discover that recent hot issues of topics have, most of all, gradually moving towards the integration of hardware and software, and ABCD5 is reckoned as the hottest of all. Among them, A refers to artificial intelligence (AI), B refers to block-chain, C refers to Cloud computing as it renders calculation via hardware design quickly and safely, D refers to big data as it employs figure data to produce valuable information, and 5 refers to 5G which is the dominating market of hardware in future telecommunication. In view of the aforementioned industrial development, Inventec will, aside from talents training, also actively deploy greater amount of resources to carry out product development with anticipation of some achievements in the near future. At the approaching point of time with global economic recovery, AI, and IoTs, Inventec will certainly utilize its competitive edge and master the business opportunity to enhance the core competitiveness of company, and grasp the chance to obtain profit so as to achieve greater corporate value for its entire shareholders and employees.

Best wishes to all of you!

Chairman: Cho, Tom-Hwar

President: Wu, Yung-Tsai

Accounting Officer: Yu, Chin-Pao

Audit Committee's Review Report

Date: Mar.26, 2018

The Board of Directors has prepared and submitted to us the Company's 2017 Business Report, Financial Statements and proposal for profit distribution. The Financial Statements have been audited, certified and issued an audit report by Wan-Wan Lin and Liu-Fong Yang of KPMG Certified Public Accountants. The Business Report, Financial Statements and profit distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee members. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Inventec Corporation

Convener of the Audit Committee: Chang, Chang-Pang

Appendix 3-Independent Auditors' Report and Individual Financial Statements for Year 2017

Independent Auditors' Report

To the Board of Directors of Inventec Corporation :

Opinion

We have audited the financial statements of Inventec Corporation (“the Company”), which comprise the statement of financial position as of December 31, 2017 and 2016, and the statement of comprehensive income, changes in equity and cash flows for the year ended December 31, 2017 and 2016, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Allowance for Inventory Valuation and Obsolescence Losses

Please refer to Note 4(g), and Note 6(d) for accounting policies, and related disclosure information for inventory, respectively.

Description of the key audit matter:

The Company's materials may be obsolescence or slow-moving due to the risk of price decline in inventory, the Company material prepared for designing products and forecast orders may be canceled or changed, or changed on components and quantities. Therefore, the valuation of inventories has been identified as a key audit matter.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included assessing the appropriateness of inventories valuation policies; ensuring the process of inventory valuation is in conformity with the accounting policies; inspecting the inventory aging report; recalculating allowance for inventory valuation based on the Company's policies.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance (including members of Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial statements.

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

conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Wan-Wan Lin and Liu-Fong Yang.

KPMG

Taipei, Taiwan (Republic of China)
March 26, 2018

Notes to Readers

The accompanying financial statements are intended only to present the statement of financial position, financial performance and its cash flows in accordance with the 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 financial statements are those generally accepted and applied in the Republic of China.

The auditor's report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditor's report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
INVENTEC CORPORATION
BALANCE SHEETS
December 31, 2017 and 2016
(Expressed in Thousands of New Taiwan Dollars)

ASSETS		2017.12.31		2016.12.31		LIABILITIES AND EQUITY		2017.12.31		2016.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Current Assets :						Current Liabilities :					
1100	Cash and cash equivalents	\$ 5,205,101	3	10,176,052	7	2100	Short-term borrowings	\$ 14,167,878	9	9,791,271	7
1110	Current financial assets at fair value through profit or loss	23,286	-	91,416	-	2120	Current financial liabilities at fair value through profit or loss	21,669	-	-	-
1125	Current available-for-sale financial assets, net	1,149,740	1	732,898	-	2160	Notes payable to related parties	-	-	12,132	-
1170	Accounts receivable, net	28,112,409	18	26,342,053	18	2170	Accounts payable	30,096,212	20	27,285,270	19
1180	Accounts receivable due from related parties, net	40,524,564	26	33,491,604	23	2180	Accounts payable to related parties	30,844,738	20	32,882,858	22
1200	Other receivables, net	28,735,991	19	27,507,715	19	2230	Current tax liabilities	318,516	-	572,348	-
1310	Inventories	2,337,142	2	663,811	-	2200	Other payables	5,265,263	3	5,180,560	3
1479	Other current assets	101,953	-	125,648	-	2399	Other current liabilities	8,523,323	6	8,696,250	6
		<u>106,190,186</u>	<u>69</u>	<u>99,131,197</u>	<u>67</u>	2313	Unearned revenue	<u>3,628,059</u>	<u>2</u>	<u>2,967,671</u>	<u>2</u>
Non-current assets :								<u>92,865,658</u>	<u>60</u>	<u>87,388,360</u>	<u>59</u>
1523	Non-current available-for-sale financial assets, net	171,327	-	225,248	-	Non-current Liabilities :					
1543	Non-current financial assets at cost, net	370,916	-	355,491	-	2540	Long-term borrowings	3,600,000	2	3,600,000	2
1550	Investments accounted for using equity method, net	33,309,968	22	33,861,485	23	2640	Net defined benefit liability, non-current	657,784	1	709,165	1
1600	Property, plant and equipment	12,407,998	8	12,310,646	9	2670	Other non-current liabilities	<u>948,627</u>	<u>1</u>	<u>854,325</u>	<u>1</u>
1780	Intangible assets	80,691	-	73,653	-			<u>5,206,411</u>	<u>4</u>	<u>5,163,490</u>	<u>4</u>
1900	Other non-current assets	<u>1,223,820</u>	<u>1</u>	<u>1,387,003</u>	<u>1</u>	Total Liabilities		<u>98,072,069</u>	<u>64</u>	<u>92,551,850</u>	<u>63</u>
		47,564,720	31	48,213,526	33						
TOTAL ASSETS		<u>\$ 153,754,906</u>	<u>100</u>	<u>147,344,723</u>	<u>100</u>	Equity attributable to owners of parent :					
						3110	Share capital	35,874,751	23	35,874,751	24
						3200	Capital surplus	2,913,096	2	2,913,096	2
							Retained earnings:				
						3310	Legal reserve	9,474,128	6	8,910,416	6
						3350	Unappropriated retained earnings	7,528,408	5	6,575,897	5
						3400	Other equity interest	<u>(107,546)</u>	<u>-</u>	<u>518,713</u>	<u>-</u>
						Total Equity		<u>55,682,837</u>	<u>36</u>	<u>54,792,873</u>	<u>37</u>
						TOTAL LIABILITIES AND EQUITY		<u>\$ 153,754,906</u>	<u>100</u>	<u>147,344,723</u>	<u>100</u>

