

【Translation】

Stock code : 2448

EPISTAR

EPISTAR CORPORATION

2016 Annual General Shareholders' Meeting Meeting Agenda

Meeting Time : June 17, 2016

Place : Conference Room 101, Association of Industries in Hsinchu Science
Park, No.2, Zhanye 1st Rd., Hsinchu City 300, Taiwan

2016 Annual Shareholders' Meeting check website :

- 1、 MOPS website : <http://mops.twse.com.tw>
- 2、 Epistar Corporation website : <http://www.epistar.com.tw>

EPISTAR CORPORATION

Procedures for the 2016 Annual General Shareholders' Meeting

- 1 . Call the Meeting to Order
- 2 . Chairman's Address
- 3 . Report Items
- 4 . Approval Items
- 5 . Election Item
- 6 . Discussion Items
- 7 . Extemporary Motions
- 8 . Adjournment

EPISTAR CORPORATION

Agenda of the 2016 Annual General Shareholders' Meeting

- i. **Time** : 9:00 a.m., Friday, June 17, 2016
- ii. **Place**: Conference Room 101, Association of Industries in Hsinchu Science Park, No.2, Zhanye 1st Rd., Hsinchu City 300, Taiwan (R.O.C.).
- iii. **Call the Meeting to Order**
- iv. **Chairman's Address**
- v. **Meeting Items**
 1. **Report Items**
 - (1) The 2015 Business Report
 - (2) Audit committee's report of 2015 audited financial report
 - (3) Report on the Issuance Status of the Common Stock through Private Placement
Approved by the 2015 Annual General Shareholders' Meeting
 - (4) The Company and its subsidiaries Chip Star Ltd. short-form merger execution situation report
 - (5) Report execution situation of the company repurchase Epistar common stocks
 - (6) Status of Endorsements and Guarantees as of the End of 2015
 2. **Approval Items**
 - (1) Adoption of the 2015 Business Report and Financial Statements
 - (2) Proposal for 2015 Deficit Compensation
 3. **Election Item**
 - (1) To elect the Company's 9th term of Directors (Including three Independent Directors)
 4. **Discussion Items**
 - (1) To approve issuance of new common shares for cash to sponsor issuance of the global depositary receipt and/or issuance of new common shares for cash in private placement
 - (2) To release the newly elected directors from non-competition restrictions
 5. **Extemporary Motions**
 6. **Adjournment**

1. Report Items

- (1) The 2015 Business Report.

(Proposed by the Board of Directors)

Explanation :

The 2015 Business Report is attached hereto as Attachment 1 (pages 13-14).

- (2) Audit committee's report of 2015 audited financial report.

(Proposed by the Board of Directors)

Explanation :

The Audit Committee's Review Report is attached hereto as Attachment 2 (page 15).

- (3) Report on the Issuance Status of the Common Stock through Private Placement Approved by the 2015 Annual General Shareholders' Meeting.

(Proposed by the Board of Directors)

Explanation :

The common stock issuance through private placement, as resolved by the 2015 Annual General Shareholders' meeting is unable to be completed prior to the expiration, one year after its approval of June 29, 2015. The Board of Directors on March 10, 2016 resolved to discontinue the plan for the common stock issuance through private placement.

- (4) The Company and its subsidiaries Chip Star Ltd. short-form merger execution situation report.

(Proposed by the Board of Directors)

Explanation :

A. Epistar Corporation is the the surviving entity, Chip Star Ltd. Is the dissolving entity, after short-form merger company name is Epistar Corporation. The merger record date is on June 29, 2015. And Epistar Corporation paid NT\$1.46 per Chip Star Ltd. share to the minority shareholders.

B. The purpose of the M&A is to realize the group synergy and would not impact the rights of Shareholders.

- (5) Report execution situation of the company repurchase Epistar common stocks.

(Proposed by the Board of Directors)

Explanation :

A. In order to encourage its employees, the board of directors meeting that resolved for the share repurchase and would transfer to employees. The Rules for the Repurchase of Shares and Transfer to Employees is attached hereto as Attachment 3 (page 16-18).

B. Status of repurchases are listed below:

The period	August 10, 2015 ~ October 6,2015
Repurchased price range	NT\$25 ~ NT\$40. When the company's stock price is below the set floor price, the company will continue its exercise plan.
The actual number of shares repurchased	20,000,000 shares. Ratio of the shares to be repurchased to total issued shares of the Company is 1.82%
The actual total monetary amount of the share repurchased	NT\$ 531,300,982.
Average repurchase price	NT\$ 26.57.
The status of transferred	0 share.

(6) Status of Endorsements and Guarantees as of the End of 2015.

(Proposed by the Board of Directors)

Explanation :

- A. The Company provided endorsements and guarantees for the finance of its wholly owned subsidiary, Episky Corporation (Xiamen) Ltd. The balance of endorsements and guarantees amounted to US\$36,000,000 as of December 31, 2015.
- B. The Company provided endorsements and guarantees for the finance of its wholly owned subsidiary, Lighting Investment Ltd. (BVI). The balance of endorsements and guarantees amounted to US\$30,000,000 as of December 31, 2015.

2. Approval Items

- (1) Adoption of the 2015 Business Report and Financial Statements.

(Proposed by the Board of Directors)

Explanation :

- A. The 2015 Business Report and Financial Statements were approved by the March 10, 2016 Board of Directors' Meeting and reviewed by the Audit Committee. The Audit Committee's report was issued accordingly.
- B. The 2015 Business Report, Audit Report from the Certified Public Accountant (CPA) and Financial Statements are attached hereto as Attachments 1 and 4 (pages13-14 and pages 19-37).
- C. Please accept the above-mentioned Business Report and Financial Statements.

Resolution :

- (2) Proposal for 2015 Deficit Compensation.

(Proposed by the Board of Directors)

Explanation :

- A. The 2015 net loss after tax was approximately NT\$ 3,018,757 thousand. The Deficit Compensation Statement is attached hereto as Attachment 5 (page38).
- B. Please accept the above-mentioned Loss Allocation Proposal.

Resolution :

3. Election Item

- (1) To elect the Company's 9th term of Directors (Including three Independent Directors)
(Proposed by the Board of Directors)

Explanation :

- A. The Company will elect the 9th term of Directors during the 2016 regular shareholders' meeting. Nine directors will be considered for the Board. The term for elected Directors is three years, starting from June 17th, 2016 to June 16th, 2019.
- B. The company will establish an R.O.C. Audit Committee pursuant to the R.O.C. Securities and Exchange Act to replace the supervisors. The R.O.C. Audit Committee is composed of all independent directors.
- C. Please refer to Attachment 6 (page 39-46) for personal information of Director Candidates.
- D. Please Vote.

Voting Results :

4. Discussion Items

- (1) To approve issuance of new common shares for cash to sponsor issuance of the global depositary receipt and/or issuance of new common shares for cash in private placement.

(Proposed by the Board of Directors)

Explanation :

- A. In order to purchase of machine and equipment, repay outstanding convertible bonds or bank loans, enrich working capital, have sound financial structure and/or support the company's long term development funding needs and plans, and based on the status of the capital market, timeliness and feasibility of fundraising, issuance cost, and/or the development of the Company, the Company plans to adopt the strategic investors, and to fund-raising more diversified and flexible pipes. It is hereby proposed that the shareholders meeting to authorize the Board of Directors ("Board"), within the limit of 165,000,000 common shares, depending on the market conditions and the Company's capital needs, to choose appropriate timing and fund raising method(s):
- I . To issue new common shares for cash to sponsor DR Offering and/or
 - II . To issue Private Placement Shares
- B. If to issue new common shares for cash to sponsor DR Offering.
- I . It will be proposed that the shareholders meeting to authorize the Board, within the limit of 165,000,000 common shares, depending on the market conditions , to choose appropriate timing and fund raising method(s), to issue new commons shares for cash to sponsor DR Offering and/or issue Private Placement Shares.
 - II . Except for 10% of the new common shares shall be allocated for the employees' subscription in accordance with the applicable law, it is proposed for the shareholders meeting to approve the rights to subscribe to the remaining shares shall be waived by the shareholders and such remaining shares should be offered to the public under Article 28-1 of the Securities and Exchange Law as the underlying shares of the global depositary shares to be sold in the DR Offering. Any new common shares not subscribed by employees of the Company shall be determined by the Chairman, depending on the market needs, to be allocated as underlying shares of the global depositary shares or to be subscribed by the designated person(s).
 - III . The actual issue price of the new common shares for cash to sponsor DR Offering will be decided in accordance with the relevant provisions of the Chinese Securities Association Regulations Governing Underwriters' assistance in Offering and Issuance of Securities by Issuing Companies. The price shall not be less than 90% of the reference price (The average of the closing price of the Company's common shares for either 1, 3 or 5 consecutive trading days prior to the pricing date after adjustment for bonus shares issued as stock dividends, shares cancelled in connection with capital reduction and the cash dividends). If the relevant domestic laws and regulations are changed, and with the laws and regulations to adjust pricing

mode, and in view of the domestic short-term fluctuations in stock prices often severe, the actual issue price of the issue price in accordance with the preceding set mode, authorized by the chairman in accordance with international practice, and reference to international capital markets, the domestic market price and the purchase situation summary circle, etc., contact the underwriters jointly agreed upon.

- IV. The common stock issuance through new commons shares for cash to sponsor DR Offering and/or Private Placement Shares are planned to be no more than 165,000,000 shares. Even though all planned common stock issuance through new commons shares for cash to sponsor DR Offering and/or Private Placement Shares are conducted, the total number of stocks only amounts 13.05% of capital after the increase in capital, and after the capital increase benefit show, the company's competitiveness could get promoted and shareholders' equity would be increased. The issue price of the new common shares will be decided with reference to fair market value of the common shares in form of centralized domestic market as the basis, the original shareholders still can purchasing common shares in the domestic stock market with the price close to the issue price of the GDR, to, and without having to bear the exchange rate risk and liquidity risk. It should not cause a significant impact on the original shareholders' equity.
- V. After the shareholders meeting approves issuance of new common shares to sponsor the DR Offering, it is proposed for the shareholders meeting to authorize the Board to determine and amend, at the Board's sole dissertation, the terms and condition of the new common shares to be issued for the DR Offering, the plan for the use of proceeds, the schedule and projected benefits and all matters in connection therewith, in accordance with the Company's actual needs, market conditions and relevant regulations and if any amendment thereto is required by change of the regulations or as required by the regulator's instruction or based on the Company's operation evaluation or change of the market conditions, the Board is authorized to make the required amendments at the Board's sole dissertation.
- VI. To complete the fund raising, the Chairman or the Chairman's designee is authorized, on behalf of the Company, to handle all matters relating to, and sign all agreements and documents in connection with, issuance of the new common shares to sponsor the DR Offering.
- VII. The Board is authorized to handle all matters which are not addressed herein in accordance with the applicable laws and regulations.

C. If to issue Private Placement Shares

- I. In accordance with Article 43-6 of the Securities and Exchange Act, plans to process capital increase in cash to issue common stocks through private placement at an appropriate time. On the basis of the following principles and the actual fundraising status, the Board of Directors requests to be authorized to process the common

stock issuance through private placement. The issuance shall be processed in one or two installments within one year after the resolution of the Annual General Shareholders' Meeting this year. The Board of Directors is to be authorized to determine the issuance amounts in each installment.

II. The number of Private Placement issued upper limit

- a. Shares issued through new commons shares for cash to sponsor DR Offering and/or Private Placement: The number of issued shares shall not exceed 165,000,000 shares.
- b. Face value per share: NT\$10.
- c. Total private placement amounts: To be calculated according to the final private placement price.

III. The Pricing Basis of Private Placement and its Reasonableness

The private placement price of the Company shall be no less than 80% of the higher of the following two calculation bases prior to the price determination date:

- a. The simple average closing price of the common stock of either the one, three or five consecutive business day period immediately before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
- b. The simple average closing price of the common stock of the thirty consecutive business day period immediately before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

The determination of the actual price determination date and common stock prices through private placement is to be authorized to the Board of Directors. The actual price shall be no less than the resolution of the price determination from the Annual General Shareholders' Meeting, and in accordance with the future market status. The determination of the price is to be reasonable, and have no significant influence on the value of shareholders' equities.

