

Handbook for 2018 Annual General Meeting of Shareholders (Translation)

Time: June 15, 2018 9:00AM

Location: No.1, Gongye E. 2nd Rd., East Dist., Hsinchu City 300, Taiwan (R.O.C.)



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Meeting Agenda

Meeting Agenda for 2018 Annual General Meeting of Shareholders

Time : 9:00AM June 15, 2018

Location : No.1, Gongye E. 2nd Rd., East Dist., Hsinchu City 300, Taiwan (R.O.C.)

1. Attendance: Shareholders and equity representatives
2. Chairman: Chairman Genda Hu
3. Announce the start of the meeting(report the number of shares attended)
4. Chairman's speech
5. Matters to Report
 1. 2017 Annual Business Report
 2. Audit Committee Review Report
 3. Share buy-back program report
6. Matters for Ratification
 1. To accept 2017 Business Report and Financial Statements
 2. To approve 2017 profit Distribution Ratification
7. Matters for Discussion
 1. Discussion for Cash Distribution from Additional Paid-in Capital
 2. Suspension of the non-competition restriction on the company's directors
8. Extraordinary Motions
9. Adjournment

Matters for Report

Report item (1)

Subject: 2017 Annual Business Report

Descriptions: 2017 Annual Business Report is attached on page 8, Attachment 1

Report item (2)

Subject: Audit Committee Check Report

Descriptions: Audit Committee Check Report is attached on page 10,

Attachment 2

Report item (3)

Subject: Report of implementation of share buy-back program

Descriptions: please refer the table below.

Buy-Back Batch	3 rd
Board of Directors Resolution Day	2017.May.12
The Purpose for Buying	Transfer shares to employees
Planned Buying Back Period	2017.May.15-2017.July.14
Upper Limit of Dollar Amount to Be Used for Buying Back Shares	NT\$7,850,198,982
Share Type and Quantity Planned to Buy Back	8,000,000 shares of common stock
Planned Price Range for Buying Back	NT\$21.98- NT\$56.79, but will continue to buy back shares, once the stock price is under the minimum of planned range
Actual Buying Back Period	2017.June.1-2017.July.12
Quantity and Type of Shares that Bought Back	6,808,000 shares of common stock

Actual Dollar Amount Used for Buying Back	NT\$245,812,665
Average Share Bought Price	NT\$36.11
Execution Result of Buying Back Program	During the planned buy-back period, the shares bought was less than those planned due to stable share price and the cash operating efficiency.
Shares Eliminated and Transferred	3,198,000 shares of common stock
Cumulative Holding Quantity of Company Shares	5,536,000 shares of common stock
Proportion of Cumulative Holding Quantity of Company Shares in the Total Issued Shares	1.85%

2. The Transferring Rule of the 3rd Share Buy-Back Program is referred to Page 11, Attachment 3

Matters for Ratification

Ratification item (1):

[Proposed by the Board]

Subject: Adoption of the 2017 Business Report and Financial Statements

Descriptions:

- (1) FocalTech 2017 business report and financial statements had been approved by the Board and the financial statements were audited by independent auditors Shue Shiou Ming and Lin Shu Wan of Deloitte accounting firm.
- (2) Independent auditor report, 2017 business report and financial statements attached on page 8, Attachment 1 and attached on page 14, Attachment 4.

Resolution:

Ratification item (2):

[Proposed by the Board]

Subject: Adoption of the Distribution of 2017 Profits

Descriptions:

- (1) 2017 net loss after tax is NT\$79,680,006. Unappropriated retained earnings are NT\$ 1,058,983,658, and the proposal not to distribute dividends is considered for future operation requirements.
- (2) The profit distribution table is demonstrated as attachment 5.

Resolution:

Matters for Discussion

Discussion item (1):

[Proposed by the Board]

Subject: Discussion for Cash Distribution from Additional Paid-in Capital

Descriptions:

- (1) In accordance with Article 241 of the Company Law, the additional paid-in capital of NT\$150,000,000 which comes from the premium over the par value when issuing, is proposed to distribute based on the register book of shareholders on the distribution base date, approximately NT\$0.5025 per share.
- (2) The cash allotted by each shareholder will be paid up to the unit of NT\$ (abandon less than 1 NT\$), and the total amount of the round down will be recognized as Company's other income
- (3) After the shareholders' meeting approval, please authorize the chairman to set the base date, payment date, and follow-up related matters.
- (4) It is proposed that the shareholders' meeting could authorize the chairman's full power to adjust the payment rate per share due to repurchase or repossession of company shares, cancellation of share capital or other factors that would affect the outstanding shares.

Resolution:

Discussion item (2):

[Proposed by the Board]

Subject: Discussion for the Release of the Directors from Non-Competition Restrictions

Descriptions:

- (1) According to paragraph 1 of Article 209 of Company Act, a director, who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) The directors of the Company may invest in or operate other companies, acting as directors, within the same or similar business scope of the Company due to the business requirement if there is no prejudice to the interests of the Company.
- (3) Directors proposed to be released

Title	Name	Company Served at the Same Time	Job Served at the Same Time
Director	Genda Hu	FocalTech (Shenzhen) Limited company	Executive Director
Director	James Liao	FocalTech Smart Sensors, Ltd.	Director

Resolution:

**Extraordinary Motions
Adjournment**

Attachment

Attachment 1

2017 Annual Business Report

Looking back at 2017, the global smart phone market is no longer pursuing quantitative growth, but more focused on technology and value innovation. The screen size and aspect ratio of smart phones have gradually become diversified and special. At the same time, the full-screen design concept has been adopted by various brands of mobile phone operators under the trend of Apple iPhone X. In the trend of panel innovation design transition, the full in-cell touch panel and Integrated Driver Controller (IDC) provides an excellent solution, and FocalTech is in the leading position of development in IDC.

In 2017 FocalTech achieved great success in driving the touch integration single-chip market, with shipments surpassing 60 million units. FocalTech has established a dominant position in the market by years of deployment in related technologies.

In 2017, mainland mobile phone shipments decreased by 4% compared to 2016, which had a certain impact on FocalTech's operation in 2017. Due to the positive support of new products such as IDC, FocalTech's revenue decreased only 2% from the previous year to NT\$10.8 billion, annual gross margin reached NT\$2.27 billion, and net operating income was NT\$162 million; but affected by the new tax reform bill of the US Trump Government, we recognized a one-time income tax expense of NT\$246 million and resulted a net loss of NT\$103 million for the full year. The basic loss per share is NT\$0.87. This income tax expense recognized is a one-time effect of profit for 2017 and previous years. From 2018 onwards, it will be based on the new US government tax reform bill, returning to the normal calculation of income tax expenses.

Facing rapid changes in the industry and fierce market competition, FocalTech continues to expand its product lines and deepen its technological content to provide best solutions. Therefore, FocalTech invested a lot of R&D resources in 2017. The annual research and development expenses reached NT\$1.3 billion, and more than 60 patents were obtained. The number of new patent applications exceeded 50. FocalTech continues to expand research and development technology capabilities to related applications such as AMOLED panels, automotive/industrial control products, and home appliance application products. And what's special is that our optical technology had broken through the traditional know-how to achieve fingerprint identification technology on both TFT-LCD and the AMOLED screen as the first in the world.

Looking forward to 2018, the number of mobile devices will grow only slightly, but the combination of IDCs with in-cell panel will be a new bright spot for the

mobile panel industry. With the continuous promotion of panel supply chain and the improvement of panel production technology, IDC panel penetration rate will continue to increase and IDC products will become one of the company's main operating forces in 2018.

About traditional touch solutions, FocalTech will actively promote them to new applications with high added value, such as large and medium sized high-end applications used in commercial, automotive, and industrial control, as well as new IOT purposes. At the same time FocalTech will continue to provide cost-effective products for mobile, tablet, and notebook markets.

For the AMOLED panel industry, major global panel makers had great investments for the production lines. FocalTech's R&D team has actively developed AMOLED driver chips and touch solutions. Initial results have been obtained, several boutique branded smart devices used FocalTech's solutions. To fulfill future market demands, AMOLED related technologies used in flexible panels, notched screens and integrated with touch functions are all under development.