Please refer to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

INVENTEC CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

		For the year ended December 31,			
		2017		2016	
		Amount	%	Amount	%
4110	Sales revenue	\$ 323,126,751	100	308,709,688	100
5000	Operating costs	309,064,140	96	295,852,992	96
	Gross profit from operations	14,062,611	4	12,856,696	4
5910	Less: Unrealized profit (loss) from sales	13,751	-	15,140	-
5920	Add: Realized profit (loss) on from sales	15,140	-	15,615	-
	Gross profit from operations	14,064,000	4	12,857,171	4
	Operating expenses:				
6100	Selling expenses	1,764,145	-	1,273,132	-
6200	Administrative expenses	1,970,354	1	1,848,541	1
6300	Research and development expenses	4,770,947	1	4,515,568	1
	Total operating expenses	8,505,446	2	7,637,241	2
	Net operating income	5,558,554	2	5,219,930	2
7010	Other income	44,445	-	41,556	-
7020	Other gains and losses, net	(7,797)	-	(50,911)	-
7050	Finance costs, net	(737,112)	-	(378,289)	-
7775	Share of loss of associates and joint ventures accounted for using equity method	3,053,598	-	1,693,631	-
	Total non-operating income and expenses	2,353,134	-	1,305,987	-
7900	Profit (loss) from continuing operations before tax	7,911,688	2	6,525,917	2
7950	Less: Tax income (expense)	1,156,776	-	888,797	-
	Profit for the period	6,754,912	2	5,637,120	2
	Other comprehensive income (loss):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	(23,969)	-	15,665	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(16,956)	-	(25,163)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	4,075	-	(2,663)	-
	Components of other comprehensive income that will not be reclassified to profit or loss	(36,850)	-	(12,161)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(111,394)	-	(26,375)	-
8362	Unrealised gains (losses) on valuation of available-for-sale financial assets	486,121	-	92,253	-
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(1,000,986)	-	(2,356,515)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	(626,259)	-	(2,290,637)	(1)
	Other comprehensive income, net	(663,109)	-	(2,302,798)	(1)
8500	Total comprehensive income	\$ 6,091,803	2	3,334,322	1
	Earning per share attributable to stockholders of parent				
9750	Basic earnings per share (NT dollars)	\$ 1.88		1.57	
9850	Diluted earnings per share (NT dollars)	\$ 1.87		1.56	

Please refer to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

INVENTEC CORPORATION

STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	<u>Capital Stock</u>		<u>Retained Earnings</u>		<u>Other Equity</u>		<u>Total Equity</u>
					<u>Exchange Differences on Translation of Foreign Financial Statements</u>	<u>Unrealized Gains (Losses) on Available for Sale Financial Assets</u>	
	<u>Share Capital</u>	<u>Capital Surplus</u>	<u>Legal Reserve</u>	<u>Unappropriated Retained Earnings</u>			
Balance as of January 1, 2016	\$ 35,874,751	2,912,784	8,354,052	6,529,767	2,604,172	205,178	56,480,704
Net income (loss) for the period	-	-	-	5,637,120	-	-	5,637,120
Other comprehensive income (loss) for the period	-	-	-	(12,161)	(2,381,945)	91,308	(2,302,798)
Total comprehensive income (loss) for the period	-	-	-	5,624,959	(2,381,945)	91,308	3,334,322
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	556,364	(556,364)	-	-	-
Cash dividends of ordinary share	-	-	-	(5,022,465)	-	-	(5,022,465)
Others	-	312	-	-	-	-	312
Balance as of December 31, 2016	35,874,751	2,913,096	8,910,416	6,575,897	222,227	296,486	54,792,873
Net income (loss) for the period	-	-	-	6,754,912	-	-	6,754,912
Other comprehensive income (loss) for the period	-	-	-	(36,850)	(1,194,586)	568,327	(663,109)
Total comprehensive income (loss) for the period	-	-	-	6,718,062	(1,194,586)	568,327	6,091,803
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	563,712	(563,712)	-	-	-
Cash dividends of ordinary share	-	-	-	(5,201,839)	-	-	(5,201,839)
Balance as of December 31, 2017	\$ 35,874,751	2,913,096	9,474,128	7,528,408	(972,359)	864,813	55,682,837

Note: For the years ended December 31, 2017 and 2016, the remuneration to directors and supervisors amounted to \$118,337 and \$97,610, respectively and remuneration of employees amounted to \$422,633 and \$348,607, respectively, which had been deducted by calculating each period profit.

Please refer to financial statements.

INVENTEC CORPORATION

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2017	2016
Cash flows from operating activities :		
Profit before income tax	\$ 7,911,688	6,525,917
Adjustments:		
Adjustments to reconcile profit before income tax to net cash provided by operating activities		
Depreciation expenses	297,436	239,419
Amortization expenses	540,161	421,028
Provisions for bad debt expenses	331,955	3,215
Interest expenses	737,112	378,289
Interest income	(44,445)	(41,556)
Dividends income	(36,502)	(5,900)
Share of profit of associates and joint ventures accounted for using equity method	(3,053,598)	(1,693,631)
Loss (gain) on disposal of property, plant, and equipment	11,748	(2,713)
Gain on disposal of intangible assets	-	(58)
Gain on disposal of other assets	-	(69)
Gain on disposal of investments	(1,094,768)	-
Impairment loss on financial assets	-	25,400
Unrealized foreign exchange loss (gain)	413,931	(312,914)
Total adjustments to reconcile profit	(1,896,970)	(989,490)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in financial assets held for trading	68,130	(5,646)
Increase in accounts receivable	(9,933,366)	(9,852,571)
(Increase) decrease in other receivables	(1,588,814)	6,741,842
(Increase) decrease in inventories	(1,673,331)	154,240
Decrease in other current assets	23,695	287,723
Total changes in operating assets	(13,103,686)	(2,674,412)
Changes in operating liabilities:		
Increase in financial liabilities held for trading	21,669	-
Decrease in notes payable	(12,132)	-
Increase in accounts payable	1,402,495	10,730,479
Increase (decrease) in other payables	86,358	(70,310)
(Decrease) increase in other current liabilities	(172,927)	3,140,780
Decrease in net defined liabilities, non-current	(75,350)	(268,761)
Increase in unearned revenue	660,388	390,164
Total changes in operating liabilities	1,910,501	13,922,352
Total changes in operating assets and liabilities	(11,193,185)	11,247,940
Total adjustments	(13,090,155)	10,258,450
Cash inflow (outflow) generated from operations	(5,178,467)	16,784,367
Interests received	44,700	42,631
Dividends received	2,512,095	1,512,900
Interests paid	(724,523)	(380,317)
Income taxes paid	(1,211,682)	(1,187,910)
Net cash flows (used in) from operating activities	(4,557,877)	16,771,671