IV. Selection of Specific Investors

The Board of Directors requests to be authorized to process the selection in full powers in the Annual General Shareholders' Meeting.

a. Selection Method

The specific investor shall be mainly defined in compliance with Article 43-6 of the Securities and Exchange Act and related letter by the Financial Supervisory Commission, R.O.C., and do not cause significant changes in the future under the premise of the right to operate the company and shall be a strategic investor who is able to promote the Company's business.

b. Selection Purpose

The selection purpose is in order to upgrade technology, expand the company's business as its main purpose.

c. Necessity and Effects

To enhance competition and develop long-term business operation, it is necessary for the Company to adopt strategic investors. The Company is expected to expand its product marketing channel and achieve its business growth by adopting strategic investors.

The company will select the strategic investors who could bring synergies to the company.

V. Reasons for the Necessity of the Private Placement

The Company's major product, InGaN LED chip production, contributes to 75% of the total revenue of the Company for the Final Year of 2015. However, the LED chip market suffered from oversupply and it has affected our sales performance, which leads to negative gross margin ratio of the product category in 2015. It may worsen the Company's financial position and consequently affect our shareholders' value. The Company has noticed the abovementioned situation and will make internal review and develop strategies to improve the situation, including but not limited to do vertical integration and form strategic cooperation with downstream industry players. The Company believes that the strategic plan will support the Company to develop new products and eventually improve the Company's margin and financial position. As such, the Company requests shareholders' approval on the mandate of issuing shares by private placement so as to introduce strategic investors who can bring synergies to our product development and overall corporate growth. We believe that it is in the best interest of the shareholders of the Company.

a. Reasons for Conducting Non-public Offerings

Based on the status of the capital market, timeliness and feasibility of fundraising, issuance cost, and/or the development of the Company, the Company plans to adopt the strategic investors. Since the transfer limitation of privately placed securities can ensure the long-term cooperation between the Company and the strategic investors, and strengthen the stability of running the corporation, the Company shall process fundraising by private placement.

b. Purposes of the Private Placement Capital and Expected Effects

Common stocks through private placement is planned to be processed in one or two installments. The purpose of each issuance is to fund the collaboration of patent, technology, and business strategy, and fulfill the working capital to meet the requirement of the future business. Funding operation will be executed within three years after the completion of fundraising. The expected purpose of each installment is to achieve the business growth of the Company, lower the risk of running the Company, and increase the value of the shareholders' equities.

VI. The Company believes that the corporate governance structure of the Board is sufficient and comprehensive for overseeing the Company's substantial actions and

protecting shareholders' value. The Company has established the Audit Committee which is exclusive for independent directors and the number of committee member should not be less than three. The Audit Committee is currently consisted of three independent directors. The independent directors have reviewed and agreed every resolution to be proposed at the upcoming Annual General Meeting, including the share issue resolution. The independent rate of the Board of the Company will be 33% if all the nominees for the Director and Independent Director are approved at the upcoming Annual General Meeting. We believe the Company has sufficient independence to reduce the potential risk of abuse of share issuance mandate by insiders to benefit themselves. The Audit Committee will review the qualifications of potential strategic investors to assess their capacities of creating synergies to the Company.

VII. Whether any material change in the Company's management rights occurs after adopting strategic investors

The common stock issuance through new commons shares for cash to sponsor DR Offering and/or Private Placement Shares are planned to be no more than 165,000,000 shares. Even though all planned common stock issuance through new commons shares for cash to sponsor DR Offering and/or Private Placement Shares are conducted, the total number of stocks only amounts 13.05% of capital after the increase in capital. To raise opportunities of adopting different strategic investors, the Company plans to be able to issue common stocks through private placement in two installments. The diverseness of investors for this private placement is able to reduce the possibility of change in management rights and insure the current Shareholders' equity.

The Company will communicate with investors in advance of seeking strategic investors under the principle of not causing significant changes in the Company's management rights.

VIII. Rights and obligations of the common stock through this private placement

Rights and obligations of common stocks through private placement are generally the same as common stocks issued by the Company. However, pursuant to Article 43-8 of the Securities and Exchange Act, with the exception of the specific status, common stocks through private placement may be freely transferred at least three full years after the delivery date. An application for the public offering of common stocks through private placement and listing on the Taiwan Stock Exchange Corporation shall be made at least three full years after the delivery date under related laws and regulations.

IX. Should any revision to major matters regarding common stocks through private placement be made due to a competent authority or a change of the objective circumstance, excluding the price determination ratio, but including the issuance terms and conditions, the issuance price, the issuance shares, the total raising capital,

the project items and progress, the expected use of funds, the expected efficacy and any other related matters, it shall be fully authorized to the Board of Directors to deal with.

D. Please discuss.

Resolution :

(2) To release the newly elected directors from non-competition restrictions.

(Proposed by the Board of Directors)

Explanation :

A. According to Article 209, Company Law.

B. Propose to approve the list of Company's the newly elected directors is attached hereto as Attachment 7 (page 47), and to release from non-competition restrictions.

C. Please discuss.

Resolution :

5. Extemporaneous Motions

6. Adjournment

Attachment 1

Epistar Corporation 2015 Business Report

The LED market in 2015 has been sluggish due to a portion of LED manufacturers are still expanding production capacity, further aggravating the oversupply issue and causing sharp decrease in LED prices. The net sale for 2015 was NTD23.376 billion, a decrease of 5% from last year. Operation loss was NTD2.373 billion and net loss after tax was NTD3.019 billion.

Due to expansion in lighting market and increase in specification requirements, we increased new capacity of advance processing and upgraded existing equipment in order to meet customer demand. Furthermore, we also invested in enhancing workplace environmental protection and safety facilities. The total capital expenditure for 2015 was about NTD2.459 billion. Our company continuously invests in R&D in order to develop new products and increase cost/performance ratio, totaling up to NTD1.253 billion of R&D expenses. In 2015 we were awarded the "TAIWAN OUTSTANDING PHOTONICS PRODUCT AWARD 2015" for "flexible LED Lighting", "Hsinchu Science Park Innovative Product Award, "Hsinchu Science Park Science Park R&D Accomplishment Award and numerous other awards. Our company has had great progress in obtaining patents (increase of 240 patents from 2014) and has received a total of more than 1,794 patents in LED. Moreover our company is recognized for our social responsibility and contributions. BSI (British Standards Institution) provided an Independent Assurance Opinion Statement and we were also awarded the 2015 Taiwan Corporate Sustainability Awards in recognition to our contributions.

Forecast for the year 2016, the world economy is still sluggish and competition is intense in the LED market. However energy conservation and environment protection is an important global issue. With improvements in LED lighting efficiency, more and more new applications of LED are emerging. Therefore there is still high opportunity and potential for the LED industry. There has been increase of LED application in lighting, automotive industry, plant lighting, UV purple lighting, and cuticle treatment application to name a few. It is estimated that Epistar will ship 504,309 million chips in 2016. With end customer's expectancy of higher advancement in technology and emphasis on cost/performance ratio, we need to constantly reinvent and innovate, improve and reduce cost at the same time. We will continuously invest our resources in enhancing EPICSTAR'S Engineering, R & D, and strengthening patent deployment. So far we have issued up to 1,794 patents and achieved cross license with TOYOTA GOSEI, PHILIPS, CREE and several other international manufacturing giants. Cross licensing can greatly benefit and allow us to rapidly innovate. We will continually provide new products to win more high quality orders and extend the penetration rate of high bright LED in Lighting & Automotive application. Through these actions we hope to attain our goal to gain profit in the shortest time span.

Chairman	Biing-Jye Lee
General Manager	Ming-Jiunn Jou
Accounting Personnel	Shih-Shien Chang

Attachment 2

Audit Committee's Review Report

To : Epistar Corporation Annual General Shareholders' Meeting of 2016

The board of directors has prepared and submitted the Company's 2015 Business Report, Financial Statements and Proposal for 2015 Deficit Compensation. Fang-Yu Wen CPA and Ya-Huei Cheng CPA of PricewaterhouseCoopers have also audited the financial statements and issued the auditors' report. The Business Report, Financial Statements and Proposal for 2015 Deficit Compensation have been reviewed and determined to be correct and accurate by the Audit Committee members of Epistar Corporation. According to article 14-4 of the Securities and Exchange act and Article 219 of the Company Law, we hereby submit the report.

Epistar Corporation

Chairman of the Audit Committee : Mr. Wei-Min Sheng

Date : March 10, 2016

Attachment 3

Epistar Corporation Rules for the Repurchase of Shares and Transfer to Employees

- Article 1 In order to care for and encourage its employees, Epistar adopts these Rules for the Repurchase of Shares and Transfer to Employees in accordance with Article 28-2, paragraph 1, subparagraph 1 of the Securities and Exchange Act and the provisions of the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies issued by the Financial Supervisory Commission, Executive Yuan. Any repurchase of shares and transfer to employees by Epistar, in addition to complying with related laws and regulations, will be carried out in accordance with these Rules.
- Article 2 Type of shares to be transferred, a description of the rights attaching thereto, and any restrictions on such rights.
The shares in the present transfer of shares to employees will be common shares, and the rights and obligations associated with those shares, unless otherwise provided by applicable laws and regulations or these Rules, will be the same as other outstanding common shares of Epistar.
- Article 3 Transfer period.
In accordance with these Rules, the shares in the present share repurchase may be transferred to employees in a single transfer or multiple transfers within three years from the date of the share repurchase.
- Article 4 Eligibility requirements for transferees.
All regular domestic employees of Epistar and all employees of foreign subsidiaries owed over 50% by Epistar directly or indirectly.
- Article 5 Transfer allocation
1. The number of shares to which employees may subscribe will be determined based on their rank, seniority, and performance evaluations.
 2. Other than the number of shares that can be subscribed in Article 5.1, the chairman is authorized to allocate additional share subscriptions to employees with special contributions to the company based on their respective contribution levels. As to the managers, additional share subscriptions should be first proposed by the salary & compensation committee and then be submitted for Board's discussion and approval.
 3. A list of employees and the number of shares to which they may subscribe will be drawn up according to the approval of the chairman of the board.
 4. Employees who have not subscribed and completed payment at the conclusion of the designated subscription and payment period will be deemed to have

waived their subscription rights. In the event of an insufficient number of subscriptions, the chairman may contact other employees regarding subscription to the remaining shares.

Article 6

Repurchase and Procedures for transfer of shares.

Procedures for the present repurchase of shares and transfer to employees:

1. The repurchase of Epistar shares will be publicly announced, reported, and carried out during the implementation period in accordance with a resolution of the board of directors.
2. To publicly announce operating procedures relating to the record date for employee subscriptions, the standards for numbers of shares to which employees may subscribe, the period for payment for subscriptions, and the rights associated with share subscriptions.
3. Statistics will be compiled on the numbers of shares actually subscribed and paid for, and the registration of share transfers will be carried out.

Article 7

Agreed transfer price per share

The share transfer price for the present repurchase of shares and transfer to employees will be the average of the actual share repurchase prices, (The transfer price is calculated up to NT \$ angle, points or less unconditionally carry.) provided that if, prior to the transfer, there is either an increase in the number of issued shares of Epistar common stock, the transfer price may be adjusted within a range proportional to the increase.

Transfer price adjustment formula:

Adjusted transfer prices (Note 1)=

Actual Average repurchase price (Note 2) x (The total number of ordinary shares bought back is finished when the shares (Note 3) ÷The company bought back shares for sale before the total number of ordinary shares to employees (Note 3))

Note 1:

The transfer price adjustment is calculated up to NT \$ angle, points or less unconditionally carry.

Note 2:

Average prices actually buy back, calculated up to NT \$ angle, points or less unconditionally carry.