FocalTech will adhere to the core values of the leading position among the human-machine interface solution providers. In the field of the existing semiconductor products, FocalTech will focus on self-improvement of operational efficiency and profitability, and will also move forward with innovative technologies and maintain its long-term competitiveness. With a solid foundation of hardware device development capability, FocalTech combines and invests the soft power from biometric identification to provide more values to the human-machine interface solutions. We hope to continue the leading position in the industry and create higher and higher shareholder value. Finally, once again, full and many thanks to all shareholders' long-term supports and cherishing.

Chairman and General Manager: Genda Hu
Chief Financial Officer: James Liao

Attachment 2

FocalTech Audit Committee Review Report

The board of directors has prepared the company's 2017 annual business report, financial statements and profit distribution proposals. Deloitte CPA firm was engaged to audit the financial statements and issued an audit report.

The above-mentioned business report, financial statements and the proposal of profit distribution have been reviewed by the Audit Committee and no discrepancy and irregularity was found. We hereby report as above in accordance with Article 14-4 of the Securities Exchange Act and Article 219 of the Company Law. Please kindly verify and approve.

To 2018 Annual General Shareholders' Meeting

Chairman of the Audit Committee: Lin Yajuan
2018.April.24

Attachment 3

The Transferring Rule of the 3rd Share Buy-Back Program

Article One:

To motivate employees and in accordance with R.O.C. Securities and Exchange Law article 28-2-1-1 and regulation of Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan, R.O.C. on “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies”, FocalTech (the Company) establishes the “Transferring Rule of the 3rd Share Buy-Back Program” (this procedure). The repurchased shares will be transferred to employees according to related laws and this procedure.

Article Two:

The shares to be transferred are the common shares with the same right and obligation as other outstanding shares except defined and ruled by related laws and this procedure.

Article Three:

The repurchased shares could be transferred to employees in 3 years from the buying back day in one or multiple batches.

Article Four:

On the record date, the employees officially hired by the Company or the Company’s subsidiaries, 50% or more owned by the Company directly or indirectly, are entitled to subscribe the shares specified in article five of this procedure.

Article Five:

The shares allocated to eligible employees would be based on job grade, seniority and contribution level to the Company, which needs Chairman and the Board of Directors approvals. Allocation and subscription of Board members and General Manager would need the Compensation Committee’s approval.

Article Six:

The transfer procedure:

- According to the previous board resolution, announcement and application, the shares are purchased from the market during the repurchase period.
- The Chairman is authorized under this procedure to establish and announce the subscription record date, the subscription amount, the payment period, the rights contents and restrictions etc.
- Calculate the actual share amounts with payments and transfer the shares accordingly.

Article Seven:

The transfer price to employees for the shares comes from the average actual repurchase price. However, prior to the transfer, in the event of an increase or decrease in the number of outstanding common shares issued by the company, the transfer price may be adjusted according to the increase or decrease pro-rata. Or according to the articles of incorporation of the company, if the transfer price is planned to be lower than the actual repurchase price, the special shareholder meeting resolution, 2/3 voting approval with more than 50% shareholder representatives attending, is required. The agenda of the shareholder meeting should include the description defined by “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” Article 10-1.

Transfer price adjustment formula:

Adjusted Transfer Price = the average price of the actually bought back shares X (the total number of common shares that have been issued at the time of repurchasing the shares ÷ the total number of common shares that have been issued when the repurchased shares are transferred to employees)

Remark: the total common shares should exclude those the Company bought back.

Article Eight:

After the repurchased shares are being transferred and registered under employees' names, unless otherwise specified, the rights and obligations of the shares are the same as the other common shares.

Article Nine:

The shares bought back should be transferred in full within three years from the date of purchase. Overdue non-transferred parts shall be regarded as unissued shares of the company and shall be cancelled in accordance with the law.

The eligibility of subscription be disqualified if the employee leaves during the subscription base date to the subscription payment due date.

Employees who have not subscribed for payment at the end of their payment period shall be deemed to have abstained from the grant; the Chairman shall be authorized to contact other employees to purchase the unsubscribed shares.

Article Ten:

This procedure should be reported and approved in the Shareholder's meeting. This shall apply to any amendments.

Article Eleven:

This procedure was established on May 12, 2017

Attachment 4

Independent Auditors' Report and Consolidated/Unconsolidated Financial Statements

敦泰電子股份有限公司 公鑒：

查核意見

敦泰電子股份有限公司民國 106 年及 105 年 12 月 31 日之個體資產負債表，暨民國 106 年及 105 年 1 月 1 日至 12 月 31 日之個體綜合損益表、個體權益變動表、個體現金流量表以及個體財務報表附註（包括重大會計政策彙總），業經本會計師查核竣事。

依本會計師之意見，上開個體財務報表在所有重大方面係依照證券發行人財務報告編製準則編製，足以允當表達敦泰電子股份有限公司民國 106 年及 105 年 12 月 31 日之個體財務狀況，暨民國 106 年及 105 年 1 月 1 日至 12 月 31 日之個體財務績效及個體現金流量。

查核意見之基礎

本會計師係依照會計師查核簽證財務報表規則及一般公認審計準則執行查核工作。本會計師於該等準則下之責任將於會計師查核個體財務報表之責任段進一步說明。本會計師所隸屬事務所受獨立性規範之人員已依會計師職業道德規範，與敦泰電子股份有限公司保持超然獨立，並履行該規範之其他責任。本會計師相信已取得足夠及適切之查核證據，以作為表示查核意見之基礎。

關鍵查核事項

關鍵查核事項係指依本會計師之專業判斷，對敦泰電子股份有限公司民國 106 年度個體財務報表之查核最為重要之事項。該等事項已於查核個體財務報表整體及形成查核意見之過程中予以因應，本會計師並不對該等事項單獨表示意見。

茲對敦泰電子股份有限公司民國 106 年度個體財務報表之關鍵查核事項敘明如下：

商譽及其他無形資產之減損評估

關鍵查核事項說明

敦泰電子股份有限公司民國 106 年 12 月 31 日商譽 3,237,268 仟元；其他無形資產 113,010 仟元，合計為 3,350,278 仟元（占資產總額 28%），對整體財務報表係屬重大。敦泰電子股份有限公司之商譽係反向併購相關顯示驅動產業之敦泰電子股份有限公司（原名旭曜科技股份有限公司）所產生。管理階層於評估商譽及其他無形資產是否減損時，係以敦泰電子股份有限公司之觸控和驅動整合晶片為獨立之現金產生單位，依未來營運現金流量並使用適當之折現率衡量可回收金額，用以評估該可回收金額是否不低於帳列之商譽而無減損情事。

管理階層於決定未來營運現金流量時涉及管理階層之主觀判斷，且可能受未來市場或經濟景氣影響，包括上述現金產生單位之銷售成長率、利潤率及折現率等，因此將商譽及其他無形資產之減損評估列為 106 年度之關鍵查核事項。

與商譽及其他無形資產之減損評估相關會計政策、會計估計及假設之不確定性估計與攸關揭露資訊，請參閱附註四、五、十二及十三。

本會計師對於上述關鍵查核事項所執行之主要查核程序如下：

1. 取得及複核管理階層編製之觸控和驅動整合晶片之資產減損評估；
2. 了解管理階層估計該觸控和驅動整合晶片之未來營運展望市場成長率、市場佔有率、銷售成長率及利潤率之過程及依據，並取得外部相關產業未來趨勢分析，評估管理階層預測市場成長率之合理性；及
3. 評估及諮詢本事務所內部專家，管理階層使用之加權資金成本率作為折現率是否適當。

銷貨收入

關鍵查核事項說明

銷貨收入係投資人及管理階層評估敦泰電子股份有限公司財務或業務績效之主要指標。由於管理階層可能存有達成預計財務目標的壓力，銷貨收入

可能會有收入認列不正確之風險，因此將銷貨收入之認列列為 106 年度之關鍵查核事項。

本會計師對於上述關鍵查核事項所執行之主要查核程序如下：

1. 測試銷貨及收款作業循環內控制度設計及執行之有效性；
2. 針對主要銷售客戶之全年銷售進行抽核；
3. 分析產品別銷貨數量、銷貨收入及銷貨毛利有無重大異常；
4. 選擇報表日前後一段期間之銷售交易樣本，核對相關憑證，以確定收入認列在正確期間；及
5. 銷售客戶中，針對 106 年第 4 季銷貨數量及金額有大幅增長者，抽樣核對採購單、出貨單及收款紀錄，以確認收入之真實性。