INVENTEC CORPORATION**STATEMENTS OF CASH FLOWS****For the Years Ended December 31, 2017 and 2016****(Expressed in Thousands of New Taiwan Dollars)**

	For the years ended December 31,	
	2017	2016
Cash flows from investing activities:		
Proceeds from disposal of available-for-sale financial assets	1,206,773	-
Proceeds from capital reduction of available-for-sale financial assets	11,264	40,522
Acquisition of financial assets at cost	(15,425)	(160,770)
Acquisition of investments accounted for using equity method	-	(165,000)
Proceeds from capital reduction of investments accounted for using equity method	116	194,243
Acquisition of property, plant and equipment	(422,222)	(6,162,368)
Proceeds from disposal of property, plant and equipment	1,441	3,143
Acquisition of intangible assets	(284,870)	(285,035)
Proceeds from disposal of intangible assets	-	113
Increase in other non-current assets	(192,509)	(263,738)
Net cash flows from (used in) investing activities	304,568	(6,798,890)
Cash flows from financing activities:		
Increase in short-term borrowings	4,491,382	4,333,263
Proceeds from long-term borrowings	8,481,600	4,800,000
Repayments of long-term borrowings	(8,481,600)	(10,389,600)
Decrease in other non-current liabilities	(7,185)	(4,871)
Cash dividends paid	(5,201,839)	(5,022,465)
Net cash flows used in financing activities	(717,642)	(6,283,673)
Net (decrease) increase in cash and cash equivalents	(4,970,951)	3,689,108
Cash and cash equivalents at beginning of period	10,176,052	6,486,944
Cash and cash equivalents at end of period	\$ 5,205,101	10,176,052

Please refer to financial statements.

Appendix 4-Independent Auditors' Report and Consolidated Financial Statements for Year 2017

Independent Auditors' Report

To the Board of Directors of Inventec Corporation :

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2017 and 2016, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the 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 Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

1. Allowance for Inventory Valuation and Obsolescence Losses

Please refer to Note 4(i), and Note 6(d) for accounting policies, and related disclosure information for inventory, respectively.

Description of the key audit matter:

The Group's materials may be obsolescence or slow-moving due to the risk of price decline in inventory, the material prepared for designing products and forecast orders may be canceled or changed, or changed on components and quantities. Therefore, the valuation of inventories has been identified as a key audit matter.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included assessing the appropriateness of inventories valuation policies; ensuring the process of inventory valuation is in conformity with the accounting policies; inspecting the inventory aging report; recalculating allowance for inventory valuation based on the Group's policies.

2. The offsetting agreements of financial assets and liabilities

Please refer to Note 4(g), 6(b) and 6(w) for accounting policy and detailed information on the agreements of financial assets and liabilities offsetting.

Description of the key audit matter:

In order to use fund flexibly, the Group handled multiple kinds of financial instruments which IAS was endorsed by FSC to offset financial assets and liabilities and be reported in the balance sheet. The disclosure of financial instruments which are not expired on the balance sheet date would influence the judgment of report reader.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included examining whether the amount of the signed contract were within the scope authorized by the board of directors; sampling transactions in 2017 to examine whether contracts were signed with banks; review the contracts to check if the regulation of offsetting criteria was met; and assessing whether the disclosure of financial assets and liabilities offsetting is appropriate.

Other Matter

Inventec Corporation has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2017 and 2016, on which we have issued an unqualified 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 with the IFRSs, IASs, interpretation as well as related guidance endorsed 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 members of Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditor’ s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’ s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 auditor’ s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 Wan-Wan Lin and Liu-Fong Yang.

KPMG

Taipei, Taiwan (Republic of China)
March 26, 2018

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the 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 accepted and applied in the Republic of China.

The auditor's report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditor's report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
INVENTEC CORPORATION AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2017 and 2016
(Expressed in Thousands of New Taiwan Dollars)

ASSETS		2017.12.31		2016.12.31		LIABILITIES AND EQUITY		2017.12.31		2016.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Current Assets :						Current Liabilities :					
1100	Cash and cash equivalents (Notes (4) and (6)(a))	\$ 26,949,180	13	25,972,444	14	2100	Short-term borrowings (Note (6)(l))	\$ 36,605,498	18	14,580,403	8
1110	Current financial assets at fair value through profit or loss (Notes (4) and (6)(b))	125,376	-	190,544	-	2120	Current financial liabilities at fair value through profit or loss (Notes (4) and (6)(b))	21,669	-	106	-
1125	Current available-for-sale financial assets, net (Notes (4) and (6)(b))	9,224,122	4	2,693,920	1	2160	Notes payable to related parties (Note (7))	-	-	12,132	-
1170	Accounts receivable, net (Notes (4) and (6)(c))	78,596,479	38	71,269,249	39	2170	Accounts payable	73,213,841	35	69,024,369	38
1180	Accounts receivable due from related parties, net (Notes (4), (6)(c) and (7))	1,085	-	1,085	-	2180	Accounts payable to related parties (Note (7))	-	-	8,167	-
1200	Other receivables, net (Notes (4), (6)(c) and (7))	1,048,952	1	980,596	1	2230	Current tax liabilities	1,683,273	1	2,025,353	1
1310	Inventories net (Notes (4) and (6)(d))	39,548,087	19	31,935,038	18	2200	Other payables (Note (7))	12,890,156	6	12,249,690	7
1479	Other current assets (Notes (4), (6)(e), (6)(k), (6)(n) and (8))	12,831,283	6	3,750,245	2	2322	Long-term borrowings, current portion (Note (6)(1))	387,609	-	411,211	-
		168,324,564	81	136,793,121	75	2399	Other current liabilities	13,648,540	7	13,219,521	8
Non-current assets :						2313	Unearned revenue	4,379,968	2	3,552,004	2
1523	Non-current available-for-sale financial assets, net (Notes (4) and (6)(b))	171,327	-	225,248	-			142,830,554	69	115,082,956	64
1543	Non-current financial assets at cost, net (Notes (4) and (6)(b))	432,441	-	434,143	-	Non-current Liabilities :					
1550	Investments accounted for using equity method, net (Notes (4) and (6)(f))	326,957	-	380,091	-	2540	Long-term borrowings (Note (6)(l))	3,965,731	2	4,063,889	2
1600	Property, plant and equipment (Notes (4) and (6)(h))	33,351,252	16	38,666,219	21	2640	Net defined benefit liability, non-current (Notes (4) and (6)(n))	672,265	-	747,274	-
1760	Investment property, net (Notes (4) and (6)(i))	295,290	-	520,221	-	2670	Other non-current liabilities (Notes (4) and (6)(o))	2,368,663	1	1,971,836	1
1780	Intangible assets (Notes (4) and (6)(j))	892,416	-	890,024	1			7,006,659	3	6,782,999	3
1900	Other non-current assets (Notes (4), (6)(k) and (6)(o))	4,973,580	3	4,464,150	3		Total Liabilities	149,837,213	72	121,865,955	67
		40,443,263	19	45,580,096	25						
TOTAL ASSETS		\$ 208,767,827	100	182,373,217	100	Equity attributable to owners of parent :					
						3110	Share capital (Note (6)(p))	35,874,751	17	35,874,751	20
						3200	Capital surplus (Note (6)(p))	2,913,096	1	2,913,096	2
						3300	Retained earnings (Note (6)(p))	17,002,536	8	15,486,313	8
						3400	Other equity (Note (6)(p))	(107,546)	-	518,713	-
							Total equity attributable to owners of parent	55,682,837	26	54,792,873	30
						36XX	Non-controlling interests	3,247,777	2	5,714,389	3
							Total Equity	58,930,614	28	60,507,262	33
						TOTAL LIABILITIES AND EQUITY		\$ 208,767,827	100	182,373,217	100