Note 3:

The total number of ordinary shares is the registration of the Ministry of Economy of the total issued shares shall prevail.

Article 8

Except where otherwise provided, the rights and obligations associated with the transferred shares, following the transfer of shares in the present share repurchase to employees and registration of share transfer, will be the same as those originally associated with the shares.

- Article 9 When Epistar transfers to employees' shares of treasury stock it has repurchased, the related tax should be paid. But in the future, in case of any amendment to the relevant tax laws and regulations of the ROC, all tax matters shall be construed in accordance with the then prevailing laws.
- Article 10 These Rules will be adopted and take effect following a resolution of the board of directors, and may be amended by submission to the board of directors for a resolution.
- Article 11 These Rules, and any amendments hereto, shall be reported to the shareholders meeting.

Attachment 4

Report of independent accountants translated from Chinese.

REPORT OF INDEPENDENT ACCOUNTANTS

PWCR15000361

To the Board of Directors and Shareholders of
Epistar Corporation

We have audited the accompanying consolidated balance sheets of Epistar Corporation and its subsidiaries (collectively the "Epistar Group") as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended. These consolidated financial statements are the responsibility of the Epistar Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of certain consolidated subsidiaries, which statements reflect total assets of NT\$2,817,507 thousand and NT\$3,025,868 thousand, constituting 3.39% and 3.29% of the consolidated total assets as of December 31, 2015 and 2014, respectively, and total operating revenues of NT\$562,703 thousand and NT\$483,221 thousand, constituting 2.21% and 1.74% of the consolidated total operating revenues for the years then ended. Those financial statements and the information disclosed in Note 13 were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the reports of the other independent accountants. Furthermore, we did not audit the 2015 and 2014 financial statements of certain equity investments accounted for under the equity method. Those statements were audited by other auditors whose reports thereon were furnished to us and our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and certain information disclosed in Note 13 relative to these investments, is based solely on the reports of the other independent accountants. These equity investments amounted to NT\$703,265 thousand and NT\$1,577,921 thousand, representing 0.85% and 1.72% of the consolidated total assets as of December 31, 2015 and 2014, respectively, and their comprehensive loss (including share of loss of associates and joint ventures accounted for under equity method and share of other comprehensive income/(loss) of associates and joint ventures accounted for under equity method) amounted to NT\$77,211 thousand and NT\$108,327 thousand, representing 1.98% and (4.32%) of the consolidated comprehensive income for the years then ended.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An

audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other independent accountants provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other independent accountants, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Epistar group as of December 31, 2015 and 2014, and their financial performance and cash flows for the years then ended in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

We have also audited the parent company only financial statements of Epistar Corporation (not presented herein) as of and for the years ended December 31, 2015 and 2014, and have expressed a modified unqualified opinion on such financial statements.

PricewaterhouseCoopers, Taiwan

March 10, 2016

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

EPISTAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

Assets	December 31, 2015		December 31, 2014 (adjusted)	
	AMOUNT	%	AMOUNT	%
Current assets				
Cash and cash equivalents	\$ 7,563,131	9	\$ 10,514,997	12
Financial assets at fair value through profit or loss - current	867,113	1	1,195,677	1
Available-for-sale financial assets - current	13,958	-	15,000	-
Notes receivable, net	1,712,738	2	4,345,989	5
Accounts receivable, net	6,851,228	8	7,607,880	8
Accounts receivable - related parties, net	2,737,360	3	3,861,927	4
Other receivables	581,806	1	772,989	1
Other receivables - related parties	55,228	-	50,676	-
Inventories, net	6,572,783	8	6,337,694	7
Prepayments	1,666,213	2	1,635,299	2
Non-current assets held for sale - net	1,074,073	1	188,281	-
Other current assets	1,190,099	2	1,770,923	2
Current Assets	30,885,730	37	38,297,332	42
Non-current assets				
Available-for-sale financial assets - non-current	2,041,048	3	2,022,151	2
Investments accounted for under equity method	3,658,850	4	3,821,381	4
Property, plant and equipment, net	34,396,105	41	36,314,695	39
Intangible assets	7,994,637	10	7,529,578	8
Deferred income tax assets	2,966,461	4	2,452,775	3
Other non-current assets	1,189,093	1	1,521,127	2
Non-current assets	52,246,194	63	53,661,707	58
Total assets	\$ 83,131,924	100	\$ 91,959,039	100

(Continued)

EPISTAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	December 31, 2015		December 31, 2014 (adjusted)	
	AMOUNT	%	AMOUNT	%
Current liabilities				
Short-term borrowings	\$ 3,799,123	5	\$ 5,965,135	7
Short-term notes and bills payable	217,043	-	-	-
Financial liabilities at fair value through profit or loss - current	179,684	-	1,270,084	2
Notes payable	34,592	-	1,523	-
Accounts payable	2,972,850	4	3,047,683	3
Accounts payable - related parties	417,195	-	341,490	-
Other payables	4,111,686	5	4,090,039	5
Current income tax liabilities	9,577	-	51,191	-
Long-term liabilities, current portion	10,076,701	12	4,620,278	5
Other current liabilities - others	182,717	-	265,988	-
Current Liabilities	<u>22,001,168</u>	<u>26</u>	<u>19,653,411</u>	<u>22</u>
Non-current liabilities				
Corporate bonds payable	-	-	7,769,087	8
Long-term borrowings	2,820,137	4	910,321	1
Deferred income tax liabilities	1,144,634	1	1,026,908	1
Other non-current liabilities	1,521,228	2	1,484,435	2
Non-current liabilities	<u>5,485,999</u>	<u>7</u>	<u>11,190,751</u>	<u>12</u>
Total Liabilities	<u>27,487,167</u>	<u>33</u>	<u>30,844,162</u>	<u>34</u>
Equity attributable to owners of parent company				
Share capital				
Share capital - common stock	10,998,443	13	11,031,787	12
Capital surplus				
Capital surplus	42,810,893	51	43,342,832	47
Retained earnings				
Legal reserve	1,547,864	2	1,366,831	1
Special reserve	-	-	100,596	-
Unappropriated retained earnings (accumulated deficit)	(1,306,352)	(2)	2,737,708	3
Other equity interest				
Other equity interest	143,141	1	143,837	1
Treasury stocks	(920,089)	(1)	(461,200)	(1)
Equity attributable to owners of the parent	<u>53,273,900</u>	<u>64</u>	<u>58,262,391</u>	<u>63</u>
Non-controlling interest	<u>2,370,857</u>	<u>3</u>	<u>2,852,486</u>	<u>3</u>
Total equity	<u>55,644,757</u>	<u>67</u>	<u>61,114,877</u>	<u>66</u>
Total liabilities and equity	<u>\$ 83,131,924</u>	<u>100</u>	<u>\$ 91,959,039</u>	<u>100</u>

EPISTAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31

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

Items	Years ended December 31			
	2015		2014 (adjusted)	
	AMOUNT	%	AMOUNT	%
Sales revenue	\$ 25,509,789	100	\$ 27,713,156	100
Operating costs	(25,390,483)	(100)	(22,433,791)	(81)
Operating margin	119,306	-	5,279,365	19
Unrealized loss from sales	(563)	-	(4,756)	-
Realized profit from sales	4,756	-	1,520	-
Net operating margin	123,499	-	5,276,129	19
Operating expenses				
Selling expenses	(453,426)	(2)	(219,694)	(1)
General & administrative expenses	(1,903,685)	(7)	(1,663,104)	(6)
Research and development expenses	(1,538,714)	(6)	(1,216,310)	(4)
Total operating expenses	(3,895,825)	(15)	(3,099,108)	(11)
Other income and expenses - net	261,779	1	211,565	1
Operating (loss) profit	(3,510,547)	(14)	2,388,586	9
Non-operating income and expenses				
Other income	321,562	1	441,738	2
Other gains and losses	246,333	1	786,459	3
Net gain on valuation of put options, call options and conversion rights of bonds	1,043,176	4	22,198	-
Loss on call of corporate bonds	(65,631)	-	(440,123)	(2)
Finance costs	(1,155,038)	(4)	(886,976)	(3)
Share of loss of associates and joint ventures accounted for under equity method	(500,727)	(2)	(115,800)	(1)
Total non-operating income and expenses	(110,325)	-	(192,504)	(1)
(Loss) profit before income tax	(3,620,872)	(14)	2,196,082	8
Income tax benefit (expense)	303,290	1	(393,135)	(2)
(Loss) profit for the year	(\$ 3,317,582)	(13)	\$ 1,802,947	6

(Continued)

EPISTAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31

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

Items	Years ended December 31			
	2015		2014 (adjusted)	
	AMOUNT	%	AMOUNT	%
Other comprehensive income				
Components of other comprehensive income that will not be reclassified to profit or loss				
(Losses) gains on remeasurements of defined benefit plans	(\$ 40,823)	-	\$ 12,652	-
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	(193)	-	-	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6,940	-	(2,150)	-
Components of other comprehensive (loss) income that will not be reclassified to profit or loss	(34,076)	-	10,502	-
Components of other comprehensive income that will be reclassified to profit or loss				
Cumulative translation differences of foreign operations	(376,377)	(1)	498,863	2
Unrealized gain(loss) on valuation of available-for-sale financial assets	(137,261)	(1)	162,627	1
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(69,786)	-	105,923	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	26,959	-	(76,154)	-
Components of other comprehensive (loss) income that will be reclassified to profit or loss	(556,465)	(2)	691,259	3
Other comprehensive (loss) income for the year	(\$ 590,541)	(2)	\$ 701,761	3
Total comprehensive (loss) income for the year	(\$ 3,908,123)	(15)	\$ 2,504,708	9
Profit (loss), attributable to:				
Equity holders of the parent company	(\$ 3,018,757)	(12)	\$ 1,810,334	6
Non-controlling interest	(\$ 298,825)	(1)	(\$ 7,387)	-
Comprehensive (loss) income attributable to:				
Equity holders of the parent company	(\$ 3,400,444)	(13)	\$ 2,412,184	9
Non-controlling interest	(\$ 507,679)	(2)	\$ 92,524	-
Basic (loss) earnings per share	(\$ 2.81)		\$ 1.98	
Diluted (loss) earnings per share	(\$ 3.09)		\$ 1.83	

EPISTAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent												
	Capital			Retained Earnings				Other equity interest					
	Share capital - common stock	Stock subscripti ons received in advanced	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings(accum ulated deficit)	Cumulative translation differences of foreign operations	Unrealized gain or loss on available-f or-sale financial assets	Other equity - others	Treasury stocks	Total	Non-controlli ng interest	Total
2014													
Balance at January 1, 2014	\$ 9,357,146	\$ 2,565	\$ 34,774,489	\$ 1,362,996	\$ 239,110	\$ 955,222	\$ 231,887	(\$ 332,483)	(\$ 429,320)	(\$ 197,622)	\$ 45,963,990	\$ 1,638,923	\$ 47,602,913
Appropriations of 2013 earnings													
Legal reserve	-	-	-	3,835	-	(3,835)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(138,514)	138,514	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(173,029)	-	-	-	-	(173,029)	-	(173,029)
Capital surplus used to issue cash to shareholders	-	-	(244,972)	-	-	-	-	-	-	-	(244,972)	-	(244,972)
Exercise of employee stock options	6,243	(2,565)	10,364	-	-	-	-	-	-	-	14,042	-	14,042
Amortization of employee restricted shares compensation cost	-	-	-	-	-	-	-	-	82,405	-	82,405	-	82,405
Change in investees interest accounted for under equity method	-	-	16,956	-	-	-	-	-	-	-	16,956	-	16,956
Non-acquisition of new shares issued by subsidiaries proportionately to ownership	-	-	(56,187)	-	-	-	-	-	-	-	(56,187)	56,187	-
Acquisition of share capital of other companies through issuance of new shares	1,670,998	-	8,839,582	-	-	-	-	-	-	(81,320)	10,429,260	1,064,852	11,494,112
Retirement of restricted employee stock	(2,600)	-	2,600	-	-	-	-	-	-	-	-	-	-
Purchase of treasury share	-	-	-	-	-	-	-	-	(182,258)	(182,258)	-	-	(182,258)
Profit for the year	-	-	-	-	-	1,810,334	-	-	-	-	1,810,334	(7,387)	1,802,947
Other comprehensive income for the year	-	-	-	-	-	10,502	407,936	183,412	-	-	601,850	99,911	701,761
Balance at December 31, 2014	<u>\$ 11,031,787</u>	<u>\$ -</u>	<u>\$ 43,342,832</u>	<u>\$ 1,366,831</u>	<u>\$ 100,596</u>	<u>\$ 2,737,708</u>	<u>\$ 639,823</u>	<u>(\$ 149,071)</u>	<u>(\$ 346,915)</u>	<u>(\$ 461,200)</u>	<u>\$ 58,262,391</u>	<u>\$ 2,852,486</u>	<u>\$ 61,114,877</u>