管理階層與治理單位對個體財務報表之責任

管理階層之責任係依照證券發行人財務報告編製準則編製允當表達之個體財務報表，且維持與個體財務報表編製有關之必要內部控制，以確保個體財務報表未存有導因於舞弊或錯誤之重大不實表達。

於編製個體財務報表時，管理階層之責任亦包括評估敦泰電子股份有限公司繼續經營之能力、相關事項之揭露，以及繼續經營會計基礎之採用，除非管理階層意圖清算敦泰電子股份有限公司或停止營業，或除清算或停業外別無實際可行之其他方案。

敦泰電子股份有限公司之治理單位（含審計委員會）負有監督財務報導流程之責任。

會計師查核個體財務報表之責任

本會計師查核個體財務報表之目的，係對個體財務報表整體是否存有導因於舞弊或錯誤之重大不實表達取得合理確信，並出具查核報告。合理確信係高度確信，惟依照一般公認審計準則執行之查核工作無法保證必能偵出個體財務報表存有之重大不實表達。不實表達可能導因於舞弊或錯誤。如不實表達之個別金額或彙總數可合理預期將影響個體財務報表使用者所作之經濟決策，則被認為具有重大性。

本會計師依照一般公認審計準則查核時，運用專業判斷並保持專業上之懷疑。本會計師亦執行下列工作：

1. 辨認並評估個體財務報表導因於舞弊或錯誤之重大不實表達風險；對所評估之風險設計及執行適當之因應對策；並取得足夠及適切之查核證據以作為查核意見之基礎。因舞弊可能涉及共謀、偽造、故意遺漏、不實聲明或踰越內部控制，故未偵出導因於舞弊之重大不實表達之風險高於導因於錯誤者。
2. 對與查核攸關之內部控制取得必要之瞭解，以設計當時情況下適當之查核程序，惟其目的非對敦泰電子股份有限公司內部控制之有效性表示意見。
3. 評估管理階層所採用會計政策之適當性，及其所作會計估計與相關揭露之合理性。
4. 依據所取得之查核證據，對管理階層採用繼續經營會計基礎之適當性，以及使敦泰電子股份有限公司繼續經營之能力可能產生重大疑慮之事件或情況是否存在重大不確定性，作出結論。本會計師若認為該等事件或情況存在重大不確定性，則須於查核報告中提醒個體財務報表使用者注意個體財務報表之相關揭露，或於該等揭露係屬不適當時修正查核意見。本會計師之結論係以截至查核報告日所取得之查核證據為基礎。惟未來事件或情況可能導致敦泰電子股份有限公司不再具有繼續經營之能力。
5. 評估個體財務報表（包括相關附註）之整體表達、結構及內容，以及個體財務報表是否允當表達相關交易及事件。
6. 對於敦泰電子股份有限公司內組成個體之財務資訊取得足夠及適切之查核證據，以對個體財務報表表示意見。本會計師負責查核案件之指導、監督及執行，並負責形成敦泰電子股份有限公司查核意見。

本會計師與治理單位溝通之事項，包括所規劃之查核範圍及時間，以及重大查核發現（包括於查核過程中所辨認之內部控制顯著缺失）。

本會計師亦向治理單位提供本會計師所隸屬事務所受獨立性規範之人員已遵循會計師職業道德規範中有關獨立性之聲明，並與治理單位溝通所有可能被認為會影響會計師獨立性之關係及其他事項（包括相關防護措施）。

本會計師從與治理單位溝通之事項中，決定對敦泰電子股份有限公司民國 106 年度個體財務報表查核之關鍵查核事項。本會計師於查核報告中敘明該等事項，除非法令不允許公開揭露特定事項，或在極罕見情況下，本會計

師決定不於查核報告中溝通特定事項，因可合理預期此溝通所產生之負面影響大於所增進之公眾利益。

勤業眾信聯合會計師事務所

會計師 許 秀 明

許秀明



會計師 林 淑 婉

林淑婉



財政部證券暨期貨管理委員會核准文號
台財證六字第 0920123784 號

行政院金融監督管理委員會核准文號
金管證六字第 0930160267 號

中 華 民 國 1 0 7 年 3 月 2 8 日

敦泰電子股份有限公司

個體資產負債表

民國 106 年及 105 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元

代 碼	資 產	106年12月31日		105年12月31日	
		金 額	%	金 額	%
	流動資產				
1100	現金及約當現金 (附註四及六)	\$ 846,774	7	\$ 795,798	6
1170	應收帳款淨額 (附註四及七)	959,711	8	908,315	7
130X	存貨 (附註四、五及八)	856,976	8	1,055,631	9
1476	其他金融資產 (附註四及九)	24,500	-	24,500	-
1479	其他流動資產 (附註二十及二七)	139,139	1	95,072	1
11XX	流動資產總計	<u>2,827,100</u>	<u>24</u>	<u>2,879,316</u>	<u>23</u>
	非流動資產				
1550	採用權益法之投資 (附註四及十)	5,569,492	47	6,235,183	49
1600	不動產、廠房及設備 (附註四及十一)	27,744	-	28,837	-
1805	商譽 (附註四、五及十二)	3,237,268	27	3,237,268	26
1821	其他無形資產 (附註四、五及十三)	113,010	1	127,841	1
1840	遞延所得稅資產 (附註四及二十)	82,855	1	115,021	1
1990	其他非流動資產	11,405	-	11,848	-
15XX	非流動資產總計	<u>9,041,774</u>	<u>76</u>	<u>9,755,998</u>	<u>77</u>
1XXX	資 產 總 計	<u>\$ 11,868,874</u>	<u>100</u>	<u>\$ 12,635,314</u>	<u>100</u>
	負債及權益				
	流動負債				
2170	應付帳款 (附註十四及二七)	\$ 720,867	6	\$ 710,505	6
2209	其他應付款 (附註十五)	239,646	2	259,105	2
2230	本期所得稅負債 (附註四及二十)	6,478	-	-	-
2399	其他流動負債 (附註二七)	5,676	-	53,554	-
21XX	流動負債總計	<u>972,667</u>	<u>8</u>	<u>1,023,164</u>	<u>8</u>
	非流動負債				
2570	遞延所得稅負債 (附註四、五及二十)	15,876	-	17,640	-
2640	淨確定福利負債—非流動 (附註四及十六)	29,620	1	46,386	1
2645	存入保證金	104,231	1	113,275	1
2670	其他非流動負債—其他	10,400	-	10,400	-
25XX	非流動負債總計	<u>160,127</u>	<u>2</u>	<u>187,701</u>	<u>2</u>
2XXX	負債總計	<u>1,132,794</u>	<u>10</u>	<u>1,210,865</u>	<u>10</u>
	權益 (附註四、十七及二二)				
	股本				
3110	普通股	2,983,700	25	2,965,344	23
	資本公積				
3210	發行溢價	6,565,204	55	6,468,819	51
3220	庫藏股	40,868	1	40,305	-
3235	認列對子公司所有權權益變動數	1,269	-	582	-
3271	員工認股權	30,179	-	27,578	-
3273	限制員工權利股票	-	-	73,797	1
3280	員工認股權—逾期失效	17,356	-	14,765	-
3200	資本公積總計	<u>6,654,876</u>	<u>56</u>	<u>6,625,846</u>	<u>52</u>
	保留盈餘				
3310	法定盈餘公積	186,154	2	165,045	1
3350	未分配盈餘	1,058,985	9	1,335,160	11
3300	保留盈餘總計	<u>1,245,139</u>	<u>11</u>	<u>1,500,205</u>	<u>12</u>
	其他權益				
3410	國外營運機構財務報表換算之兌換差額	47,154	-	433,584	3
3425	備供出售金融資產未實現損失	(2,791)	-	(1,498)	-
3491	員工未賺得酬勞	-	-	(36,040)	-
3400	其他權益總計	<u>44,363</u>	<u>-</u>	<u>396,046</u>	<u>3</u>
3500	庫藏股票	(191,998)	(2)	(62,992)	-
3XXX	權益總計	<u>10,736,080</u>	<u>90</u>	<u>11,424,449</u>	<u>90</u>
	負債與權益總計	<u>\$ 11,868,874</u>	<u>100</u>	<u>\$ 12,635,314</u>	<u>100</u>