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

INVENTEC CORPORATION AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

		For the year ended December 31,			
		2017		2016	
		Amount	%	Amount	%
4110	Sales revenue (Notes (4), (6)(s) and (7))	\$ 467,512,347	100	428,466,015	100
5000	Operating costs (Notes (4) and (7))	442,473,204	94	404,508,245	94
	Gross profit from operations	25,039,143	6	23,957,770	6
	Operating expenses (Note (6)(t)):				
6100	Selling expenses	2,616,051	1	2,450,780	1
6200	Administrative expenses	4,865,079	1	4,625,422	1
6300	Research and development expenses	8,828,444	2	8,697,105	2
6400	Total operating expenses	16,309,574	4	15,773,307	4
	Net operating income	8,729,569	2	8,184,463	2
	Non-operating income and expenses:				
7010	Other income (Note (6)(u))	1,492,666	-	938,703	-
7020	Other gains and losses, net (Note (6)(u))	(1,628,771)	-	(1,407,751)	-
7050	Finance costs, net (Note (6)(u))	(1,369,088)	-	(599,371)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Notes (4) and (6)(f))	(37,928)	-	(26,135)	-
	Total non-operating income and expenses	(1,543,121)	-	(1,094,554)	-
7900	Profit from continuing operations before tax	7,186,448	2	7,089,909	2
7950	Less: Tax expense (Notes (4) and (6)(o))	2,849,410	1	2,118,536	1
	Profit for the period	4,337,038	1	4,971,373	1
	Other comprehensive income (loss):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	(43,111)	-	(10,240)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	177	-	(3,650)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6,729	-	1,747	-
	Components of other comprehensive income that will not be reclassified to profit or loss	(36,205)	-	(12,143)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(1,191,478)	-	(2,388,221)	-
8362	Unrealised gains (losses) on valuation of available-for-sale financial assets	568,327	-	106,707	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(474)	-	(21,653)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	(623,625)	-	(2,303,167)	-
	Other comprehensive income, net	(659,830)	-	(2,315,310)	-
8500	Total comprehensive income	\$ 3,677,208	1	2,656,063	1
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	\$ 6,754,912	2	5,637,120	1
8620	Profit (loss), attributable to non-controlling interests	(2,417,874)	(1)	(665,747)	-
		\$ 4,337,038	1	4,971,373	1
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	\$ 6,091,803	1	3,334,322	1
8720	Comprehensive income, attributable to non-controlling interests	(2,414,595)	-	(678,259)	-
		\$ 3,677,208	1	2,656,063	1
	Earning per share attributable to stockholders of parent (Notes (4) and (6)(r))				
9750	Basic earnings per share (NT dollars)	\$ 1.88		1.57	
9850	Diluted earnings per share (NT dollars)	\$ 1.87		1.56	

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

INVENTEC CORPORATION AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent								
					Other Equity Interest		Equity attributable to owners of parent	Non controlling interests	Total Equity
					Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Available for Sale Financial Assets			
	Capital Stock	Retained Earnings							
	Share Capital	Capital Surplus	Legal Reserve	Unappropriated Retained Earnings					
Balance as of January 1, 2016	\$ 35,874,751	2,912,784	8,354,052	6,529,767	2,604,172	205,178	56,480,704	6,418,145	62,898,849
Net income (loss) for the period	-	-	-	5,637,120	-	-	5,637,120	(665,747)	4,971,373
Other comprehensive income (loss) for the period	-	-	-	(12,161)	(2,381,945)	91,308	(2,302,798)	(12,512)	(2,315,310)
Total comprehensive income (loss) for the period	-	-	-	5,624,959	(2,381,945)	91,308	3,334,322	(678,259)	2,656,063
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	556,364	(556,364)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(5,022,465)	-	-	(5,022,465)	-	(5,022,465)
Changes in non-controlling interests	-	-	-	-	-	-	-	(25,497)	(25,497)
Others	-	312	-	-	-	-	312	-	312
Balance as of December 31, 2016	35,874,751	2,913,096	8,910,416	6,575,897	222,227	296,486	54,792,873	5,714,389	60,507,262
Net income (loss) for the period	-	-	-	6,754,912	-	-	6,754,912	(2,417,874)	4,337,038
Other comprehensive income (loss) for the period	-	-	-	(36,850)	(1,194,586)	568,327	(663,109)	3,279	(659,830)
Total comprehensive income (loss) for the period	-	-	-	6,718,062	(1,194,586)	568,327	6,091,803	(2,414,595)	3,677,208
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	563,712	(563,712)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(5,201,839)	-	-	(5,201,839)	-	(5,201,839)
Changes in non-controlling interests	-	-	-	-	-	-	-	(52,017)	(52,017)
Balance as of December 31, 2017	\$ 35,874,751	2,913,096	9,474,128	7,528,408	(972,359)	864,813	55,682,837	3,247,777	58,930,614