(Continued)

EPISTAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent												
	Capital			Retained Earnings				Other equity interest					
	Share capital - common stock	Stock subscripti ons received in advanced	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings(accum ulated deficit)	Cumulative translation differences of foreign operations	Unrealized gain or loss on available-f or-sale financial assets	Other equity - others	Treasury stocks	Total	Non-controlli ng interest	Total
2015													
Balance at January 1, 2015	\$ 11,031,787	\$ -	\$ 43,342,832	\$ 1,366,831	\$ 100,596	\$ 2,737,708	\$ 639,823	(\$ 149,071)	(\$ 346,915)	(\$ 461,200)	\$ 58,262,391	\$ 2,852,486	\$ 61,114,877
Appropriations of 2014 earnings													
Legal reserve	-	-	-	181,033	-	(181,033)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(100,596)	100,596	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(910,000)	-	-	-	(910,000)	-	(910,000)	-
Amortization of employee restricted shares compensation cost	-	-	-	-	-	-	-	(204,664)	-	(204,664)	-	(204,664)	-
Change in investees interest accounted for under equity method	-	-	187,470	-	-	-	-	-	-	-	187,470	-	187,470
Non- acquisition of new shares issued by subsidiaries proportionately to ownership	-	-	(86,051)	-	-	-	-	-	-	(86,051)	86,051	-	-
Retirement of restricted employee stock	(12,819)	-	12,819	-	-	-	-	-	-	-	-	-	-
Reversal of capital surplus from restricted stocks	-	-	(551,579)	-	-	-	-	-	551,579	-	-	-	-
Retirement of treasury share	(21,320)	-	(100,062)	-	-	(790)	-	-	-	122,172	-	-	-
Conversion of corporate bonds of subsidiaries	795	-	5,464	-	-	-	-	-	-	-	6,259	(43,972)	(37,713)
Purchase of treasury share	-	-	-	-	-	-	-	-	(531,301)	(531,301)	-	(531,301)	-
Shares of parent company held by subsidiaries being transferred to treasury shares	-	-	-	-	-	-	-	-	(49,760)	(49,760)	(55,261)	(105,021)	-
Increases in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	39,232	39,232
Loss for the year	-	-	-	-	-	(3,018,757)	-	-	-	(3,018,757)	(298,825)	(3,317,582)	-
Other comprehensive loss for the year	-	-	-	-	-	(34,076)	(180,518)	(167,093)	-	(381,687)	(208,854)	(590,541)	-
Balance at December 31, 2015	<u>\$ 10,998,443</u>	<u>\$ -</u>	<u>\$ 42,810,893</u>	<u>\$ 1,547,864</u>	<u>\$ -</u>	<u>(\$ 1,306,352)</u>	<u>\$ 459,305</u>	<u>(\$ 316,164)</u>	<u>\$ -</u>	<u>(\$ 920,089)</u>	<u>\$ 53,273,900</u>	<u>\$ 2,370,857</u>	<u>\$ 55,644,757</u>

EPISTAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Years ended December 31	
	2015	2014
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Consolidated (loss) profit before tax for the year	(\$ 3,620,872)	\$ 2,196,082
Adjustments to reconcile (loss) profit before tax to net cash provided by operating activities		
Income and expenses having no effect on cash flows		
Depreciation	5,680,667	4,316,557
Amortization	376,250	306,771
Provision for doubtful accounts	27,023	59,315
Net loss on financial assets at fair value through profit or loss	117,015	27,181
Net gain on valuation of put options, call options and conversion rights of bonds	(1,043,176)	(22,198)
Net gain on financial liabilities at fair value through profit or loss	(4,589)	-
Interest expense	468,192	319,204
Interest income	(149,090)	(100,699)
Dividend income	(13,083)	(7,355)
(Reversal of) compensation cost of share-based payment	(204,664)	82,405
Effect of exchange rate on bonds payable and long-term loans	328,699	523,552
Share of loss of associates and joint ventures accounted for under the equity method	500,727	115,800
Gain on disposal of property, plant and equipment	(19,854)	(114,100)
Gain on disposal of intangible assets	(366)	-
Gain on disposal of investments	(50,954)	(196,432)
Other income from recognition of long-term deferred revenues	(205,820)	(130,505)
Loss on call of corporate bonds	65,631	440,123
Impairment loss of financial assets	351,857	48,218
(Reversal of) impairment loss on non-financial assets	31,558	(10,683)
Property, plant and equipment transferred to expenses	57,736	-
Property, plant and equipment transferred to other income	(12,816)	-
Non-current assets held for sale transferred to expenses	200	-
Gain on bargain purchase	(500,075)	-
Unrealized profit from sales	563	4,756
Realized profit from sales	(4,756)	(1,520)
Changes in assets/liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Financial assets held for trading	285,481	207,408
Notes receivable	2,559,100	(1,171,088)
Accounts receivable	1,761,976	(1,292,240)
Other receivables	94,621	(299,909)
Inventories	(277,671)	(931,602)
Prepayments	(30,913)	(183,226)
Other non-current assets	498,813	(202,979)
Net changes in liabilities relating to operating activities		
Notes payable	33,069	(7,347)
Accounts payable	872	154,387
Other payables	(57,268)	90,654
Other current liabilities	(123,246)	10,243
Other non-current liabilities	(192,489)	172,799
Cash generated from operations	6,728,348	4,403,572
Income tax paid	(36,339)	(171,504)
Interest received	158,026	120,340
Interest paid	(239,515)	(141,477)
Dividend received	34,563	58,575
Net cash provided by operating activities	<u>6,645,083</u>	<u>4,269,506</u>

(Continued)

EPISTAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	<u>Years ended December 31</u>	
	<u>2015</u>	<u>2014</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Decrease (increase) in other financial assets	\$ 657,868	(\$ 682,688)
Acquisition of available-for-sale financial assets	(674,733)	(194,839)
Proceeds from disposal of available-for-sale financial assets	159,543	255,468
Acquisition of investments accounted for under the equity method	(81,145)	(8,883)
Acquisition for property, plant and equipment	(3,925,104)	(4,536,083)
Proceeds from disposal of property, plant and equipment	270,238	190,706
Acquisition of intangible assets	(479,145)	(203,423)
Net cash used in disposal of subsidiaries	(95,911)	-
(Increase) decrease in refundable deposits paid	(49,625)	177,574
Proceeds from disposal of intangible assets	1,496	-
Net cash (used in) provided by acquisition of subsidiaries (net of cash acquired)	(824,358)	1,725,742
Net cash used in investing activities	(5,040,876)	(3,276,426)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
(Decrease) increase in short-term loans	(2,138,006)	3,205,248
Increase in short-term notes and bill payable	217,043	-
Repayment of long-term loans	(2,161,597)	(1,235,396)
Proceeds from long-term loans	2,730,000	63,500
Issuance of common stocks for employee stock options exercised	-	14,042
Guarantee deposits received	9,399	14,890
Redemption of convertible bonds payable	(925,850)	(7,786,618)
Reacquisition of convertible bonds payable	(644,207)	-
Payment of cash to shareholders from capital reserve	-	(244,972)
Payment of cash dividends	(910,000)	(173,029)
Purchase of treasury share	(636,322)	(182,258)
Increase in non-controlling interests	105,500	-
Net cash used in financing activities	(4,354,040)	(6,324,593)
Effects of foreign currency exchange	(202,033)	64,973
Decrease in cash and cash equivalents	(2,951,866)	(5,266,540)
Cash and cash equivalents at beginning of year	10,514,997	15,781,537
Cash and cash equivalents at end of year	\$ 7,563,131	\$ 10,514,997

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
Epistar Corporation

We have audited the accompanying non-consolidated balance sheets of Epistar Corporation as of December 31, 2015 and 2014, and the related non-consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended. These non-consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these non-consolidated financial statements based on our audits. We did not audit the 2015 and 2014 financial statements of certain equity investments accounted for under the equity method. Those statements were audited by other auditors whose reports thereon were furnished to us and our opinion expressed herein, insofar as it relates to the amounts included in the non-consolidated financial statements and certain information disclosed in Note 13 relative to these investments, is based solely on the reports of the other independent accountants. These equity investments amounted to NT\$2,106,292 thousand and NT\$2,825,792 thousand, representing 2.92% and 3.74% of the total assets as of December 31, 2015 and 2014, respectively, and their comprehensive loss (including share of loss of subsidiaries, associates and joint ventures accounted for under equity method and share of other comprehensive income/(loss) of subsidiaries, associates and joint ventures accounted for under equity method) amounted to NT\$264,170 thousand and NT\$148,950 thousand, representing 7.77% and (6.17%) of the comprehensive income for the years then ended.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other independent accountants provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other independent accountants, the non-consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Epistar Corporation as of December 31, 2015 and 2014, and its financial performance and cash flows for the years then ended in conformity with the “Rules Governing the Preparation of Financial Statements by Securities Issuers”.

PricewaterhouseCoopers, Taiwan

March 10, 2016

The accompanying non-consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying non-consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

EPISTAR CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

Assets		December 31, 2015		December 31, 2014	
		AMOUNT	%	AMOUNT	%
Current assets					
1100	Cash and cash equivalents	\$ 3,458,726	5	\$ 5,826,130	8
1110	Financial assets at fair value through profit or loss - current	438,906	1	327,548	1
1150	Notes receivable, net	27,367	-	11,165	-
1170	Accounts receivable, net	3,449,620	5	3,818,521	5
1180	Accounts receivable - related parties, net	7,403,868	10	8,283,680	11
1200	Other receivables	70,422	-	287,306	-
1210	Other receivables - related parties	242,450	-	103,774	-
130X	Inventory, net	3,203,970	4	3,097,280	4
1410	Prepayments	400,397	1	226,568	-
1460	Non-current assets held for sale - net	1,070,011	2	146,558	-
1470	Other current assets	55,689	-	25,855	-
11XX	Current Assets	<u>19,821,426</u>	<u>28</u>	<u>22,154,385</u>	<u>29</u>
Non-current assets					
1523	Available-for-sale financial assets – non-current	1,257,400	2	861,077	1
1550	Investments accounted for under equity method	31,724,052	44	34,137,121	46
1600	Property, plant and equipment, net	15,764,303	22	15,832,635	21
1780	Intangible assets	1,339,452	2	823,884	1
1840	Deferred income tax assets	1,881,786	2	1,401,811	2
1900	Other non-current assets	239,327	-	152,157	-
15XX	Non-current assets	<u>52,206,320</u>	<u>72</u>	<u>53,208,685</u>	<u>71</u>
1XXX	Total assets	<u>\$ 72,027,746</u>	<u>100</u>	<u>\$ 75,363,070</u>	<u>100</u>

(Continued)