後附之附註係本個體財務報告之一部分。

董事長：

經理人：

會計主管：

敦泰電子股份有限公司

個體綜合損益表

民國 106 年及 105 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元，惟每股
(虧損)盈餘為元

代 碼		106年度		105年度	
		金 額	%	金 額	%
4000	營業收入 (附註四、十八及二七)	\$ 5,197,671	100	\$ 5,637,003	100
5000	營業成本 (附註八、十九及二七)	(3,953,624)	(76)	(4,418,455)	(78)
5900	營業毛利	<u>1,244,047</u>	<u>24</u>	<u>1,218,548</u>	<u>22</u>
	營業費用 (附註十九及二七)				
6100	推銷費用	(129,135)	(2)	(131,986)	(2)
6200	管理費用	(185,290)	(4)	(172,724)	(3)
6300	研究發展費用	(626,217)	(12)	(809,602)	(15)
6000	營業費用合計	(940,642)	(18)	(1,114,312)	(20)
6900	營業淨利	<u>303,405</u>	<u>6</u>	<u>104,236</u>	<u>2</u>
	營業外收入及支出				
7050	財務成本 (附註十九)	(401)	-	(6,569)	-
7060	採用權益法認列之子公司損益份額 (附註四)	(303,960)	(6)	141,214	3
7100	利息收入 (附註四)	4,611	-	2,694	-
7235	透過損益按公允價值衡量之金融負債利益 (附註四)	-	-	18,744	-
7590	其他利益及損失—淨額 (附註二七)	4,257	-	(28,242)	(1)
7610	處分不動產、廠房及設備損失 (附註四)	(3)	-	-	-
7630	外幣兌換損失 (附註四)	(52,450)	(1)	(6,793)	-
7000	營業外收入及支出合計	(347,946)	(7)	<u>121,048</u>	<u>2</u>

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代 碼		106年度		105年度	
		金 額	%	金 額	%
7900	稅前淨(損)利	(\$ 44,541)	(1)	\$ 225,284	4
7951	所得稅費用(附註四及二十)	(35,139)	(1)	(14,190)	-
8200	本年度淨(損)利	(79,680)	(2)	211,094	4
	其他綜合損益—淨額				
	不重分類至損益之項目				
8311	確定福利計畫之再 衡量數(附註四 及十六)	16,581	-	1,433	-
8349	與不重分類之項目 相關之所得稅 (附註四及二 十)	(1,990)	-	(386)	-
8310	不重分類至損 益之項目合 計	14,591	-	1,047	-
	後續可能重分類至損益 之項目				
8380	採用權益法認列之 子公司之其他綜 合損益之份額 (附註四)	(387,723)	(7)	(177,437)	(3)
8300	本年度其他綜合損 益(稅後淨額) 合計	(373,132)	(7)	(176,390)	(3)
8500	本年度綜合損益總額	(\$ 452,812)	(9)	\$ 34,704	1
	每股(虧損)盈餘(附註二 一)				
9750	基 本	(\$ 0.28)		\$ 0.73	
9850	稀 釋	(\$ 0.28)		\$ 0.71	

後附之附註係本個體財務報告之一部分。

董事長：

經理人：

會計主管：

敦泰電子股份有限公司
個體權益變動表
民國 106 年及 105 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元

代碼	股 普 通 股 本	資 本 公 積	保 留 盈 餘		其 他 權 益			庫 藏 股 票	權 益 總 額	
			法 定 盈 餘 公 積	未 分 配 盈 餘	國 外 營 運 機 構 財 務 報 表 換 算 之 兒 換 差 額	備 供 出 售 金 融 資 產 之 未 實 現 損 失	員 工 未 賺 得 酬 勞			
A1	105 年 1 月 1 日餘額	\$ 2,933,299	\$ 6,592,641	\$ 141,463	\$ 1,358,815	\$ 609,523	\$ -	(\$ 62,974)	\$ -	\$11,572,767
B1	104 年度盈餘指撥及分配 法定盈餘公積	-	-	23,582	(23,582)	-	-	-	-	-
B5	現金股利	-	-	-	(212,240)	-	-	-	-	(212,240)
D1	105 年度淨利	-	-	-	211,094	-	-	-	-	211,094
D3	105 年度稅後其他綜合損益	-	-	-	1,047	(175,939)	(1,498)	-	-	(176,390)
D5	105 年度綜合損益總額	-	-	-	212,141	(175,939)	(1,498)	-	-	34,704
F3	庫藏股轉讓 (附註十七及二二)	-	-	-	-	-	-	-	69,615	69,615
L1	庫藏股買回 (附註十七)	-	-	-	-	-	-	-	(132,607)	(132,607)
M7	對子公司所有權權益變動 (附註二三)	-	582	-	-	-	-	-	-	582
N1	員工認股權酬勞成本 (附註十七及二二)	-	18,687	-	-	-	-	-	-	18,687
N1	執行認股權計畫下發行之普通股 (附註十七及二二)	33,566	14,981	-	-	-	-	-	-	48,547
N1	限制員工權利股票酬勞成本 (附註十七及二二)	-	-	-	-	-	-	-	24,460	24,460
N1	註銷限制員工權利股票 (附註十七)	(1,521)	(1,045)	-	-	-	-	-	2,474	(92)
N1	未既得限制員工權利股票退還股利	-	-	-	26	-	-	-	-	26
Z1	105 年 12 月 31 日餘額	2,965,344	6,625,846	165,045	1,335,160	433,584	(1,498)	(36,040)	(62,992)	11,424,449
B1	105 年度盈餘指撥及分配 提列法定盈餘公積	-	-	21,109	(21,110)	-	-	-	-	(1)
B5	現金股利	-	-	-	(189,985)	-	-	-	-	(189,985)
D1	106 年度淨利 (損)	-	-	-	(79,680)	-	-	-	-	(79,680)
D3	106 年度稅後其他綜合損益	-	-	-	14,591	(386,430)	(1,293)	-	-	(373,132)
D5	106 年度綜合損益總額	-	-	-	(65,089)	(386,430)	(1,293)	-	-	(452,812)
L1	庫藏股買回 (附註十七)	-	-	-	-	-	-	-	(245,812)	(245,812)
F3	庫藏股轉讓 (附註十七及二二)	-	-	-	-	-	-	-	116,806	116,806
M7	對子公司所有權權益變動 (附註二三)	-	687	-	-	-	-	-	-	687
N1	員工認股權酬勞成本 (附註十七及二二)	-	36,339	-	-	-	-	-	-	36,339
N1	執行認股權計畫下發行之普通股 (附註十七及二二)	18,619	20,762	-	-	-	-	-	-	39,381
N1	既得限制員工權利股票 (附註十七)	-	(28,972)	-	-	-	-	-	28,972	-
N1	限制員工權利股票酬勞成本 (附註十七及二二)	-	-	-	-	-	-	-	7,068	7,068
N1	註銷限制員工權利股票 (附註十七)	(263)	214	-	-	-	-	-	-	(49)
N1	未既得限制員工權利股票返還股利	-	-	-	8	-	-	-	-	8
Z1	106 年 12 月 31 日餘額	\$ 2,983,700	\$ 6,654,876	\$ 186,154	\$ 1,058,984	\$ 47,154	(\$ 2,791)	\$ -	(\$ 191,998)	\$10,736,079

