

Chieftek Precision Co., Ltd

2018 Annual Shareholders' Meeting Agenda References

Report Items

1. To Report the business of 2017.

Explanatory Notes: The 2017 Business Report, please refer to the Handbook of the 2018 Annual Shareholders' Meeting.

2. Supervisors' Review Report on the 2017 Financial Statements.

Explanatory Notes: The 2017 Supervisors' Review Report, please refer to the Handbook of the 2018 Annual Shareholders' Meeting.

3. To Report 2017 Employees' Profit Sharing Bonus and Directors and Supervisors' Compensation.

Explanatory Notes: The 2017 Employees' Profit Sharing Bonus and Directors and Supervisors' Compensation Report, please refer to the Handbook of the 2018 Annual Shareholders' Meeting.

4. To Report the Treasury Stock of Buyback.

Explanatory Notes: The Treasury Stock of Buyback is as following.

Batch Order	The first period
Purpose of the buy-back	Transfer to employees
Timeframe of buy-back	From November 12, 2014 to January 9, 2015
Price range	NTD 22.30 to 50.40 dollars per share Class
Quantity of shares bought back	3,000,000 Common shares
Value of shares bought-back	NTD 118,543,503 dollars
Shares sold/transferred	3,000,000 Common shares
Accumulated number of company shares held	0
Percentage of total company shares (*Note) held(%)	0%

*Note: In the case of the 3,000,000 shares of elimination listed above, the registration process was approved by the Ministry of Science and Technology Southern Science and Technology Industrial Park Administration on February 27, 2018, and the total number of issued shares after the reduction was 59,045,489 shares.

5. To Report the 2017 Endorsement and Guarantee.

Explanatory Notes:

(1) As of December 31, 2017, The Company provision of endorsement and guarantee to others as following:

Company Name	Endorsement Ending Balance (in NT\$ thousands)	Amount Actually Drawn (in NT\$ thousands)	The relationship with headquarters
cpc Europa GmbH	142,280	56,319	The Subsidiary that shareholding 100% shares
Chieftek Precision International LLC	59,520	59,520	The Subsidiary that shareholding 100% shares

(2) The above-mentioned amount is not exceed the limit of rules.

6. To Report the Revision of the company's "Rules of Procedure of the Board of Directors".

- (1) Based on the Financial Supervisory Commission's letter of September 25, 2017, ChinKuanChengPhaChi No. 1060034709 and Gre Tai Securities Market (GTSM) of September 30, 2017, ChengKuaiChienChi No. 1060026920 and "Regulations Governing Procedure for Board of Directors Meetings of Public Companies".
- (2) In accordance with Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, in order to establish a sound corporate governance and independent director system for the company so that independent directors perform their functions on the board of directors and the company's operations, Companies should refer to Article 26(1) of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies to establish these rules for compliance.
- (3) Please refer to the Handbook of the 2018 Annual Shareholders' Meeting.

Proposed Resolutions

1. To accept 2017 Business Report and Financial Statements.

Proposed by the Board of Directors

Explanatory Notes:

- (1) The Company's Financial Statements, including the balance sheet, the statement of comprehensive income, the statement of changes in equity, and statement of cash flows, were audited by independent auditors, Mr. Yung-Chih Lin and Ms. Tzu-Uu, Lin, Liu of PricewaterhouseCoopers (PWC), Taiwan. Also Business Report and Financial Statements have been approved by the Board of Directors and examined by the supervisors of the Company.
- (2) The 2017 Business Report could be referred to the Chinese version Appendix 2 and 3&4, independent auditors' audit report, and Financial Statements by PWC could be referred to the Handbook for the 2018 Annual Shareholders' Meeting.

2. To Approve the Proposal for Distribution of 2017 Profit.

Proposed by the Board of Directors

Explanatory Notes:

- (1) The 2017 profit distribution program of the Company has been submitted by Board on April 16, 2018, in accordance with Company Act and the Articles of Incorporation of the Company.
- (2) The cash dividends of shareholders distributed in this plan amounted to NT\$59,045,489. Based on the actual number of shares in circulation, NT\$1.0 per share was allotted and NT\$147,613,730 was a dividend on shares. According to the number of shares actually traded, 250 shares are issued for each 1,000 shares and the total amount is NT\$206,659,219. Please refer to Appendix VI (page 40) of this manual for the surplus allocation table.
- (3) Please refer to the Handbook for the 2018 Annual Shareholders' Meeting for the 2017 Profit distribution.
- (4) Actual placement and number of shares will depend on the number of registered shareholders on the ex-rights date. The cash dividend distribution will be calculated to the nearest NT dollar. After the above mentioned method were approved by regular shareholders' meeting. The ex-dividend date will be decided by the Board of Directors meeting after approval by the competent authority. Allotment of fractional shares (less than one share) shall be paid in cash, and the Chairman or his designated representative may subscribe at par value. Actual placement and number of shares will depend on the number of registered shareholders on the ex-rights date.
- (5) Before ex-right date if buying back shares the transfer of treasury shares of the Company, cancellation or other reasons prior to the date of ex-right affect the number of shares of the outstanding shareholders and change the allotment rate, company will submitted to the shareholder's meeting and the Board is authorized to make such adjustments.

Discussion Items

1. To Amendment the Articles of Incorporation.

Proposed by the Board of Directors

Explanatory Notes:

- (1) In order to attract outstanding talents and improve the company's operating performance, it plans to revise some provisions of the company's "Articles of Association".
- (2) Please refer to the Handbook for the 2018 Annual Shareholders' Meeting for the comparison tables of the articles to be amended.

2. In the case of 2017 Surplus Transferring Capital and Issuing new Shares.

Proposed by the Board of Directors

Explanatory Notes:

- (1) In order to meet the needs of business development, the company proposes to allocate NT\$147,613,730 from the available-for-distribution surplus for 2017, and to transfer 14,761,373 new shares to be issued for capital increase. The denomination of each share is NT\$10.
- (2) According to the shareholder's name list on the basis of the shares allotment, the proportion of shares held by the company, 250 shares are promissory for every 1,000 shares, and less than one share of abnormal shares is issued, and the shares are transferred from the shareholders to the company shares within five days from the date of transfer. The agency shall handle the registration of the whole stock by itself and make up the missing shares that are still insufficient or overdue. The depreciation shall be calculated in denominations to NTD (less than 1NTD will not be counted). Its shares will authorize the chairman of the board to appoint a specific person to subscribe for it in denomination.
- (3) The capital increase and issuance of new shares have the same rights and obligations as the shares that have already been issued.
- (4) Issues relating to the issuance of benchmark dates for new shares and capital increase issues shall be determined by the board of directors after being reported to the competent authority for approval.
- (5) Prior to the issuance of the new shares, if the share ratio of the shareholders is changed due to the purchase of shares of the company or the transfer, cancellation or other reasons of the treasury shares, which would affect the number of shares in circulation, the shareholders' meeting shall authorize the board of directors to handle the issue.
- (6) If the above matters relating to capital increase are subject to amendments approved by the competent authority and subject to changes in the operational requirements of the objective environment, the shareholders' meeting shall be authorized to authorize the board of directors to take full responsibility.
- (7) Please refer to the Handbook for the 2018 Annual Shareholders' Meeting for the comparison tables of the articles to be amended.