EPISTAR CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	December 31, 2015		December 31, 2014	
	AMOUNT	%	AMOUNT	%
Current liabilities				
2100 Short-term borrowings	\$ -	-	\$ 348,150	-
2120 Financial liabilities at fair value				
through profit or loss - current	179,684	-	1,228,020	2
2150 Notes payable	10,060	-	82	-
2170 Accounts payable	1,246,443	2	1,282,811	2
2180 Accounts payable - related parties	2,318,704	3	1,264,399	2
2200 Other payables	3,660,226	5	3,904,736	5
2320 Long-term liabilities, current				
portion	7,798,436	11	-	-
2399 Other current liabilities - others	270,237	-	125,978	-
21XX Current Liabilities	<u>15,483,790</u>	<u>21</u>	<u>8,154,176</u>	<u>11</u>
Non-current liabilities				
2530 Corporate bonds payable	-	-	7,769,087	11
2540 Long-term borrowings	1,780,557	2	63,300	-
2570 Deferred income tax liabilities	1,096,912	2	957,919	1
2600 Other non-current liabilities	392,587	1	156,197	-
25XX Non-current liabilities	<u>3,270,056</u>	<u>5</u>	<u>8,946,503</u>	<u>12</u>
2XXX Total Liabilities	<u>18,753,846</u>	<u>26</u>	<u>17,100,679</u>	<u>23</u>
Equity				
Share capital				
3110 Share capital - common stock	10,998,443	15	11,031,787	15
Capital surplus				
3200 Capital surplus	42,810,893	59	43,342,832	57
Retained earnings				
3310 Legal reserve	1,547,864	2	1,366,831	2
3320 Special reserve	-	-	100,596	-
3350 Unappropriated retained earnings				
(accumulated deficit)	(1,306,352)	(2)	2,737,708	4
Other equity interest				
3400 Other equity interest	143,141	1	143,837	-
3500 Treasury stocks	<u>(920,089)</u>	<u>(1)</u>	<u>(461,200)</u>	<u>(1)</u>
3XXX Total equity	<u>53,273,900</u>	<u>74</u>	<u>58,262,391</u>	<u>77</u>
3X2X Total liabilities and equity	<u>\$ 72,027,746</u>	<u>100</u>	<u>\$ 75,363,070</u>	<u>100</u>

EPISTAR CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except for earning per share amounts)

Items	Years ended December 31			
	2015		2014 (adjusted)	
	AMOUNT	%	AMOUNT	%
4000 Sales revenue	\$ 23,376,051	100	\$ 24,634,071	100
5000 Operating costs	(23,391,933)	(100)	(20,715,887)	(84)
5900 Operating (loss) margin	(15,882)	-	3,918,184	16
5910 Unrealized loss (profit) from sales	44,850	-	(54,735)	(1)
5920 Realized profit (loss) on from sales	54,735	-	(23,272)	-
5950 Net operating margin	83,703	-	3,840,177	15
Operating expenses				
6100 Selling expenses	(270,513)	(1)	(180,128)	(1)
6200 General & administrative expenses	(1,169,698)	(5)	(1,215,106)	(5)
6300 Research and development expenses	(1,253,426)	(5)	(1,011,623)	(4)
6000 Total operating expenses	(2,693,637)	(11)	(2,406,857)	(10)
6500 Other income and expenses - net	236,681	1	149,809	1
6900 Operating (loss) profit	(2,373,253)	(10)	1,583,129	6
Non-operating income and expenses				
7010 Other income	100,535	-	309,066	1
7020 Other gains and losses	639,057	3	717,633	3
7021 Net gain on valuation of put options, call options and conversion rights of bonds	1,038,889	4	22,198	-
7022 Loss on call of corporate bonds	(15,201)	-	(440,123)	(2)
7050 Finance costs	(490,883)	(2)	(722,526)	(3)
7070 Share of (loss) profit of associates and joint ventures accounted for under equity method	(2,190,706)	(9)	631,341	3
7000 Total non-operating revenue and expenses	(918,309)	(4)	517,589	2
7900 (Loss) profit before income tax	(3,291,562)	(14)	2,100,718	8
7950 Income tax benefit (expense)	272,805	1	(290,384)	(1)
8200 (Loss) profit for the year	(\$ 3,018,757)	(13)	\$ 1,810,334	7
Other comprehensive income				
8311 (Losses) gains on remeasurements of defined benefit plans	(\$ 38,014)	-	\$ 10,602	-
8330 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	(3,002)	-	2,050	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6,940	-	(2,150)	-
8310 Components of other comprehensive (loss) income that will not be reclassified to profit or loss	(34,076)	-	10,502	-
8362 Unrealized gain(loss) on valuation of available-for-sale financial assets	96,304	-	53,165	-
8380 Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(470,874)	(2)	614,337	3
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	26,959	-	(76,154)	-
8360 Components of other comprehensive (loss) income that will be reclassified to profit or loss	(347,611)	(2)	591,348	3
8300 Other comprehensive (loss) income for the year	(\$ 381,687)	(2)	\$ 601,850	3
8500 Total comprehensive (loss) income for the year	(\$ 3,400,444)	(15)	\$ 2,412,184	10
9750 Basic (loss) earnings per share	(\$ 2.81)		\$ 1.98	
9850 Diluted (loss) earnings per share	(\$ 3.09)		\$ 1.83	

EPISTAR CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Capital		Retained Earnings			Other equity interest				Amount	
	Share capital - common stock	Stock subscriptions received in advanced	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Cumulative translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Other equity - others		Treasury stocks
2014											
Balance at January 1, 2014	\$ 9,357,146	\$ 2,565	\$ 34,774,489	\$ 1,362,996	\$ 239,110	\$ 955,222	\$ 231,887	(\$ 332,483)	(\$ 429,320)	(\$ 197,622)	\$ 45,963,990
Appropriations of 2013 earnings (Note 1)											
Legal reserve	-	-	-	3,835	-	(3,835)	-	-	-	-	-
Special reserve	-	-	-	-	(138,514)	138,514	-	-	-	-	-
Cash dividends	-	-	-	-	-	(173,029)	-	-	-	-	(173,029)
Capital surplus used to issue cash to shareholders	-	-	(244,972)	-	-	-	-	-	-	-	(244,972)
Exercise of employee stock options	6,243	(2,565)	10,364	-	-	-	-	-	-	-	14,042
Amortization of employee restricted shares compensation cost	-	-	-	-	-	-	-	-	82,405	-	82,405
Change in investees interest accounted for under equity method	-	-	16,956	-	-	-	-	-	-	-	16,956
Non-acquisition of new shares issued by subsidiaries proportionately to ownership	-	-	(56,187)	-	-	-	-	-	-	-	(56,187)
Acquisition of share capital of other companies through issuance of new shares	1,670,998	-	8,839,582	-	-	-	-	-	-	(81,320)	10,429,260
Retirement of restricted employee stock	(2,600)	-	2,600	-	-	-	-	-	-	-	-
Purchase of treasury share	-	-	-	-	-	-	-	-	-	(182,258)	(182,258)
Profit for the year	-	-	-	-	-	1,810,334	-	-	-	-	1,810,334
Other comprehensive income for the year	-	-	-	-	-	10,502	407,936	183,412	-	-	601,850
Balance at December 31, 2014	<u>\$ 11,031,787</u>	<u>\$ -</u>	<u>\$43,342,832</u>	<u>\$ 1,366,831</u>	<u>\$ 100,596</u>	<u>\$ 2,737,708</u>	<u>\$ 639,823</u>	<u>(\$ 149,071)</u>	<u>(\$ 346,915)</u>	<u>(\$ 461,200)</u>	<u>\$58,262,391</u>

EPISTAR CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Capital		Retained Earnings			Other equity interest				Treasury stocks	Amount
	Share capital - common stock	Stock subscriptions received in advanced	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Cumulative translation differences of foreign operations	Unrealized gain or loss on available-for- sale financial assets	Other equity - others		
2015											
Balance at January 1, 2015	\$ 11,031,787	\$ -	\$ 43,342,832	\$ 1,366,831	\$ 100,596	\$ 2,737,708	\$ 639,823	(\$ 149,071)	(\$ 346,915)	(\$ 461,200)	\$ 58,262,391
Appropriations of 2014 earnings (Note 2)											
Legal reserve	-	-	-	181,033	-	(181,033)	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(100,596)	100,596	-	-	-	-	-
Cash dividends	-	-	-	-	-	(910,000)	-	-	-	-	(910,000)
Amortization of employee restricted shares compensation cost	-	-	-	-	-	-	-	(204,664)	-	(204,664)	-
Change in investees interest accounted for under equity method	-	-	187,470	-	-	-	-	-	-	-	187,470
Non- acquisition of new shares issued by subsidiaries proportionately to ownership	-	-	(86,051)	-	-	-	-	-	-	-	(86,051)
Retirement of restricted employee stock	(12,819)	-	12,819	-	-	-	-	-	-	-	-
Reversal of capital surplus from restricted stocks	-	-	(551,579)	-	-	-	-	-	551,579	-	-
Retirement of treasury share	(21,320)	-	(100,062)	-	-	(790)	-	-	-	122,172	-
Conversion of corporate bonds of subsidiaries	795	-	5,464	-	-	-	-	-	-	-	6,259
Purchase of treasury share	-	-	-	-	-	-	-	-	-	(531,301)	(531,301)
Shares of parent company held by subsidiaries being transferred to treasury shares	-	-	-	-	-	-	-	-	-	(49,760)	(49,760)
Loss for the year	-	-	-	-	-	(3,018,757)	-	-	-	-	(3,018,757)
Other comprehensive loss for the year	-	-	-	-	-	(34,076)	(180,518)	(167,093)	-	-	(381,687)
Balance at December 31, 2015	<u>\$ 10,998,443</u>	<u>\$ -</u>	<u>\$ 42,810,893</u>	<u>\$ 1,547,864</u>	<u>\$ -</u>	<u>(\$ 1,306,352)</u>	<u>\$ 459,305</u>	<u>(\$ 316,164)</u>	<u>\$ -</u>	<u>(\$ 920,089)</u>	<u>\$ 53,273,900</u>

Note 1: The employees' bonus of \$25,954 and directors' and supervisors' remuneration of \$3,461 in 2013 have been deducted from the statements of income.

Note 2: The employees' bonus of \$244,617 and directors' and supervisors' remuneration of \$34,598 in 2014 have been deducted from the statements of income.

EPISTAR CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Years ended December 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) profit before tax for the year	(\$ 3,291,562)	\$ 2,100,718
Adjustments to reconcile (loss) profit before tax to net cash provided by operating activities		
Income and expenses having no effect on cash flows		
Depreciation	2,618,128	2,523,939
Amortization	295,491	273,485
Provision for doubtful accounts	407	60,923
Net loss (gain) on financial assets at fair value through profit or loss	3,178	(3,179)
Net gain on financial liabilities at fair value through profit or loss	(1,038,889)	(22,198)
Interest expense	189,320	185,340
Interest income	(56,252)	(58,537)
Dividend income	(1,127)	(87)
(Reverse of) compensation cost of share-based payment	(185,967)	71,564
Effect of exchange rate on bonds payable and long-term loans	295,941	509,591
Share of loss (gain) of subsidiaries and associates accounted for under the equity method	2,190,706	(631,341)
Gain on disposal of property, plant and equipment	(13,815)	(103,611)
Gain on disposal of investments	(3,803)	(3,796)
Other income from recognition of long-term deferred revenues	(6,876)	(5,497)
Loss on call of corporate bonds	15,201	440,123
Impairment loss on non-financial assets	39,179	4,920
Impairment loss of financial assets	212,768	-
Property, plant and equipment transferred to other income	(12,816)	-
Property, plant and equipment transferred to expenses	8,020	-
Non-current assets held for sale transferred to expenses	200	-
Gain on bargain purchase	(500,075)	-
Realized (profit) loss from sales	(54,735)	23,272
Unrealized (loss) profit from sales	(44,850)	54,735
Changes in assets/liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Financial assets held for trading	(110,733)	154,555
Notes receivable	(16,202)	(2,076)
Accounts receivable	1,266,258	(1,478,004)
Other receivables	14,114	(105,913)
Other financial assets - current	(29,834)	(4,974)
Inventories	(110,036)	(45,550)
Prepayments	(98,779)	23,655
Other non-current assets	762	4,010
Net changes in liabilities relating to operating activities		
Notes payable	9,978	(7,237)
Accounts payable	1,017,812	126,294
Other payables	(468,097)	307,263
Other current liabilities	143,826	(26,454)
Other non-current liabilities	(18,077)	(10,756)
Cash generated from operations	2,258,764	4,355,177
Income tax paid	(19,351)	(147,362)
Interest received	57,004	80,234
Interest paid	(12,415)	(3,341)
Dividend received	488,351	49,310
Net cash provided by operating activities	<u>2,772,353</u>	<u>4,334,018</u>