董事長：

經理人：

會計主管：

敦泰電子股份有限公司

個體現金流量表

民國 106 年及 105 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元

代 碼	106年度	105年度
營業活動之現金流量		
A10000	(\$ 44,541)	\$ 225,284
	本年度稅前淨(損)利	
	收益費損項目：	
A20100	14,518	16,989
	折舊費用	
A20200	19,641	21,308
	攤銷費用	
A20400		
	透過損益按公允價值衡量金融	
	-	(18,744)
	負債之淨利益	
A20900	401	6,569
	財務成本	
A21200	(4,611)	(2,694)
	利息收入	
A21900	15,787	11,915
	認股權酬勞成本	
A21900	2,315	10,406
	限制員工權利新股酬勞成本	
A22300		
	採用權益法認列之子公司損	
	303,960	(141,214)
	(益)份額	
A22500	3	-
	處分不動產、廠房及設備損失	
A23700	60,000	104,990
	存貨跌價及呆滯損失	
A24200	-	32,888
	買回應付公司債損失	
A30000		
	營業資產及負債之淨變動數	
A31150	(51,396)	658,172
	應收帳款	
A31200	138,655	549,239
	存 貨	
A31240	(43,384)	10,094
	其他流動資產	
A32150	10,362	10,683
	應付帳款	
A32180	(19,431)	64,092
	其他應付款	
A32230	(47,878)	(67,262)
	其他流動負債	
A32240	(185)	(349)
	淨確定福利負債	
A33000	354,216	1,492,366
	營運產生之現金	
A33300	(401)	(87)
	支付之利息	
A33500	(604)	(260)
	支付之所得稅	
AAAA	<u>353,211</u>	<u>1,492,019</u>
	營業活動之淨現金流入	
投資活動之現金流量		
B01800	-	(34,500)
	取得採用權益法之投資	
B02700	(13,428)	(9,454)
	購置不動產、廠房及設備	
B04500	(4,810)	(3,257)
	購置無形資產	
B06500	-	22,000
	其他金融資產減少	

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代 碼		106年度	105年度
B06800	其他非流動資產減少(增加)	\$ 443	(\$ 260)
B07500	收取之利息	<u>4,283</u>	<u>3,080</u>
BBBB	投資活動之淨現金流出	(<u>13,512</u>)	(<u>22,391</u>)
	籌資活動之現金流量		
C00200	短期借款減少	-	(40,000)
C01300	償還公司債	-	(1,025,216)
C03100	存入保證金(減少)增加	(9,044)	25,425
C04500	發放現金股利	(189,985)	(212,240)
C04800	員工執行認股權	39,381	48,547
C04900	庫藏股票買回成本	(245,812)	(132,607)
C05100	庫藏股轉讓	116,806	69,615
C09900	註銷限制員工權利新股	(77)	(391)
C09900	未既得限制員工權利股票返還股利	<u>8</u>	<u>26</u>
CCCC	籌資活動之淨現金流出	(<u>288,723</u>)	(<u>1,266,841</u>)
EEEE	現金及約當現金淨增加	50,976	202,787
E00100	年初現金及約當現金餘額	<u>795,798</u>	<u>593,011</u>
E00200	年底現金及約當現金餘額	<u>\$ 846,774</u>	<u>\$ 795,798</u>

後附之附註係本個體財務報告之一部分。

董事長：

經理人：

會計主管：

會計師查核報告

敦泰電子股份有限公司 公鑒：

查核意見

敦泰電子股份有限公司及其子公司（敦泰集團）民國 106 年及 105 年 12 月 31 日之合併資產負債表，暨民國 106 年及 105 年 1 月 1 日至 12 月 31 日之合併綜合損益表、合併權益變動表、合併現金流量表，以及合併財務報表附註（包括重大會計政策彙總），業經本會計師查核竣事。

依本會計師之意見，上開合併財務報表在所有重大方面係依照證券發行人財務報告編製準則及經金融監督管理委員會認可並發布生效之國際財務報導準則、國際會計準則、解釋及解釋公告編製，足以允當表達敦泰集團民國 106 年及 105 年 12 月 31 日之合併財務狀況，暨民國 106 年及 105 年 1 月 1 日至 12 月 31 日之合併財務績效及合併現金流量。

查核意見之基礎

本會計師係依照會計師查核簽證財務報表規則及一般公認審計準則執行查核工作。本會計師於該等準則下之責任將於會計師查核合併財務報表之責任段進一步說明。本會計師所隸屬事務所受獨立性規範之人員已依會計師職業道德規範，與敦泰集團保持超然獨立，並履行該規範之其他責任。本會計師相信已取得足夠及適切之查核證據，以作為表示查核意見之基礎。

關鍵查核事項

關鍵查核事項係指依本會計師之專業判斷，對敦泰集團民國 106 年度合併財務報表之查核最為重要之事項。該等事項已於查核合併財務報表整體及形成查核意見之過程中予以因應，本會計師並不對該等事項單獨表示意見。

茲對敦泰集團民國 106 年度合併財務報表之關鍵查核事項敘明如下：

商譽及其他無形資產之減損評估

關鍵查核事項說明

敦泰集團民國 106 年 12 月 31 日商譽 3,237,268 仟元；其他無形資產 210,714 仟元，合計為 3,447,982 仟元（占合併資產總額 25%），對整體合併財務報表係屬重大。敦泰集團之商譽及其他無形資產係併購相關顯示驅動產業

之敦泰電子股份有限公司（原名旭曜科技股份有限公司）所產生。管理階層於評估商譽及其他無形資產是否減損時，係以敦泰集團之觸控和驅動整合晶片為獨立之現金產生單位，依未來營運現金流量並使用適當之折現率衡量可回收金額，用以評估該可回收金額是否不低於帳列之商譽及無形資產而無減損情事。

管理階層於決定未來營運現金流量時涉及管理階層之主觀判斷，且可能受未來市場或經濟景氣影響，包括上述現金產生單位之銷售成長率、利潤率及折現率等，因此將商譽及其他無形資產之減損評估列為 106 年度之關鍵查核事項。

與商譽及其他無形資產之減損評估相關會計政策、會計估計及假設之不確定性估計與攸關揭露資訊，請參閱附註四、五、十四及十五。

本會計師對於上述關鍵查核事項所執行之主要查核程序如下：

1. 取得及複核管理階層編製之觸控和驅動整合晶片之資產減損評估；
2. 了解管理階層估計該觸控和驅動整合晶片之未來營運展望市場成長率、市場佔有率、銷售成長率及利潤率之過程及依據，並取得外部相關產業未來趨勢分析，評估管理階層預測市場成長率之合理性；及
3. 評估及諮詢本事務所內部專家，管理階層使用之加權資金成本率是否適當。

銷貨收入

關鍵查核事項說明

銷貨收入係投資人及管理階層評估敦泰集團財務或業務績效之主要指標。由於管理階層可能存有達成預計財務目標的壓力，集團銷貨收入可能會有收入認列不正確之風險，因此將銷貨收入之認列列為 106 年度之關鍵查核事項。

本會計師對於上述關鍵查核事項所執行之主要查核程序如下：

1. 測試銷貨及收款作業循環內控制度設計及執行之有效性；
2. 針對各重要組成個體之主要銷售客戶之全年銷售進行抽核；
3. 分析產品別銷貨數量、銷貨收入及銷貨毛利有無重大異常；
4. 選擇報表日前後一段期間之銷售交易樣本，核對相關憑證，以確定收入認列在正確期間；及

5. 各重要組成個體之銷售客戶中，針對 106 年第 4 季銷貨數量及金額有大幅增長者，抽樣核對採購單、出貨單及收款紀錄，以確認收入之真實性。

其他事項

敦泰電子股份有限公司業已編製民國 106 及 105 年度之個體財務報表，並經本會計師出具無保留意見之查核報告在案，備供參考。

管理階層與治理單位對合併財務報表之責任

管理階層之責任係依照證券發行人財務報告編製準則及經金融監督管理委員會認可並發布生效之國際財務報導準則、國際會計準則、解釋及解釋公告編製允當表達之合併財務報表，且維持與合併財務報表編製有關之必要內部控制，以確保合併財務報表未存有導因於舞弊或錯誤之重大不實表達。

於編製合併財務報表時，管理階層之責任亦包括評估敦泰集團繼續經營之能力、相關事項之揭露，以及繼續經營會計基礎之採用，除非管理階層意圖清算敦泰集團或停止營業，或除清算或停業外別無實際可行之其他方案。

敦泰集團之治理單位（含審計委員會）負有監督財務報導流程之責任。

會計師查核合併財務報表之責任

本會計師查核合併財務報表之目的，係對合併財務報表整體是否存在導因於舞弊或錯誤之重大不實表達取得合理確信，並出具查核報告。合理確信係高度確信，惟依照一般公認審計準則執行之查核工作無法保證必能偵出合併財務報表存有之重大不實表達。不實表達可能導因於舞弊或錯誤。如不實表達之個別金額或彙總數可合理預期將影響合併財務報表使用者所作之經濟決策，則被認為具有重大性。

