



Singapore Exchange Securities Trading Limited

(Attention: SGXNet Services, Operations)

11 North Buona Vista Drive #06-07

The Metropolis Tower 2

Singapore 138589

NOTICE TO THE BOND HOLDERS

King Yuan Electronics Co., Ltd. (the Company)

(Incorporated as a company limited by shares in Taiwan, Republic of China)

US\$50,000,000

Unsecured Zero Coupon Overseas Convertible Bonds due 2019

ISIN Number: XS1453956663

Issue Price: 100 percent

NOTICE IS HEREBY GIVEN that King Yuan Electronics Co., Ltd. declared a cash dividend of NTD2,108,111,648, or NTD1.796109 per common share, payable to shareholders of record on July 10, 2017. This cash dividend was approved by a general meeting of shareholders on June 8, 2017 and by the Company's board of directors on June 19, 2017.

As a result of the cash dividend, the Company informs the holders of the Bonds that (i) the Conversion Price prior to the adjustment of the Conversion Price was NT\$27.88 per share, (ii) the adjusted Conversion Price, calculated pursuant to Section 13.05(g) of the Indenture (defined below), shall be NT\$26.29 per common share, which shall be effective on July 10, 2017. The Closed Period (as defined in the Indenture) of the Bonds commenced on June 15, 2017 and will end on July 10, 2017.

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Indenture, dated July 29, 2016, among King Yuan Electronics Co., Ltd., Citicorp International Limited, as Trustee, and Citibank, N.A., London Branch, as Principal Paying Agent (the "Indenture").

Sincerely Yours,

For and on behalf of

King Yuan Electronics Co., Ltd.

By:

Name: Sam Lee

Title: Assistant Vice President/Board Chairman Office

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☐ 銅鑼 Tongluo Branch:

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