(Continued)

EPISTAR CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Years ended December 31	
	2015	2014
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of available-for-sale financial assets	(\$ 512,787)	\$ -
Acquisition of investments accounted for under the equity method	(1,420,481)	(1,684,840)
Acquisition for property, plant and equipment	(2,458,986)	(2,365,128)
Proceeds from disposal of property, plant and equipment	226,243	286,870
Acquisition of intangible assets	(466,901)	(194,525)
Decrease in refundable deposits paid	4,528	133,010
Cash provided by consolidating subsidiaries	42,358	-
Net cash used in investing activities	(<u>4,586,026</u>)	(<u>3,824,613</u>)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
(Decrease) increase in short-term loans	(348,150)	348,150
Proceeds from long-term loans	1,880,000	63,500
Issuance of common stocks for employee stock options exercised	-	14,042
Guarantee deposits received	(73)	60
Redemption of convertible bonds payable	-	(7,786,618)
Reacquisition of convertible bonds payable	(644,207)	-
Payment of cash to shareholders from capital reserve	-	(244,972)
Payment of cash dividends	(910,000)	(173,029)
Purchase of treasury share	(<u>531,301</u>)	(<u>182,258</u>)
Net cash used in financing activities	(<u>553,731</u>)	(<u>7,961,125</u>)
Decrease in cash and cash equivalents	(<u>2,367,404</u>)	(<u>7,451,720</u>)
Cash and cash equivalents at beginning of year	<u>5,826,130</u>	<u>13,277,850</u>
Cash and cash equivalents at end of year	<u>\$ 3,458,726</u>	<u>\$ 5,826,130</u>

Attachment 5

**EPISTAR CORPORATION
Deficit Compensation Statement
Year 2015**

Unit : NTD

Item	Amount	
	Subtotal	Total
Unappropriated Retained Earnings of previous years		1,747,270,897
Other comprehensive income adjustments		(34,075,643)
Retirement of treasury shares adjustments		(789,963)
Adjusted unappropriated Retained Earnings		1,712,405,291
Less : 2015 net loss	(3,018,756,931)	
Deficit yet to be compensated – at the end of 2015		(1,306,351,640)
Items for compensating deficit:		
Legal reserve	1,306,351,640	
To make up for the amount Subtotal		1,306,351,640
Deficit yet to be compensated		0

Chairman:
Biing-Jye Lee

President:
Ming-Jiunn Jou

Accounting Supervisor:
Shih-Shien Chang

Attachment 6

**Epistar Corporation
List of Director Candidates**

Name	Education	Experience	Present position	Shareholding(s)	Attendance rate in the last year(*)
Biing-Jye Lee	The Dr. of Chemical Engineering National Tsing Hua University	<ul style="list-style-type: none"> ● The chairman of Epistar Corporation ● ITRI Opto-Electronics being a researcher, team leader 	The chairman of Epistar Corporation	1,704,495	100.0%
Ming-Jiunn Jou	The Dr. of materials University of Utah.	<ul style="list-style-type: none"> ● The director of Epistar Corporation & General Manager ● The positive ITRI photoelectric engineers, managers 	The director of Epistar Corporation & General Manager	866,667	100.0%

* Including personally and by proxy represented.

(Continued)

Epistar Corporation
List of Director Candidates

Name	Education	Experience	Present position	Shareholding(s)	Attendance rate in the last year(*)
Fon Tain Belon Co., Ltd Rep: Chih-Yuan Chen	MBA from New York University	<ul style="list-style-type: none"> ● The chairman of Yi-Far holding system ● The vice chairman of TAIAN Insurance Co., LTD. ● The director of FORMOSA International Hotels Corporation ● The director of TAIWAN AIR CARGO Terminal Limited ● The director of ICHIA Technologies, INC ● The director of Epistar Corporation 	<ul style="list-style-type: none"> ● The chairman of Yi-Far holding system ● The vice chairman of TAIAN Insurance Co., LTD. ● The director of TAIWAN AIR CARGO TERMINAL LIMITED ● The director of ICHIA Technologies, INC ● The director of Epistar Corporation 	4,455,569	100.0%

* Including personally and by proxy represented.

(Continued)

Epistar Corporation
List of Director Candidates

Name	Education	Experience	Present position	Shareholding(s)	Attendance rate in the last year(*)
Yi Te Optoelectronics Co., Ltd. Rep: Nan-Yang Wu	The Master of Engineering Stanford University	<ul style="list-style-type: none"> ● The director of Epistar Corporation ● The independent director of NAN LIU ENTERPRISE CO., LTD ● The director of EDISON OPTO CORPORATION ● The director of ProLight Opto Technology Corporation 	<ul style="list-style-type: none"> ● The director of Epistar Corporation ● The independent director of NAN LIU ENTERPRISE CO., LTD ● The director of EDISON OPTO CORPORATION ● The director of ProLight Opto Technology Corporation 	3,134,741	100.0%

* Including personally and by proxy represented.

(Continued)

Epistar Corporation
List of Director Candidates

Name	Education	Experience	Present position	Shareholding(s)	Attendance rate in the last year(*)
United Microelectronics Corp. Rep: Stan Hung	Tamkang University Bachelor of Accounting	<ul style="list-style-type: none"> ● The chairman of United Microelectronics Corp. & Strategy officer ● The director of Epistar Corporation 	<ul style="list-style-type: none"> ● The chairman of United Microelectronics Corp. & Strategy officer ● The director of Epistar Corporation ● The chairman of Faraday Technology CORP. ● The director of Altek Corporation ● The independent director of United BioPharma, Inc. 	10,714,991	88.9%

* Including personally and by proxy represented.

(Continued)

**Epistar Corporation
List of Director Candidates**

Name	Education	Experience	Present position	Shareholding(s)	Attendance rate in the last year(*)
Everlight Electronics Co., Ltd.	NA	<ul style="list-style-type: none"> ● The director of Epistar Corporation ● The director of Tekcore Co., Ltd. ● The director of Crystal Applied Technology Inc. ● The director of HUA-CHUANG AUTOMOBILE TECHNICAL CENTER CO., LTD. 	<ul style="list-style-type: none"> ● The director of Epistar Corporation ● The director of Tekcore Co., Ltd. ● The director of Crystal Applied Technology Inc. ● The director of HUA-CHUANG AUTOMOBILE TECHNICAL CENTER CO., LTD. 	19,800,175	100.0%

* Including personally and by proxy represented.

Note: Record Date is April 19, 2016.

Epistar Corporation
List of Independent Director Candidates

Name	Education	Experience	Present position	Shareholding(s)	Attendance rate in the last year(*)
Wei-Min Sheng	PhD (Purdue U.) Accounting Purdue University	<ul style="list-style-type: none"> ● Professor of Department of Public Finance in National Taichung University of Science and Technology. ● The independent director and Remuneration Committee member of Epistar Corporation 	<ul style="list-style-type: none"> ● Professor of Department of Public Finance in National Taichung University of Science and Technology. ● The independent director and Remuneration Committee member of Epistar Corporation ● The independent director and Remuneration Committee member of Siliconware Precision Industries Co., Ltd. ● The supervisor of Elite Semiconductor Memory Technology Inc. ● The Remuneration Committee member of Tecom Co., Ltd. ● The independent director of Episil-Precision Inc. ● The independent director and Remuneration Committee member of Advanced Lithium Electrochemistry (KY) Co., Ltd. 	0	100.0%

* Including personally and by proxy represented.

(Continued)

Epistar Corporation
List of Independent Director Candidates

Name	Education	Experience	Present position	Shareholding(s)	Attendance rate in the last year(*)
Feng-Shang Wu	Dr. Business US Rensselaer Polytechnic University (RPI)	<ul style="list-style-type: none"> ● Professor of Graduate Institute of Technology, Innovation and Intellectual Property Management, NCCU. ● The independent director and Remuneration Committee member of Epistar Corporation 	<ul style="list-style-type: none"> ● Professor of Graduate Institute of Technology, Innovation and Intellectual Property Management, NCCU. ● The independent director and Remuneration Committee member of Epistar Corporation ● The independent director and Remuneration Committee member of ProLight Opto Technology Corporation. 	0	100.0%

* Including personally and by proxy represented.

(Continued)

Epistar Corporation
List of Independent Director Candidates

Name	Education	Experience	Present position	Shareholding(s)	Attendance rate in the last year(*)
Chi-Yen Liang	<ul style="list-style-type: none"> ● Taiwan University of Science and PhD not yet graduated ● Master Chengchi University Institute of Business Administration ● Bachelor of Chemical Engineering Department of Tsinghua University 	<ul style="list-style-type: none"> ● The chairman of Tainet Communication System Corp. ● The independent director and Remuneration Committee member of Epistar Corporation ● Warwick International Technology Gu (shares) Partner ● Executive vice president of China Development Venture ● Hewlett-Packard (HP) Business Marketing Manager ● Soochow University Department of Business Administration lecturer 	<ul style="list-style-type: none"> ● The chairman of Tainet Communication System Corp. ● The independent director and Remuneration Committee member of Epistar Corporation ● The director of Flexium Interconnect Inc. ● The supervisor of Asmedia Technology Inc. ● The independent director of Excelliance MOS Corp. ● The director of Brighton-Best International (Taiwan) Inc. ● The Remuneration Committee member of Shinkong Textile Co., Ltd. and Sesoda Corporation 	0	100.0%

* Including personally and by proxy represented.

Note: Record Date is April 19, 2016.

Attachment 7

Epistar Corporation List of releasing the newly elected directors from non-competition restrictions

Name	Positions in Other Companies	Engage business
Biing-Jye Lee	The director of Epicrystal Corporation (ChangZhou) Ltd.	Manufacture & sales of LED products.
	The director of KAISTAR LIGHTING (XIAMEN) Co., Ltd.	Manufacture & sales of LED products.
	The director of FormoLight Technologies, Inc.	Manufacturing of electronic parts.
Ming-Jiunn Jou	The director of Luxlite (Shenzhen) Corporation Limited	Sales of LED products.
	The director of Jiangsu Canyang Optoelectronics Ltd.	Manufacture & sales of LED products.
	The director of Nan Ya Photonics Inc.	LED lighting applications.
	The director of TE Opto Corporation	Manufacture & sales of LED products.
Chih-Yuan Chen (Fon Tain Belon Co., Ltd. Rep)	The director of Nan Ya Photonics Inc.	LED lighting applications.
Yi Te Optoelectronics Co., Ltd.	The director of Nan Ya Photonics Inc.	LED lighting applications.
Nan-Yang Wu (Yi Te Optoelectronics Co., Ltd. Rep)	The director of EDISON Opto Corporation	Manufacture & sales of LED products.
	The director of ProLight Opto Technology Corporation	The manufacturer of LED packaging.
Stan Hung (United Microelectronics Corp. Rep)	The Chairman and Strategy officer of UMC	Integrated circuits.
Everlight Electronics Co., Ltd.	The director of Tekcore Co., Ltd.	Manufacture & sales of LED products.
	The director of Crystal Applied Technology Inc.	Manufacturing of electronic parts.
	The director of EVERLIGHT SS Lighting Co., Ltd.	Sales of LED lighting products.
	The director of Zenaro Lighting Co., Ltd.	Sales of LED lighting products.
	The director of EVERLIGHT Lighting & management Ltd.	R&D & sales LED lighting products.
Feng-Shang Wu	The independent director of ProLight Opto Technology Corporation.	The manufacturer of LED packaging.