本會計師依照一般公認審計準則查核時，運用專業判斷並保持專業上之懷疑。本會計師亦執行下列工作：

1. 辨認並評估合併財務報表導因於舞弊或錯誤之重大不實表達風險；對所評估之風險設計及執行適當之因應對策；並取得足夠及適切之查核證據以作為查核意見之基礎。因舞弊可能涉及共謀、偽造、故意遺漏、不實聲明或踰越內部控制，故未偵出導因於舞弊之重大不實表達之風險高於導因於錯誤者。
2. 對與查核攸關之內部控制取得必要之瞭解，以設計當時情況下適當之查核程序，惟其目的非對敦泰集團內部控制之有效性表示意見。

3. 評估管理階層所採用會計政策之適當性，及其所作會計估計與相關揭露之合理性。
4. 依據所取得之查核證據，對管理階層採用繼續經營會計基礎之適當性，以及使敦泰集團繼續經營之能力可能產生重大疑慮之事件或情況是否存在重大不確定性，作出結論。本會計師若認為該等事件或情況存在重大不確定性，則須於查核報告中提醒合併財務報表使用者注意合併財務報表之相關揭露，或於該等揭露係屬不適當時修正查核意見。本會計師之結論係以截至查核報告日所取得之查核證據為基礎。惟未來事件或情況可能導致敦泰集團不再具有繼續經營之能力。
5. 評估合併財務報表（包括相關附註）之整體表達、結構及內容，以及合併財務報表是否允當表達相關交易及事件。
6. 對於集團內組成個體之財務資訊取得足夠及適切之查核證據，以對合併財務報表表示意見。本會計師負責集團查核案件之指導、監督及執行，並負責形成集團查核意見。

本會計師與治理單位溝通之事項，包括所規劃之查核範圍及時間，以及重大查核發現（包括於查核過程中所辨認之內部控制顯著缺失）。

本會計師亦向治理單位提供本會計師所隸屬事務所受獨立性規範之人員已遵循會計師職業道德規範中有關獨立性之聲明，並與治理單位溝通所有可能被認為會影響會計師獨立性之關係及其他事項（包括相關防護措施）。

本會計師從與治理單位溝通之事項中，決定對敦泰集團民國 106 年度合併財務報表查核之關鍵查核事項。本會計師於查核報告中敘明該等事項，除非法令不允許公開揭露特定事項，或在極罕見情況下，本會計師決定不於查核報告中溝通特定事項，因可合理預期此溝通所產生之負面影響大於所增進之公眾利益。

勤業眾信聯合會計師事務所

會計師 許 秀 明

許秀明



會計師 林 淑 婉

林淑婉



財政部證券暨期貨管理委員會核准文號
台財證六字第 0920123784 號

行政院金融監督管理委員會核准文號
金管證六字第 0930160267 號

中 華 民 國 1 0 7 年 3 月 2 8 日

敦泰電子股份有限公司及子公司

合併資產負債表

民國 106 年及 105 年 12 月 31 日

單位：新台幣仟元

代 碼	資 產	106年12月31日			105年12月31日				
		金	額	%	金	額	%		
	流動資產								
1100	現金及約當現金(附註四及六)	\$	2,596,128	19	\$	3,265,779	22		
1125	備供出售金融資產—流動(附註四及七)		35,814	-		-	-		
1170	應收帳款淨額(附註四及八)		1,257,525	9		1,334,499	9		
130X	存貨(附註四、五及九)		2,685,765	20		2,537,657	17		
1476	其他金融資產(附註四及十)		1,385,904	10		2,304,897	15		
1479	其他流動資產(附註二三)		212,037	2		123,117	1		
11XX	流動資產總計		<u>8,173,173</u>	<u>60</u>		<u>9,565,949</u>	<u>64</u>		
	非流動資產								
1523	備供出售金融資產—非流動(附註四及七)		245,640	2		175,839	1		
1543	以成本衡量之金融資產—非流動(附註四及十一)		74,400	-		80,625	-		
1600	不動產、廠房及設備(附註四及十三)		1,408,474	10		112,096	1		
1805	商譽(附註四、五及十四)		3,237,268	24		3,237,268	22		
1821	其他無形資產(附註四、五及十五)		210,714	2		202,982	1		
1840	遞延所得稅資產(附註四及二三)		104,501	1		136,369	1		
1990	其他非流動資產(附註十三及三一)		89,898	1		1,446,203	10		
15XX	非流動資產總計		<u>5,370,895</u>	<u>40</u>		<u>5,391,382</u>	<u>36</u>		
1XXX	資 產 總 計		<u>\$ 13,544,068</u>	<u>100</u>		<u>\$ 14,957,331</u>	<u>100</u>		
	負債及權益								
	流動負債								
2100	短期借款(附註四及十六)	\$	-	-	\$	645,000	4		
2170	應付帳款(附註十七)		1,310,390	10		1,540,640	10		
2209	其他應付款(附註十八)		738,870	5		905,327	6		
2230	本期所得稅負債(附註四及二三)		411,977	3		8,858	-		
2399	其他流動負債		82,620	1		63,080	1		
21XX	流動負債總計		<u>2,543,857</u>	<u>19</u>		<u>3,162,905</u>	<u>21</u>		
	非流動負債								
2570	遞延所得稅負債(附註四、五及二三)		15,876	-		185,983	1		
2640	淨確定福利負債—非流動(附註四及十九)		29,620	-		46,386	1		
2645	存入保證金		200,951	2		113,275	1		
2670	其他非流動負債—其他		10,400	-		10,400	-		
25XX	非流動負債總計		<u>256,847</u>	<u>2</u>		<u>356,044</u>	<u>3</u>		
2XXX	負債總計		<u>2,800,704</u>	<u>21</u>		<u>3,518,949</u>	<u>24</u>		
	歸屬於本公司業主之權益(附註四、二十及二五)								
	股 本								
3110	普通股		<u>2,983,700</u>	<u>22</u>		<u>2,965,344</u>	<u>20</u>		
	資本公積								
3210	發行溢價		6,565,204	49		6,468,819	43		
3220	庫藏股		40,868	-		40,305	-		
3235	認列對子公司所有權權益變動數		1,269	-		582	-		
3271	員工認股權		30,179	-		27,578	-		
3273	限制員工權利股票		-	-		73,797	1		
3280	員工認股權—逾期失效		17,356	-		14,765	-		
3200	資本公積總計		<u>6,654,876</u>	<u>49</u>		<u>6,625,846</u>	<u>44</u>		
	保留盈餘								
3310	法定盈餘公積		186,154	1		165,045	1		
3350	未分配盈餘		1,058,985	8		1,335,160	9		
3300	保留盈餘總計		<u>1,245,139</u>	<u>9</u>		<u>1,500,205</u>	<u>10</u>		
	其他權益								
3410	國外營運機構財務報表換算之兌換差額		47,154	-		433,584	3		
3425	備供出售金融資產未實現損失	(2,791)	-	(1,498)	-		
3491	員工未賺得酬勞		-	-	(36,040)	-		
3400	其他權益總計		<u>44,363</u>	<u>-</u>		<u>396,046</u>	<u>3</u>		
3500	庫藏股票	(191,998)	(1)	(62,992)	(1)
31XX	本公司業主之權益總計		<u>10,736,080</u>	<u>79</u>		<u>11,424,449</u>	<u>76</u>		
36XX	非控制權益		<u>7,284</u>	<u>-</u>		<u>13,933</u>	<u>-</u>		
3XXX	權益總計		<u>10,743,364</u>	<u>79</u>		<u>11,438,382</u>	<u>76</u>		
	負債與權益總計		<u>\$ 13,544,068</u>	<u>100</u>		<u>\$ 14,957,331</u>	<u>100</u>		