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

INVENTEC CORPORATION AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2017	2016
Cash flows from operating activities :		
Profit before income tax	\$ 7,186,448	7,089,909
Adjustments:		
Adjustments to reconcile profit before income tax to net cash provided by operating activities		
Depreciation expenses	3,938,810	3,979,496
Amortization expenses	882,316	826,049
Provisions for bad debt expenses	23,323	78,294
Interest expenses	1,369,088	599,371
Interest income	(1,492,666)	(938,703)
Dividends income	(36,502)	(5,900)
Share of losses of associates and joint ventures accounted for using equity method	37,928	26,135
Losses on disposal of property, plant and equipment	197,801	107,408
Gain on disposal of investments	(1,182,665)	(39,338)
Impairment loss on non-financial assets	3,050,636	560,738
Impairment loss on financial assets	19,200	236,893
Unrealized foreign exchange loss	(87,558)	190,484
Others	290	143,582
Total adjustments to reconcile profit	6,720,001	5,764,509
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in financial assets holding for trading	63,584	26,560
Increase in accounts receivable	(6,034,197)	(11,122,111)
Decrease (increase) in other receivables	303,180	(361,890)
Increase in inventories	(9,130,624)	(4,779,063)
(Increase) decrease in other current assets	(98,294)	1,540,085
Total changes in operating assets	(14,896,351)	(14,696,419)
Changes in operating liabilities:		
Increase (decrease) in financial liabilities held for trading	21,563	(85,212)
Decrease in notes payable	(12,132)	-
Increase in accounts payable	4,236,702	12,491,782
Increase (decrease) in other payables	337,731	(4,260,195)
Increase in other current liabilities	442,245	4,310,556
Decrease in net defined benefit liabilities, non-current	(114,589)	(289,065)
Increase in unearned revenue	807,847	402,776
Total changes in operating liabilities	5,719,367	12,570,642
Total changes in operating assets and liabilities	(9,176,984)	(2,125,777)
Total adjustments	(2,456,983)	3,638,732
Cash inflow generated from operations	4,729,465	10,728,641
Interests received	1,046,193	1,119,429
Dividends received	36,913	5,900
Interests paid	(990,179)	(865,301)
Income taxes paid	(2,556,526)	(2,263,349)
Net cash flows from operating activities	2,265,866	8,725,320

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

Cash flows from investing activities:

Acquisition of available-for-sale financial assets	(18,409,063)	(5,882,296)
Proceeds from disposal of available-for-sale financial assets	13,515,870	6,495,338
Proceeds from capital reduction of available-for-sale financial assets	11,264	40,522
Acquisition of financial assets at cost	(17,798)	(168,762)
Proceeds disposal of financial assets at cost	53,742	-
Proceeds from capital reduction of investments accounted for using equity method	-	100,307
Acquisition of property, plant and equipment	(2,653,868)	(10,692,904)
Proceeds from disposal of property, plant, and equipment	257,527	396,107
Acquisition of intangible assets	(286,912)	(291,583)
Net cash inflows from business combination	17,236	-
Effect on lost of control over subsidiary's cash	(92,707)	-
Increase in other financial assets control	(8,915,024)	(2,713,421)
(Increase) decrease in other non-current assets	(1,778,813)	(932,370)
Net cash flows used in investing activities	(18,298,546)	(13,649,062)

Cash flows from financing activities:

Increase in short-term borrowings	22,553,371	7,379,913
Proceeds from long-term debt	8,789,940	5,500,000
Repayments of long-term borrowings	(8,911,700)	(12,506,543)
(Decrease) increase in other non-current liabilities	(5,888)	45,808
Cash dividends paid	(5,201,839)	(5,022,465)
Change in non-controlling interests	(19,914)	(25,497)
Net cash flows used in financing activities	17,203,970	(4,628,784)

Effect of exchange rate changes on cash and cash equivalents

	(194,554)	(1,598,661)
Net decrease in cash and cash equivalents	976,736	(11,151,187)
Cash and cash equivalents at beginning of period	25,972,444	37,123,631
Cash and cash equivalents at end of period	\$ 26,949,180	25,972,444

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

Appendix 5

Inventec Corporation
Profit Distribution Table
Year 2017

Unit: NTD \$

Items:	Total amount
Beginning retained earnings	810,346,187
Less: Defined benefit plans remeasurement	(36,850,505)
Add: Net profit after tax	6,754,912,011
Less: 10% legal reserve	(675,491,201)
Less: Special Reserve	(107,546,135)
Distributable net profit	6,745,370,357
Less: Distributable items:	
Cash Dividend to shareholders (NT\$1.65 per share)	(5,919,333,859)
Unappropriated retained earnings	826,036,498

Inventec Corporation
Articles of Incorporation
(Before Amendments)

CHAPTER 1. GENERAL PROVISIONS

Article 1

This Company is incorporated under the Company Act, with the name of Inventec Corporation.

Article 2

The business scope of the Company is as following:

- 1、CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
- 2、CC01060 Wired Communication Equipment and Apparatus Manufacturing
- 3、CC01070 Telecommunication Equipment and Apparatus Manufacturing
- 4、CC01080 Electronic Parts and Components Manufacturing
- 5、CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing.
- 6、CC01110 Computers and Computing Peripheral Equipments Manufacturing
- 7、CC01990 Electrical Machinery, Supplies Manufacturing.
- 8、CE01030 Photographic and Optical Equipment Manufacturing
- 9、CE01040 Watches and Clocks Manufacturing
- 10、F113010 Wholesale of Machinery
- 11、F113020 Wholesale of Household Appliance
- 12、F119010 Wholesale of Electronic Materials
- 13、F401010 International Trade
- 14、F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
- 15、I301010 Software Design Services
- 16、I301020 Data Processing Services
- 17、CB01010 Machinery and Equipment Manufacturing
- 18、CC01120 Data Storage Media Manufacturing and Duplicating
- 19、H701010 Residence and Buildings Lease Construction and Development
- 20、H701020 Industrial Factory Buildings Lease Construction and Development
- 21、H701040 Specialized Field Construction and Development
- 22、H703090 Real Estate Commerce
- 23、H703100 Real Estate Rental and Leasing

24、ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3

The Company may provide guarantee as necessary for the business.

Article 4

The Company has its head office in Taipei City, and the Company may establish branches in and out of this country. The total amount of the investments of the Company by a resolution of the board of directors is not subject to the limit of 40% of its paid-in capital unless the laws provide otherwise.

Article 5

The method of the public announcement of the Company shall be made in accordance with Article 28 of the Company Act.

CHAPTER II. SHARES

Article 6

The authorized capital of the Company is NTD 36,500,000,000, divided into 3,650,000,000 shares, at a par value of NTD 10 per share. The registered capital keeps NTD 200,000,000 divided into 20,000,000 shares provided for exercise of the option of stock option certificates, The shares which have not been issued would be authorized to board of directors to issue in installments.

Article 7

The registered shares of the Company may be made without physical certificates. Nevertheless, the stock of the Company shall be registered with the securities centralized depository institution.

Article 8

The shareholders of the Company shall fill in the signature card and deliver to the Company or the shares affairs agent of the Company for record, receive dividend and exercise the shareholders' rights.