Appendix 1

Epistar Corporation Articles of Incorporation

Amended and Approved by a resolution of
the Shareholders' Meeting on June 29, 2015

Chapter 1 General Provisions

Article 1: This Company is incorporated in accordance with the Company Act under the full name of Epistar Corporation.

Article 2: The scope of business operated by this company shall be as follows:

CC01080 Manufacturing of electronic parts

C802990 Manufacturing of other chemical products

1. Research, development, manufacturing and sale of the following products:

- (1) AlGaInP Epi Wafer & Chips
- (2) AlGaAs Epi Wafer & Chips
- (3) InGaN Epi Wafer & Chips
- (4) PHEMT
- (5) InP-based HBT
- (6) GaAsP Wafer & Chips
- (7) GaP Wafer & Chips
- (8) AlGaInN Wafer & Chips
- (9) GaInAsP Wafer & Chips
- (10) Optoelectronic detection components
- (11) Wafer for microwave communications
- (12) Wafer & Chips for fiber-optics communications
- (13) LED and its mold
- (14) System and application parts for the above products
- (15) Phosphor powders

2. Import and export trade relating to the business of the Company

Article 3: The Company may provide guarantee for other companies and proceed it in compliance with the Company's guarantee operation procedure.

Article 4: When the Company reinvests in another company as a liability-limited shareholder, the total amount of the Company's reinvestment shall not be subject to the restriction of not more than 40% of the Company's paid-up capital as provided in the Company Act.

Article 5: The Company is headquartered in Hsinchu Science-based Industrial Park, Taiwan and may have branches set elsewhere domestically and abroad as resolved by the Board of Directors.

Article 6: Public announcement of the Company shall be handled in accordance with Article 28 of the Company Act.

Chapter 2 Shares

Article 7: The approved capital of the Company is NT\$20,000,000,000, divided into 2,000,000,000 shares, at NT\$10 par value, and may be issued separately. Among the above-mentioned shares, 35,000,000 shares shall be retained for the exercise of stock options through the issued stock option vouchers, special shares with stock options and bonds with stock options.

Article 7-1: The issuance of any employee stock options of which the stock option price is less than the closing price shall be determined by a vote of two-thirds of the shareholders attending who represent a majority of the total shares issued, and then shall be reported and handled separately in a year from the date of the resolution at the shareholders' meeting.

Article 7-2: The transfer of stocks to employees by the Company at the price less than the average price at which the Company has bought the stocks back shall be determined by a vote of two-thirds of the shareholders attending who represent a majority of the total shares issued. In the subjects of convening the meeting of shareholders, the following items shall be mentioned and explained, and shall not be presented through provisional motions.

1. Transfer price, discount ratio, calculation basis and its rationality
2. Shares to be transferred, purpose and its rationality
3. Qualifications and conditions for the employees entitled to stock options, and shares allowed to be acquired
4. Items affecting shareholders' equity:
 - (1) Amount that might be recognized as expense, and its effect on dilution of the Company's EPS
 - (2) Any financial burden to the Company because of the stock transferred to employees at the price less than the average price at which the Company has bought the stock back shall be explained.

Article 8: All share certificates of this Company shall be issued with numbering in nomination manner, indicating the items provided in Art.162 of the Company Act, duly sealed and signed by more than 3 directors, and affixed with the Company's seal in accordance with legal certification procedures. At the request of the depository corporation, the Company may print share certificates based on the total number of shares or choose not to print share certificates.

Article 9: The transfer of stock shall not be made 60 days prior to shareholders' general meeting, 30 days prior to shareholders' provisional meeting, or 5 days prior to dividends and bonus distribution or other interest distribution.

Article 10: Except otherwise provided in laws, share matters of the Company shall be handled in compliance with regulations provided by authorities.

Chapter 3 Shareholders' Meeting

Article 11: There are two kinds of shareholders' meetings in the Company: the General Meetings and Provisional Meetings. General meeting shall be held once a year. The board of directors shall convene a general meeting within 6 months after the final account at the end of each fiscal year. A provisional meeting will be held if necessary.

Article 12: The general meeting shall be convened by sending the notification to shareholders 30 days prior to the meeting date upon convening. The extraordinary meeting shall be convened by sending the notification to shareholders 15 days prior to the meeting date upon convening. In the notification, the date, place and subjects of the meeting shall be indicated.

Article 13: Shareholders of the Company have one vote for each share they hold.

Article 14: Except otherwise provided in applicable laws, resolutions of the board of directors shall be made by a vote of a majority of the shareholders attending who represent a majority of the total directors.

Article 14-1: The minutes of meeting specifying resolutions in a board of directors shall be made, duly signed and sealed by the Chairman of the board, and distributed to each director within 20 days after the meeting date. The Company may have the minutes served through a public announcement.

Chapter 4 Directors and Supervisors

Article 15: The Company shall have 9 to 15 directors and 3 supervisors to be elected at a shareholder's meeting through nominating system from persons of legal capacity to serve a term of three years. A director or supervisor may be re-elected. The Company shall buy liability insurance for all directors and supervisors, to the extent of the compensation responsibility assumed in business execution in their term of office according to law. Remunerations to directors and supervisors shall be determined by the Board of Directors based on the level of their participation in business operation and the value of their contribution, and taking into account the common remuneration level in the same industry.

The number of qualified candidates for independent directors within the above mentioned numbers of directors should not be less than 2 people nor less than one fifth of the seats in the board of directors. The qualification, shares of holding, pluralism limitation, independency definition, ways of nomination and acting and any other regulations related to the independent director have to be in accordance with relevant rules.

Article 15-1: The establishment of Auditing committee is determined by the board of director. If the establishment of auditing committee is resolved, the rules of Company Law regarding supervisor will cease applying during the term of office of the auditing committee.

The constitution, authority of office, the rules of procedure and any other related regulations of Epistar's auditing committee will be proceeded in accordance with the regulations of official authorities.

Article 16: The board of directors is organized by the directors. Two-thirds directors should present in the meeting and a majority of the directors present agree to elect one Chairman and Vice Chairman from and among themselves. Chairman shall represent the company externally. Chairman shall preside at the meeting for the board of directors. In the event Chairman is incapable of performing duties, Vice Chairman shall act on his behalf. In the event Vice Chairman is incapable of performing duties, Chairman shall appoint one of the directors to act on his behalf. In case Chairman fails to appoint any director to act on his behalf, the person to take his place may be elected by and among the directors. Each director is limited to act as a proxy by one person only. Directors shall attend the board meeting in person. Any director who is unable to attend the board meeting shall appoint another director as his proxy. Each director is limited to act as a proxy by one person only.

Article 17: The Board of Directors' (hereinafter "BOD") meeting should be convened at least once every quarter. Each BOD director and supervisor is entitled to be informed with the agenda 7 days prior to the meeting. However, an ad-hoc meeting may occur in the case of emergency and notification can be made in written, via email or facsimile to each director and supervisor under such circumstances. The duties and powers of the board of directors are as follows:

1. Propose amending the Company's articles of incorporation
2. Approve operation guidelines and mid-term and long-term development plans

3. Examine and supervise the performance of the annual business plan
4. Examine budget and accounting settlement
5. Determine important contracts with external entities and other important matters
6. Approve important capital expenditure plans
7. Approve the endorsement, guarantee and acceptance in the name of the Company for others
8. Dispose important properties of the Company
9. Appoint and dismiss President and Vice President
10. Approve the Company's reinvestments in other businesses and transfer or sale of shares
11. Prepare the regulations governing the important transactions between the Company and related parties (including affiliated enterprises)
12. Establish and dissolve branches
13. Employ and dismiss CPAs of the Company
14. Other duties and powers provided in laws and rules and given at shareholders' meeting.

Chapter 5 Managers and Employees

Article 18: The Company shall have one President and several vice President and managers whose appointment, discharge and remuneration shall be handled according to Article 29 of the Company Act.

Chapter 6 Accounting

Article 19: The Company's fiscal year starts from January 1 and ends on December 31. At the end of every year, the board of directors shall prepare the following statements and records of accounts in compliance with the Company Act and pass them on to supervisors 30 days prior to shareholders' general meeting for audit. Supervisors shall issue a report and submit it to shareholders' general meeting for recognition.

1. Business report
2. Financial statements
3. Proposal for allocation of surplus or making good of past loss.

Article 20: The Company shall distribute the after-tax profit after annual accounting settlement, shall first make up for the losses, then allocate 10% as legal reserve. However such legal reserve amounts to the total authorized capital, this provision shall not apply and, if necessary, allocate or reverse special reserve. Balance plus the previous cumulative undistributed earnings to be allocated surplus, in addition to discretion of reservations, which dispatched proportion of shares held by each shareholder shall base on the ratio.

The Company is in the growing phase in respect of business development. For agreeing with present and future development plans, investment environment, fund demand, and competition from domestic and foreign regions, the distribution of earnings shall be executed in compliance with the above regulations, for which shareholders' interest and capital adequacy ratio shall be also taken into account. Besides, for shareholders' dividends to be distributed for the year, the ratio of the cash dividends to be distributed shall not be less than 10% of the total dividends to be distributed.

Article 20-1: Company should dispatch 10% ~20% of the "annual profit" to the employee remuneration and 2% to directors. But the company shall compensate the accumulated deficit.

Employee remuneration could be stock or cash. the object of the issue of shares or cash including the employees of subsidiaries who compliance with certain conditions.

The “annual profit” in first paragraph means the current year pre-tax profit (excluding other benefits or losses, such as the put option right, the call option rights, the conversion rights and the redeem of overseas convertible bonds) before the deduction of the staff remuneration and director remuneration.

Dispatched remuneration of employees and directors shall be decided by the board of directors with more than a two-thirds majority of the directors present and resolutions agreed by half attending directors and report to shareholder meeting.

Chapter 7 Supplementary Provisions

Article 21: Any relevant matter not provided for in these articles of incorporation shall be handled in accordance with related regulations.

Article 22: The Articles of Incorporation was set up at the meeting of the founders on September 9, 1996. The 1st amendment was made on June 4, 1997. The 2nd amendment was made on July 24, 1998. The 3rd amendment was made on April 20, 1999. The 4th amendment was made on May 9, 2000. The 5th amendment was made on May 14, 2001. The 6th amendment was made on June 19, 2002. The 7th amendment was made on June 18, 2003. The 8th amendment was made on June 17, 2004. The 9th amendment was made on June 14, 2005. The 10th amendment was made on October 4, 2005. The 11th amendment was made on March 2, 2006. The 12th amendment was made on November 21, 2006. The 13th amendment was made on June 13, 2008. The 14th amendment was made on June 10, 2009. The 15th amendment was made on June 15, 2010. The 16th amendment was made on June 27, 2012. The 17th amendment was made on June 14, 2013. The 18th amendment was made on June 19, 2014. The 19th amendment was made on June 29, 2015.

Appendix 2

Epistar Corporation Rules of Procedure for Shareholders' Meeting

1. Unless otherwise provided in laws or regulations, a Shareholders' meeting shall be conducted in compliance with the Rules of Procedure.
2. While convening the meeting, an attendance register shall be prepared for shareholders present at the meeting to sign-in. A shareholder present shall submit the attendance card in place of sign-in. The number of shares represented by shareholders present in the meeting shall be calculated in accordance with the attendance register or attendance cards submitted by the shareholders present.
3. The attendance of the meeting and voting in the meeting shall be based on the calculation of shares.
4. The number of shares represented by shareholders present in the meeting shall be calculated in accordance with the attendance cards submitted by the shareholders present. A shareholder present (or proxy) shall wear certificate of attendance or submit the attendance card in place of signing-in.
5. The meeting shall be held at the office of the Company, or any other appropriate place that is convenient for the shareholders and suitable for the meeting to be held. The starting time of the meeting shall not be earlier than 9 am or later than 3 pm.
6. If the meeting is convened by the Board of Directors (the "BOD"), the Chairman of the BOD shall be the chairman of the meeting. If Chairman is on leave, or cannot execute his or her authority for any reason, the Vice Chairman shall preside over the meeting. If there is no Vice Chairman or the Vice Chairman is also on leave, or cannot execute his or her authority for any reason, Chairman shall designate one of the Managing Directors to act on behalf of him or her. If there is no Managing Director, Chairman shall designate one of the directors to preside over the meeting. If Chairman does not designate any proxy to preside over the meeting on his or her behalf, the Managing Directors or directors shall elect one from among themselves to preside over the meeting.
If the meeting is convened by any other person entitled to convene the meeting, not by the BOD, such person shall preside over the meeting.
7. The Company may designate its lawyers, CPAs or relevant parties to attend the meeting. The team members handling the business of the meeting shall wear an identification card or a badge.
8. The chairman may engage disciplinary officers (or security personnel) to assist on keeping the order of the meeting. Such disciplinary officers (or security personnel) shall wear a badge marked "Disciplinary Officers".
9. Any participants of the Shareholders' meeting shall not bring items which might endanger human life, health, liberty or property.