後附之附註係本合併財務報告之一部分。

董事長：

經理人：

會計主管：

敦泰電子股份有限公司及子公司

合併綜合損益表

民國 106 年及 105 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元，惟
每股盈餘為元

代 碼		106年度		105年度	
		金 額	%	金 額	%
4000	營業收入（附註四及二一）	\$ 10,798,334	100	\$ 11,018,225	100
5000	營業成本（附註九及二二）	(8,528,149)	(79)	(8,751,788)	(79)
5900	營業毛利	<u>2,270,185</u>	<u>21</u>	<u>2,266,437</u>	<u>21</u>
	營業費用（附註十九、二二、 二五及三十）				
6100	推銷費用	(468,590)	(4)	(469,917)	(4)
6200	管理費用	(314,478)	(3)	(288,932)	(3)
6300	研究發展費用	(1,324,902)	(12)	(1,300,104)	(12)
6000	營業費用合計	(2,107,970)	(19)	(2,058,953)	(19)
6900	營業淨利	<u>162,215</u>	<u>2</u>	<u>207,484</u>	<u>2</u>
	營業外收入及支出				
7050	財務成本（附註二二）	(9,676)	-	(8,564)	-
7100	利息收入（附註四）	65,475	-	56,738	-
7235	透過損益按公允價值衡 量之金融資產及負債 利益（附註四）	-	-	20,886	-
7590	其他利益及損失－淨額 （附註二二）	28,162	-	(7,926)	-
7630	外幣兌換損失	(42,443)	-	(26,723)	-
7000	營業外收入及支出 合計	<u>41,518</u>	<u>-</u>	<u>34,411</u>	<u>-</u>
7900	稅前淨利	203,733	2	241,895	2
7951	所得稅費用（附註四及二三）	(306,943)	(3)	(31,786)	-
8200	本年度淨（損）利	(103,210)	(1)	210,109	2

（接次頁）

(承前頁)

代 碼		106年度		105年度	
		金 額	%	金 額	%
	其他綜合損益－淨額				
	不重分類至損益之項目				
8311	確定福利計畫之再 衡量數（附註四及 十九）	\$ 16,581	-	\$ 1,433	-
8349	與不重分類之項目 相關之所得稅（附 註四及二三）	(1,990)	-	(386)	-
8310	不重分類至損益 之項目	<u>14,591</u>	-	<u>1,047</u>	-
	後續可能重分類至損益 之項目				
8361	國外營運機構財務 報表換算之兌換差 額（附註四）	(386,430)	(3)	(175,939)	(2)
8362	備供出售金融資產 未實現評價損益 （附註四）	(1,293)	-	(1,498)	-
8360	後續可能重分類 至損益之項目	(387,723)	(3)	(177,437)	(2)
8300	本年度其他綜合損 益（稅後淨額）合 計	(373,132)	(3)	(176,390)	(2)
8500	本年度綜合損益總額	(\$ 476,342)	(4)	\$ 33,719	-
	淨（損）利歸屬於：				
8610	本公司業主	(\$ 79,680)	(1)	\$ 211,094	2
8620	非控制權益	(23,530)	-	(985)	-
8600		(\$ 103,210)	(1)	\$ 210,109	2
	綜合（損）益總額歸屬於：				
8710	本公司業主	(\$ 452,812)	(4)	\$ 34,704	-
8720	非控制權益	(23,530)	-	(985)	-
8700		(\$ 476,342)	(4)	\$ 33,719	-
	每股（虧損）盈餘（附註二四）				
9750	基 本	(\$ 0.28)		\$ 0.73	
9850	稀 釋	(\$ 0.28)		\$ 0.71	

後附之附註係本合併財務報告之一部分。

董事長：

經理人：

會計主管：

敦泰電子股份有限公司及子公司 合併權益變動表
民國 106 年及 105 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元

代碼	歸屬於本公司之主權	其 他 權 益										
		股 本	資 本 公 積	保 留 盈 餘	盈 餘	國 外 營 運 機 構 備 供 出 售 財 務 報 表 換 算 之 兒 換 差 額	金 融 資 產 未 實 現 損 失	員 工 未 賺 得 酬 勞	庫 藏 股 票	總 計	非 控 制 權 益	權 益 總 額
A1	105 年 1 月 1 日 餘 額	\$ 2,933,299	\$ 6,592,641	\$ 141,463	\$ 1,358,815	\$ 609,523	\$ -	(\$ 62,974)	\$ -	\$ 11,572,767	\$ -	\$ 11,572,767
B1	104 年度盈餘指撥及分配 法定盈餘公積	-	-	23,582	(23,582)	-	-	-	-	-	-	-
B5	本公司股東現金股利	-	-	-	(212,240)	-	-	-	-	(212,240)	-	(212,240)
D1	105 年度淨利 (損)	-	-	-	211,094	-	-	-	-	211,094	(985)	210,109
D3	105 年度稅後其他綜合損益	-	-	-	1,047	(175,939)	(1,498)	-	-	(176,390)	-	(176,390)
D5	105 年度綜合損益總額	-	-	-	212,141	(175,939)	(1,498)	-	-	34,704	(985)	33,719
L1	庫藏股買回 (附註二十)	-	-	-	-	-	-	-	(132,607)	(132,607)	-	(132,607)
F3	庫藏股轉讓 (附註二十及二五)	-	-	-	-	-	-	-	69,615	69,615	-	69,615
M7	對子公司所有權權益變動 (附註二六)	-	582	-	-	-	-	-	-	582	(582)	-
N1	員工認股權酬勞成本 (附註二十及二五)	-	18,687	-	-	-	-	-	-	18,687	-	18,687
N1	執行認股權計畫下發行之普通股 (附註二十及二五)	33,566	14,981	-	-	-	-	-	-	48,547	-	48,547
N1	限制員工權利股票酬勞成本 (附註二十及二五)	-	-	-	-	-	-	24,460	-	24,460	-	24,460
N1	註銷限制員工權利股票 (附註二十)	(1,521)	(1,045)	-	-	-	-	2,474	-	(92)	-	(92)
N1	未既得限制員工權利股票返還股利	-	-	-	26	-	-	-	-	26	-	26
O1	非控制權益增加 (附註二六)	-	-	-	-	-	-	-	-	-	15,500	15,500
Z1	105 年 12 月 31 日 餘 額	2,965,344	6,625,846	165,045	1,335,160	433,584	(1,498)	(36,040)	(62,992)	11,424,449	13,933	11,438,382
B1	105 年度盈餘指撥及分配 提列法定盈餘公積	-	-	21,109	(21,109)	-	-	-	-	-	-	-
B5	本公司股東現金股利	-	-	-	(189,985)	-	-	-	-	(189,985)	-	(189,985)
D1	106 年度淨損	-	-	-	(79,680)	-	-	-	-	(79,680)	(23,530)	(103,210)
D3	106 年度稅後其他綜合損益	-	-	-	14,591	(386,430)	(1,293)	-	-	(373,132)	-	(373,132)
D5	106 年度綜合損益總額	-	-	-	(65,089)	(386,430)	(1,293)	-	-	(452,812)	(23,530)	(476,342)
L1	庫藏股買回 (附註二十)	-	-	-	-	-	-	-	(245,812)	(245,812)	-	(245,812)
F3	庫藏股轉讓 (附註二十及二五)	-	-	-	-	-	-	-	116,806	116,806	-	116,806
M7	對子公司所有權益增加 (附註二六)	-	687	-	-	-	-	-	-	687	(687)	-
N1	員工認股權酬勞成本 (附註二十及二五)	-	36,339	-	-	-	-	-	-	36,339	-	36,339
N1	執行認股權計畫下發行之普通股 (附註二十及二五)	18,619	20,762	-	-	-	-	-	-	39,381	-	39,381
N1	既得限制員工權利股票 (附註二十及二五)	-	(28,972)	-	-	-	-	28,972	-	-	-	-
N1	限制員工權利股票酬勞成本 (附註二十及二五)	-	-	-	-	-	-	7,068	-	7,068	-	7,068
N1	註銷限制員工權利股票 (附註二十)	(263)	214	-	-	-	-	-	-	(49)	-	(49)
N1	未既得限制員工權利股票返還股利	-	-	-	8	-	-	-	-	8	-	8
O1	非控制權益增加 (附註二六)	-	-	-	-	-	-	-	-	-	17,568	17,568
Z1	106 年 12 月 31 日 餘 額	\$ 2,983,700	\$ 6,654,876	\$ 186,154	\$ 1,058,985	\$ 47,154	(\$ 2,791)	\$ -	(\$ 191,998)	\$ 10,736,080	\$ 7,284	\$ 10,743,364