Article 9

The shareholders of the Company shall conduct shares related affairs or exercise other relevant rights, such as transfer ,pledged, reporting of loss ,inheritance ,gift or change of address, etc. in accordance with the Regulations Governing the Administration of

Shareholder Services of Public Companies unless the laws, regulations or securities regulation rules provide otherwise.

Article 10

The shareholders' register shall be closed during 60 days prior to the date of an ordinary shareholders' meeting, 30 days prior to the date of an extraordinary shareholders' meeting, or five days period prior to the record dates for distribution of dividends, bonuses or other benefits of the Company.

CHAPTER III. SHAREHOLDER'S MEETING

Article 11

The Company's shareholders' meeting shall be of two types, ordinary shareholders' meeting and extraordinary shareholders' meeting. Ordinary shareholders' meeting shall be convened once a year, and shall be convened within six months after close of each fiscal year. Extraordinary shareholders' meeting shall be convened when necessary in accordance with the relevant laws and regulations. A notice to convene an ordinary meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. Such notice may be publicly announced, provided that for the shareholders who hold less than 1,000 shares.

Article 12

Shareholder may attend the meeting by proxy with the signature or seal by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy. The proxy for attending the shareholders' meeting shall be handled in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies promulgated by the competent authority.

Article 13

Except those shares for which the voting rights are restricted or excluded as stipulated in Article 179 of the Company Act where there is no voting right for a share, each shareholder of the Company shall have one vote for each share held.

Article 14

Unless otherwise specified in the Company Act, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present in person, who represent more than one-half of the total number of voting shares. A shareholder who exercises his voting right by way of electronic transmission shall be deemed to have attended the

shareholders' meeting in person. Relevant procedures shall be handled in accordance with relevant regulations.

Article 15

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be made in accordance with Article 183 of the Company Act.

CHAPTER IV. DIRECTORS AND AUDIT COMMITTEE

Article 16

The Company shall have seven to eleven directors (including not less than three independent directors). The term of their offices shall be three years. The Company establishes audit committee and the Audit Committee shall be composed of the entire number of independent directors. The election shall adopt the candidate nomination system which is conformed to the Article 192-1 of the Company Act, and the shareholders shall elect the directors from the list of the nominated candidates and the directors may be re-elected for consecutive terms. Independent and non-independent directors shall be elected at the same time but on separate ballots.

In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. However, the competent authority may, ex officio, order the company to elect new directors within a given time limit; and if no re-election is effected after expiry of the given time limit, the out-going directors shall be discharged from such expiration date.

Total registered shares owned by the directors of the Company shall not be less than a specified percentage of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies stipulated by the competent securities authority subject to Article 26 of the Securities and Exchange Act.

Except where the Competent Authority has granted approval, the following relationships may not exist among more than half of a company's directors:

1. A spousal relationship.
2. A familial relationship within the second degree of kinship.

Article 17

When one-third of the directors are discharged, a special shareholders' meeting shall be convened by the Board of Directors within 60 days to elect new directors or supervisors to fill the vacancies. The term of office of the newly elected director shall be the same as

the remaining term of the predecessor.

Article 18

The board of directors is composed of directors. The Chairman will be elected from among directors by a majority vote at a board meeting at which at least two-thirds of directors are present.

The Chairman shall perform his duties authorized by the Company Act or the resolution of the shareholders' meeting. The Chairman shall conduct the business of the Company in accordance with applicable laws and regulations, these Articles of Incorporation of the Company, the resolutions adopted at shareholders' meetings and resolutions adopted by the Board of Directors.

Article 19

Business policy of the Company and other important matters shall be decided by resolutions adopted by the Board of Directors. Any meeting of Board of Directors shall be convened by the Chairman of the Board of Directors who shall also be the chairman of the meeting, provided that the first meeting of each term of the Board of Directors shall be convened in accordance with Article 203 of the Company Act.

In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, the chairman of the board of directors shall designate one of the directors to act on his behalf. A board of directors shall meet at least quarterly. The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance. If the board meeting needs to be convened due to emergency, it may be convened at any time. In order to convene the board meeting, notice may be made by written notice, fax or e-mail.

Article 20

Unless otherwise provided for in the Company Act, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. If the directors cannot attend the board meeting for certain reasons, he/she may appoint another director as his/her proxy each time with a power of attorney stating the scope of authority with reference to the subjects to be discussed at the meeting and powers granted; provided that a director may act as the proxy for only one another director. The board meeting may be convened via video conference, and the directors who attend the board meeting via video conference shall be deemed to have attended the meeting in person.

Article 21

Resolutions adopted at the meeting of the Board of Directors shall be recorded in the minutes and signed or sealed by the chairman. The minutes shall be distributed to each director within twenty days after the meeting. The meeting minutes shall record the discussion and resolution. The minutes shall be well preserved with the attendance book and proxy.

Article 22

The authority of the audit committee and the other compliance issues shall be made according to the relevant laws and regulations, and be determined by the board of directors.

Article 23

No matter net income or loss, the Company shall pay remuneration for all directors conduct the business of the company.

The remuneration of directors may be determined by taking into account their participation in the Company's business and their contribution value, and industry standards and the board meeting is authorized to resolve the amount of the remuneration. During the term of their offices, the Company may purchase liability insurance for the directors to indemnify the potential liabilities, according to the relevant laws, to be borne by the directors when they perform their duties for the Company.

CHAPTER V. MANAGERS

Article 24

The Company may appoint one general manager and more managerial personnel, such as business general manager, executive assistant general manager, senior assistant general manager and assistant general manager. The appointment, discharge and the remuneration of the managers shall be handled in accordance with Article 29 of the Company Act.

CHAPTER VI. ACCOUNTING

Article 25

At the close of each fiscal year, the board of directors shall prepare the following statements and records and then submit the same to the shareholders' meeting for recognition in accordance with legal procedures

1. Business Report,
2. Financial Statements, and
3. Proposal for distribution of profit or appropriation of losses.

Article 26

If the Company has a profit of the year shall distribute not less than 3% of the balance as remuneration to Employees and not more than 3% to Directors of the Corporation. However, require that earnings shall first be offset against any deficit. The Corporation may issue stock or distribute cash to employees and the qualification requirements including the employees of subsidiaries of the company. The conditions and measures set by the Board of Directors. The remuneration of the supervisors prior to the establishment of the audit committee shall be distributed in accordance with preceding paragraph.