10. The chairman may engage police officers to assist on keeping the order of the meeting.
11. The whole proceedings of the meeting shall be videotaped or tape-recorded. The preceding tapes shall be preserved for at least one year.
12. The chairman shall call the meeting according to meeting schedule. If the number of shares represented by the shareholders present at the meeting has not yet reached more than 50% of the total issued and outstanding shares of the Company, the chairman may postpone the meeting. The postponements shall be limited to twice at most and the meeting may not be postponed longer than one hour in total. If the shares of the shareholders present at the meeting represent has not yet reached more than 50% but $\frac{1}{3}$ of the total issued and outstanding shares or more after the meeting being postponed twice, a tentative resolution may be adopted in accordance with Paragraph 1 of Article 175 of the Company Act R.O.C. Before the adjournment of the meeting, if the number of shares represented by the shareholders present at the meeting reaches more than 50% of the total issued and outstanding shares, the chairman may submit the adopted tentative resolution to the meeting for approval in accordance with Article 174 of the Company Act R.O.C.
13. If the meeting is convened by the BOD, the agenda of the meeting shall be set by the BOD. The meeting shall proceed in accordance with the agenda, unless otherwise resolved by the meeting. The preceding paragraph shall apply to cases where the meeting is convened by a person, other than the BOD, entitled to convene such meeting.
Unless otherwise resolved by the meeting, the chairman shall not adjourn the meeting before all of discussion items (including extraordinary motions) have been resolved.
After the meeting is adjourned, shareholders shall not elect another chairman to continue the meeting on site or at another venue.
14. A meeting shall proceed in accordance with the agenda. In case the speech of any shareholder violates the above provision, the chairman may ask such shareholder to stop speaking.
Except for the discussion items listed in the agenda of the meeting, other motions or amendments or alternatives of the discussion items made by a shareholder at the meeting shall be seconded by other shareholders.
15. A shareholder who intends to speak in the meeting shall fill out a speech note, specifying therein the summary of the speech, the shareholder's number (or the number of his or her certificate of attendance) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman. A shareholder who only submits his or her speech note but does not actually speak in the meeting shall be considered as not having given such a speech. If the content of the speech of the shareholder are different from the contents of the speech note, the contents of actual speech shall prevail.
When a shareholder is giving a speech, the other shareholders shall not interrupt the speech unless they have obtained the consent from the chairman and the said shareholder. For any such violations, the chairman shall stop the interruption immediately.

16. Unless otherwise permitted by the chairman, each shareholder shall not speak more than twice for each discussion item. Each speech shall not take more than 5 minutes. In the case that any speech violates the foresaid provisions or exceeds the scope of the discussion item, the chairman may ask such shareholder to stop speaking.
17. A legal entity that is appointed as a proxy to attend the meeting can only designate one representative to attend the meeting.
If a corporate shareholder designates two or more representatives to attend the meeting, only one representative can speak for each discussion item.
18. After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.
19. The chairman may announce to end the discussion on the discussion items and submit them to be resolved when the chairman deems appropriate.
20. Unless a majority of more than 50% is required by the Company Act R.O.C. or the Articles of Incorporation of the Company, a resolution of the meeting shall be adopted by at least 50% majority of votes represented by the shareholders present at the meeting.
The calculation of votes represented by the shareholders is based on the Articles in the Company Act R.O.C. or the Article of Incorporation of the Company. A resolution of the meeting shall be adopted if it has been voted. If no objection is voiced after solicitation by the chairman, the resolution shall be deemed adopted and shall have the same effect as if it has been voted.
If there is an amendment or alternative for a discussion item, the chairman may combine the amendment or alternative into the original discussion item, and determine the sequence of voting for such discussion item. If any above item has been resolved, the others shall be deemed vetoed and no further voting is required.
21. Scrutinizers and the vote counter shall be designated by the chairman. The result of voting shall be announced at the meeting, and recorded in the meeting minutes.
A scrutinizer shall be one of the shareholders. The supervisory work includes supervising the procedure of voting, improper voting, vote validation and the record prepared by vote counters.
A ballot is invalid if one of the following conditions is met and the vote shall not be counted:
(1) Not using ballots printed by the Company
(2) A ballot which is not inserted into the ballot box
(3) A blank ballot without written words or written comments based on discussion items
(4) A ballot with written words other than required items.
(5) The handwriting is blurred, not identifiable, or written over.
(6) The proxy violates "Rules Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies" in handling ballots.
22. During the meeting, the chairman may set time for intermission at his or her discretion.

23. In the event of any air-raid alarm, earthquake or force majeure, the chairman may adjourn the meeting temporarily and the participants shall evacuate themselves respectively. The chairman shall resume the meeting subject to the actual situation.
24. Any matters insufficiently address herein shall be subject to the Company Act R.O.C., laws and regulations or Articles of Incorporations concerned.
25. The Rules of Procedure and any amendment thereto, shall be implemented after approval by the Shareholders' Meeting.

Appendix 3

Epistar Corporation Rules for Elections of Directors and Supervisors

Amended and approved by a resolution of
the Shareholders' Meeting on June 19, 2014

1. Unless otherwise stipulated in regulations or Articles of Incorporation of Epistar Corporation (hereinafter "Epistar"), the election of directors and supervisors of Epistar shall be subject to the Rules of Electing Directors and Supervisors (hereinafter "the Rules").
2. The election(s) of Epistar's directors and supervisors may be conducted individually or simultaneously in Stockholders' Meeting. Epistar should prepare the ballots for directors and supervisors separately, and mark the weighting of each vote. Epistar's directors and supervisors the election and nomination procedure of the candidates may be conducted in accordance with Article 192-1 of the Company Law.
Where Epistar has established an Audit Committee under Article 15-1 of the Articles of Incorporation, the provisions regarding supervisors shall be no longer applicable within the tenure of an Audit Committee.
3. For the election of directors and supervisors in Epistar, each share should be equivalent to the same voting rights of the elected candidates. The shares can be consolidated together to vote on one person or vote on different people. Independent and non-independent directors shall be elected simultaneously, but the total number of seats to be elected shall be calculated respectively.
4. The election with regulated number of directors and supervisors of Epistar is a majority vote, and the votes of independent and non-independent directors are separately counted. The candidate shall be the independent director, non-independent director and supervisor according to the votes they earned. When there are more than 2 people receiving the same number of votes above the regulated number, these two candidates should draw a lot to decide candidacy. The chairman shall draw the lot for those who are not present. When the same person is elected for both a director and supervisor, he or she should decide which position he/she would like to take and leave the other opening (director or supervisor) for the second runner up.
5. Before the election, the chairman should designate several scrutinizers and ballot counters to perform related duties. The scrutinizers may be some of the attending shareholders.
6. Epistar should prepare the ballot box and open it for the public to check before voting procedure.
7. If any candidate is also a stockholder, he or she should mark the account name of the candidate and stockholder in the column of "candidate" on the ballot; otherwise, he or she should fill in the name and identification proof number of the candidate. However, if any government or corporate stockholder is also a candidate, the column of "candidate" should be marked with the name of the government or company or with the name of their representative as well. When there is more than one representative for the government or company, all representatives' names should be noted.
8. The ballots shall be deemed as invalid under any of the following situations:
 - (1)The ballot is not the same as stipulated by the Rules.
 - (2)The ballot casted into the box is blank.
 - (3)The writing on the ballot is vague, unrecognizable or corrected.

- (4) The name and account number of the candidates on the ballots for candidates who are also stockholders are inconsistent with Stockholders' List. Or the name and identification proof number of the candidates who are non-stockholders are inconsistent with records after verification.
 - (5) There are other words written on the ballots besides the name, stockholder's account name and account number, identification proof number and distributed votes of the candidate.
 - (6) The name of the candidate on the ballot is the same with other stockholders and the voter did not fill in the candidate's account number of stockholder or identification proof number for distinction.
 - (7) The ballot is not put into the ballot box before the end of the vote.
9. After voting, the ballot box should be opened and ballot counting should commence immediately. The result of the election should be announced by the chairman on the scene.
10. The Rules and any amendment hereto, will be put into force after the approval from the Stockholders' Meeting.

Appendix 4

Related Information on Remuneration to Directors and Employees

Epistar would not distribute compensation of directors and employee bonus due to deficit in 2015.

Appendix 5

The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate

The Company is not required to announce any financial forecast for the year of 2016. The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate is not applicable.

Appendix 6

Related Information on Proposals and Nominations from Shareholders owning 1% or more of the issued shares of the Company

1. Pursuant to Articles 172-1 and 192-1 of the Company Act, the 2016 Annual General Shareholders' Meeting welcomed shareholders' proposals and nominations for the position of Directors from April 11, 2016 to April 20, 2016.
2. During the above mentioned period, in addition to the Board of Directors have nominated 9 persons the Ninth term Board of Directors. No proposals or nominations were submitted by the shareholders owning at least 1% of the Company.

Appendix 7

EPISTAR CORPORATION Current Shareholding of Directors

Record Date (Book Closure Date): April 19, 2016

Position	Name	Date elected	Shareholding while being elected		Current shareholding	
			Shares	%	Shares	%
Chairman	Biing-Jye Lee	2013.06.14	1,230,814	0.13%	1,704,495	0.15%
Director	Everlight Electronics Co., Ltd. Representative: Yin-Fu Yeh Representative: Huei-Chen Fu	2013.06.14	37,950,175	4.07%	19,800,175	1.80%
Director	Fon Tain Belon Co., Ltd. Representative: Chih-Yuan Chen	2013.06.14	4,455,569	0.48%	4,455,569	0.41%
Director	Yi Te Optoelectronics Co., Ltd. Representative: Nan-Yang Wu	2013.06.14	3,134,741	0.34%	3,134,741	0.29%
Director	United Microelectronics Corporation Representative: Stan Hung	2013.06.14	21,214,991	2.27%	10,714,991	0.97%
Director	Lite-On Technology Corporation Representative: Kuang Chung Chen	2013.06.14	7,865,960	0.84%	5,907,960	0.54%
Director	Ming-Jiunn Jou	2013.06.14	337,897	0.04%	866,667	0.08%
Independent Director	Wei-Min Sheng	2013.06.14	0	0.00%	0	0.00%
Independent Director	Feng Shang Wu	2013.06.14	0	0.00%	0	0.00%
Independent Director	Chi Yen Liang	2014.06.19	0	0.00%	0	0.00%
Total			76,190,147	8.17%	46,584,598	4.24%

Note 1: Total issued shares: 932,678,936 shares on 2013.06.14 (Date Elected).

Total issued shares: 936,338,896 shares on 2014.06.19 (Date Elected).

Note 2: Total Issued shares: 1,099,844,268 shares on 2016.04.19 (Book Closure Date).

Note 3: The minimum required combined shares of all directors by law: 32,000,000 shares.
The combined shares of all directors on the Book Closure Date: 46,584,598 shares.

Note 4: The Company has established an Audit Committee; so the requirements for shareholding by supervisors are not applicable.