ARTICLE VII. SUPPLEMENTARY PROVISIONS

Article 27

If the Company has profit as a result of the yearly accounting closing, the Corporation shall first pay taxes, then offset its accumulated losses and set aside a legal capital reserve at 10% of the profits left over, until the accumulated legal capital reserve has equaled the paid-in capital of the Corporation then set aside special capital reserve in accordance with relevant laws or regulations or as requested by business. The remaining earnings along with accumulated retained earnings shall reserve appropriate quota depend on business demand, then distribute dividends according to shareholders' meeting resolution and the dividends shall not less than 10% of the current earnings. The dividend policy of the Company consider capital requirements in the future, long-term investment plans needs to be adopted and stockholders' demand of cash inflow, if the Company has profit, dividends paid by cash shall not be less than 10% of the total dividends.

Article 28

If there is any matter not covered herein, the Company Act and the relevant laws and regulations shall govern.

Article 29

This Articles of Incorporation was established on April 15, 1975.

The first amendment was made on May 27, 1975.

The second amendment was made on November 16, 1976.

The third amendment was made on August 25, 1977.

The fourth amendment was made on March 1, 1978.

The fifth amendment was made on June 8, 1980.

The sixth amendment was made on April 28, 1981.

The seventh amendment was made on November 20, 1981.

The eighth amendment was made on December 13, 1981.

The ninth amendment was made on April 22, 1982.

The tenth amendment was made on May 7, 1982.

The eleventh amendment was made on May 25, 1982.
The twelfth amendment was made on June 15, 1982.
The thirteenth amendment was made on November 28, 1983.
The fourteenth amendment was made on November 12, 1984.
The fifteenth amendment was made on July 15, 1986.
The sixteenth amendment was made on September 29, 1986.
The seventeenth amendment was made on April 15, 1988.
The eighteenth amendment was made on August 26, 1988.
The nineteenth amendment was made on June 15, 1989.
The twentieth amendment was made on December 15, 1989.
The twenty-first amendment was made on April 7, 1990.
The twenty-second amendment was made on December 11, 1990.
The twenty-third amendment was made on May 18, 1991.
The twenty-fourth amendment was made on April 18, 1992.
The twenty-fifth amendment was made on April 10, 1993.
The twenty-sixth amendment was made on April 9, 1994.
The twenty-seventh amendment was made on December 2, 1994.
The twenty-eighth amendment was made on April 8, 1995.
The twenty-ninth amendment was made on April 13, 1996.
The thirtieth amendment was made on July 26, 1996.
The thirty-first amendment was made on April 24, 1997.
The thirty-second amendment was made on April 28, 1998.
The thirty-third amendment was made on April 29, 1999.
The thirty-fourth amendment was made on April 24, 2000.
The thirty-fifth amendment was made on April 27, 2001.
The thirty-sixth amendment was made on May 30, 2002.
The thirty-seventh amendment was made on May 30, 2003.
The thirty-eighth amendment was made on May 27, 2004.
The thirty-ninth amendment was made on June 14, 2005.
The forty amendment was made on June 15, 2006.
The forty-first amendment was made on June 13, 2007.
The forty-second amendment was made on June 13, 2008.
The forty-third amendment was made on June 16, 2009.
The forty-fourth amendment was made on June 15, 2010.
The forty-fifth amendment was made on June 9, 2011.
The forty-sixth amendment was made on June 18, 2012.
The forty-seventh amendment was made on June 13, 2013.
The forty-eighth amendment was made on June 12, 2014.

The forty-ninth amendment was made on June 20, 2016.

The fiftieth amendment was made on June 16, 2017.

Appendix 7

Inventec Corporation **Regulations Making of Endorsements/Guarantees** (Before Amendments)

Article 1

The company shall comply with the Regulations when making endorsements/guarantees.

Article 2

The term "endorsements/guarantees" as used in these Regulations refers to the following:

1. Financing endorsements/guarantees, including: Bill discount financing, Endorsement or guarantee made to meet the financing needs of another company, Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.
2. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.
3. Any creation of a pledge or mortgage on its chattel or real property as security for the loans of another company.
4. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above three subparagraphs.

Article 3

The company may make endorsements/guarantees for the following companies:

1. A company with which it does business.
2. A company in which the company directly and indirectly holds more than 50% of the voting shares.
3. A company that directly and indirectly holds more than 50% of the voting shares in the company.

Companies in which the company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the public company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the public company holds, directly or indirectly, 100% of the voting shares.

Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in

proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs.

Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the public company, or through a company in which the public company holds 100% of the voting shares.

Article 4

Total amount of endorsements/guarantees of the Company shall not exceed 50% of the net worth on the latest financial statement. Besides, the ceilings on the amount permitted to a single entity shall not exceed 50% of the net worth on the latest financial statement.

Total amount of endorsements/guarantees of the Company and Subsidiary shall not exceed 50% of the Company's net worth on the latest financial statement. Besides, the ceilings on the amount permitted to a single entity shall not exceed 50% of the Company's net worth on the latest financial statement.

When process endorsements/guarantees, the Company shall review detailed procedures, including:

1. The necessity and reasonableness of endorsements/guarantees.
2. Credit status and risk assessment of endorsements/guarantees.
3. Impact on the Company's business operations, financial condition, and shareholders' equity.
4. Whether collateral must be obtained and appraisal of the value thereof. In addition, The Company shall have assessment records and obtain collateral after approved by the board of directors, or the board of directors may authorize the Chairman to decide such matters when the transaction is within a specified amount and then submit to the board of directors for ratification. The amount of endorsements/ guarantees reaches 5% or more than the company's net worth as stated in its latest financial statement, shall be subject to the consent of audit committee and be submitted to board of director for a resolution.

For circumstances in which an entity for the Company makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, shall process according to relevant follow-up monitoring and control measures:

1. Subsidiary shall prepare the operational improvement plan to the Company.
2. Subsidiary shall regularly submit the execution of the improvement plan to the Company.

In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.

Where the Company needs to exceed the limits set out in the Regulations to satisfy its business requirements, and where the conditions set out in the Regulations are complied with, it shall obtain approval from the board of directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the company by the excess endorsement/guarantee. It shall also amend the Regulations accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit.

Article 5

The company shall execute the following control activities when supervising its subsidiaries' audit management:

1. Where a subsidiary intends to make endorsements/guarantees, the company shall instruct it to formulate its own regulations which approved by resolution at a board meeting and the shareholders' meeting , and it shall comply with the regulations.
2. File statements of endorsements/guarantees made by the subsidiaries for the preceding month each calendar month.
3. The company's internal audit shall conduct subsidiary audits. Upon submission of the audit findings and recommendations in reports, the company shall notify the audited subsidiary to make corrections and prepare follow-up reports.
Companies in which the company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees according to Article 3 item2 after reporting to the board of directors of the company

This restriction shall not apply to endorsements/guarantees made between companies in which the public company holds, directly or indirectly, 100% of the voting shares.

Where as a result of changes of condition the entity for which an endorsement/guarantee is made no longer meets the requirements of these Regulations, or the amount of endorsement/guarantee exceeds the limit, the company shall adopt rectification plans and submit the rectification plans to audit committee, and shall complete the rectification according to the timeframe set out in the plan

Article 6

When the Company process or cancel endorsement/guarantee, the in-charge department shall file a guarantee application form or a cancellation form to specify name of the company, target, type, reason and amount, and submit to chairman to make decision. Besides, the finance department shall record guarantee matters in account according to their nature. In addition, The Company shall prepare a memorandum containing its endorsement/guarantee activities and truthfully record the following information: the

subject of the endorsement/guarantee, the name of the party for whom the endorsement/guarantee was made, the credit information, the result of the risk evaluation, the amount and the date of the endorsement/guarantee, the date of the Board of Director's resolution or Chairman's decision, the content of the Collateral, the condition and date for discharging the obligation of the endorsement/guarantee and other shall be carefully evaluated matters. The finance department shall prepare "classification statement of changes in amount of external endorsement/guarantee" of last month to Chairman at the beginning of every month. Besides, the finance department shall evaluate and record the contingent loss for endorsements/guarantees and disclose information regarding the endorsement/guarantee in the financial report and provide related information to the CPA for proceeding necessary audit procedure and issuing the proper audit report

Article 7

The Company shall use the company chop (hereinafter, the "Chop") which is registered with the Ministry of Economic Affairs for the use of endorsement and/or guarantee. The Chop shall be under the safekeeping of special personnel and may be used or to issue negotiable instruments only in accordance with internal procedures. The appointment and the change of the personnel safekeeping the Chop shall be approved by the Board of Directors. If the Company provides guarantees in favor of a foreign company, the guarantee agreement shall be signed by the person who was authorized by the Board of Directors

Article 8

The company shall announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10th day of each month. The company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:

1. The aggregate balance of endorsements/guarantees by the company and its subsidiaries reaches 50% or more of the public company's net worth as stated in its latest financial statement.
2. The balance of endorsements/guarantees by the company and its subsidiaries for a single enterprise reaches 20% or more of the company's net worth as stated in its latest financial statement.
3. The balance of endorsements/guarantees by the company and its subsidiaries for a single enterprise reaches NT\$10 millions or more and the aggregate amount of all endorsements/guarantees for, investment of a long-term nature in, and balance of loans to, such enterprise reaches 30% or more of company's net worth as stated in its latest financial statement.

4. The amount of new endorsements/guarantees made by the company or its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the company's net worth as stated in its latest financial statement.

The company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.

The expression "public disclosure and filing" or "publicly disclose and file" as used in this article means entering the information into the website specified by the FSC for the submission of electronic filings.

Net worth under these Regulations means the balance sheet equity attributable to the owners of the parent company.

Article 9

The company's internal auditors shall audit the Procedures for Making of Endorsements/Guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify audit committee in writing of any material violation found.

The company shall comply with these Regulations when making endorsements/guarantees. Any material violation found, punishment being imposed on the managers or personnel in charge.

Article 10

The regulations shall approve by audit committee and then submitted to the board of directors for a resolution and submit them for approval by the shareholders' meeting, the same shall apply to any amendments to the procedures, where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion for discussion by the shareholders' meeting.

(The Regulations were amended on Jun. 16th, 2017.)

Inventec Corporation

Rules of Procedure for Shareholders Meetings

Article 1

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

Article 2

The Company's shareholders meeting shall be convened by the board of directors unless applicable laws and regulations provide otherwise.

The notice to convene a ordinary shareholders' meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. The notice of the shareholders meeting to be given by an issuer to shareholders who own less than 1,000 shares of nominal stocks may be given in the form on the MOPS no later than 30 days prior to the scheduled meeting date. The notice to convene a extraordinary shareholders' meeting shall be given to each shareholder no later than 15 days prior to the scheduled meeting date. The notice of the shareholders meeting to be given by an issuer to shareholders who own less than 1,000 shares of nominal stocks may be given in the form on the MOPS no later than 15 days prior to the scheduled meeting date

The cause(s) or subject(s) of a meeting of shareholders to be convened shall be indicated in the individual notice and the public notice to be given to shareholders.

The election or discharge of directors, the amendment of this Company's Articles of Incorporation, the dissolution, merger, or spin-off the Company, or the matters specified in Article 185, paragraph 1 of the Company Law, or Article 26-1 or Article 43-6 of the Securities and Exchange Law, or Article 56-1 or Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed among the reasons for the meeting, and may not be proposed as extraordinary motions.

Article 3

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

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

Article 4

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

Article 5

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

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Attendance and voting at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. With respect to resolutions of shareholders meetings the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent

securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 6

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

Only if the chair adjourns the meeting in violation of these rules and procedures, the shareholders cannot designate any other person as chair and continue the meeting in the same or other place after the meeting is adjourned.

Article 7

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the chairman shall appoint one of the directors to act as chair.

It is advisable that shareholders meetings convened by the board of directors be attended by a majority of the directors.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 8

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of

the tentative resolution and another shareholders meeting shall be convened within 1 month.

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

Article 9

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

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

Article 10

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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

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

Article 11

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

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

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 12

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares. Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending.

At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

Article 13

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

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

Article 14

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

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

Article 15

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting pursuant to Article 183 of the Company Act.

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

Article 16

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

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17

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

Article 18

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

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

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

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

Article 19

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

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

Article 20

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings. (The Rules were amended on Jun. 16th, 2017.)

Appendix 9

Inventec Corporation Shareholdings of Directors

As of April 16, 2018 (Book closure date), all directors' shareholdings and legal minimum shareholdings are as follows:

1. Total common shares issued: 3,587,475,066 shares.
2. The minimum required shareholding of all directors by law: 86,099,401 shares.
The Company had set up Audit Committee, so there is no applicable for the minimum required shareholding of supervisors by law
3. Total shareholding of all directors: 381,031,695 shares. The shareholding is in compliance with regulatory requirements.

Position	Name	Number of shares
Chairman	Cho, Tom-Hwar	1,004,311
Director	Yeh, Kuo-I	226,361,330
	Lee, Tsu-Chin	115,833,835
	Wen, Shih-Chih	35,685,590
	Chang, Ching-Sung	788,644
	Huang, Kuo-Chun	1,357,985
Independent Director	Chang, Chang-Pang	0
	Chen, Ruey-Long	0
	Shyu, Jyuo-Min	0
Total		381,031,695

Inventec

Inventec Building, No. 66, Hou-Gang Street
11170, Shih-Lin District, Taipei, Taiwan