董事長：

經理人：

會計主管：

敦泰電子股份有限公司及子公司

合併現金流量表

民國 106 年及 105 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元

代 碼		106年度	105年度
	營業活動之現金流量		
A10000	本年度稅前淨利	\$ 203,733	\$ 241,895
	收益費損項目：		
A20100	折舊費用	46,616	53,022
A20200	攤銷費用	70,096	56,726
A20400	透過損益按公允價值衡量金融 資產及負債之淨利益	-	(20,886)
A20900	財務成本	9,676	8,564
A21200	利息收入	(65,475)	(56,738)
A21900	認股權酬勞成本	36,339	18,687
A21900	限制員工權利新股酬勞成本	7,068	24,460
A22500	處分不動產、廠房及設備損失	27	1,974
A23700	存貨跌價及呆滯損失	51,120	214,038
A24100	外幣兌換淨(利益)損失	(13,905)	21,625
A24200	買回應付公司債損失	-	32,888
A30000	營業資產及負債之淨變動數		
A31150	應收帳款	46,223	252,558
A31200	存 貨	(322,093)	(222,690)
A31240	其他流動資產	(87,563)	17,649
A32150	應付帳款	(169,037)	572,039
A32180	其他應付款	(128,262)	(50,969)
A32230	其他流動負債	22,305	(3,525)
A32240	淨確定福利負債	(185)	(349)
A33000	營運產生之現金	(293,317)	1,160,968
A33300	支付之利息	(9,721)	(2,313)
A33500	支付之所得稅	(24,635)	(11,149)
AAAA	營業活動之淨現金流(出)入	(327,673)	1,147,506
	投資活動之現金流量		
B00200	處分原始認列時指定為透過損益按 公允價值衡量之金融資產	-	129,051
B00300	取得備供出售金融資產	(123,620)	(161,207)
B00900	取得持有至到期日金融資產	-	(16,271)
B01200	取得以成本衡量之金融資產	-	(32,262)

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代 碼		106年度	105年度
B02700	購置不動產、廠房及設備	(\$ 75,208)	(\$ 22,993)
B02800	處分不動產、廠房及設備價款	-	532
B04500	購置無形資產	(84,203)	(87,390)
B06500	其他金融資產減少	768,087	2,879,609
B06800	其他非流動資產減少(增加)	58,273	(1,454,527)
B07500	收取之利息	<u>60,945</u>	<u>65,129</u>
BBBB	投資活動之淨現金流入	<u>604,274</u>	<u>1,299,671</u>
	籌資活動之現金流量		
C00200	短期借款(減少)增加	(608,630)	379,415
C01300	償還公司債	-	(1,025,216)
C03100	存入保證金增加	89,858	25,425
C04500	發放現金股利	(189,985)	(212,240)
C04800	員工執行認股權	39,381	48,547
C04900	庫藏股票買回成本	(245,812)	(132,607)
C05100	庫藏股轉讓	116,806	69,615
C05800	非控制權益增加	17,568	15,500
C09900	註銷限制員工權利新股	(77)	(391)
C09900	未既得限制員工權利股票返還股利	<u>8</u>	<u>26</u>
CCCC	籌資活動之淨現金流出	<u>(780,883)</u>	<u>(831,926)</u>
DDDD	匯率變動對現金及約當現金之影響	<u>(165,369)</u>	<u>(39,913)</u>
EEEE	現金及約當現金淨(減少)增加	(669,651)	1,575,338
E00100	年初現金及約當現金餘額	<u>3,265,779</u>	<u>1,690,441</u>
E00200	年底現金及約當現金餘額	<u>\$2,596,128</u>	<u>\$3,265,779</u>

後附之附註係本合併財務報告之一部分。

董事長：

經理人：

會計主管

Attachment 5

FocalTech 2017 Profit Distribution Table

Unit: NT\$

Item	Amount
Retained Earnings at Year Beginning	1,124,065,162
Remeasurement on Determined Welfare Plan	14,590,659
Dividend Return from Unvested Restricted Stock Unit	7,843
Retained Earnings at Year Beginning after Adjustment	1,138,663,664
2017 Net Profit after Tax	-79,680,006
Appropriated Item:	
Appropriated for Legal Reserve	0
Subtotal	1,058,983,658
Distribution Item:	
Shareholders' Dividend-Cash	0
Retained Earnings at Year End	1,058,983,658

Chairman:

CEO:

CFO:

Appendix 1

FocalTech Rules of Procedure for Shareholders' Meeting

Approved by Shareholders' meeting on June 13, 2012

1. In order to establish a good shareholders' governance system, improve the supervision function, and strengthen management functions of the company, these rules are established in accordance with the relevant requirements of the "Listed Guiding Practices for Corporate Governance", to follow.
2. Unless provided in the Act or the articles of incorporation, otherwise the rules of procedure of the shareholders' meeting of the company shall be governed by the provisions of these rules.
3. The shareholders' meeting of the company shall be convened by the board of directors unless specified by the Act.
The company shall upload the shareholders meeting notice, power of attorney, the subject and the description of the approval, the discussion, the election or the dismissal of directors to MOPS 30 days before the shareholders' meeting or 15 days before the shareholders' interim meeting..
In addition, the shareholders' meeting manual and the supplementary information of the meeting and the production of electronic files shall be transmitted to MOPS 21 days before the shareholders' meeting or 15 days before the shareholders' interim meeting.
And 15 days before the meeting of shareholders, the shareholders' meeting manual and supplementary information for the meeting shall be prepared for the shareholders to read and display at the company and its stock agency, and shall be distributed on the spot of the shareholders meeting.
The matters of selecting or dismissing directors, changing the articles of association, dissolving, merging, splitting, or the first paragraph of Article 185 of the company law, or Article 26-1 and Article 43-6 of the Securities Exchange Act shall be Listed in the cause of the convocation, no provision may be made on a provisional motion.
Shareholders who hold more than 1 percent of the total shares can submit a written meeting to the company, but with one limitation. And if proposed motion being like what's written in the fourth paragraph of Article 172-1 of the Company Law, the board of directors may not list as a bill.
The Company shall announce the acceptance of shareholders' proposals, the acceptance of premises and the acceptance period prior to the termination of the share transfer prior to the convening of the regular shareholders meeting; the acceptance period shall not be less than ten days.
The motion proposed by the shareholders is limited to 300 words. If the number exceeds 300 words, it shall not be included in the proposal; the shareholder who

proposes shall personally or entrust another person to attend the regular meeting and participate in the discussion of the resolution.

The company shall notify the shareholders of the process of the proposals before the date of the notice convening the shareholders meeting, and shall list the proposals in this section to the meeting notice. For those proposals that are not included in the bill, the board of directors should explain the reasons for not including them in the shareholders' meeting.

4. At each shareholder meeting, shareholders must issue a power of attorney issued by the company, specifying the scope of the authorization, entrusting agents, and attending the shareholders' meeting.

A shareholder shall issue a power of attorney and limit it to one person. It shall be delivered to the company five days before the meeting of the shareholders' meeting. When the power of attorney is repeated, the first person to be delivered shall prevail. However, the delegator before revoking the statement shall not be limited to this.

After the power of attorney is delivered to the company, if the shareholder desires to attend the shareholders' meeting in person or wishes to exercise voting rights electronically or in writing, he shall notify the company in writing of cancellation of the appointment two days prior to the meeting of the shareholders; The voting rights of the person attending the exercise shall prevail.

5. (Principle of the place and time for holding shareholders meeting)

The place of the shareholders' meeting shall be in the place where the company is located or where the convenience shareholders are present and suitable for the meeting of the shareholders. The meeting shall not begin earlier than 9:00 am or later than 3:00 pm. The independent directors' opinions shall be fully considered to decide the place and time of the meeting.

6. (Preparation of documents such as signature books)

The company shall establish a scrapbook for the attendance of the shareholders themselves or the agents entrusted by the shareholders, or the attendance of the shareholders to attend the attendance cards to sign.

The company shall deliver the manuals, annual reports, attendance cards, speeches, voting papers, and other meeting materials to the shareholders attending the shareholders meeting; if there are elected directors, an election vote shall be attached.

Shareholders should attend the shareholders' meeting with their attendance cards, attendance cards or other attendance certificates; they should be the solicitors of the solicitation request letter and should bring their identity documents for verification.

When an institution is a shareholder, the representative who attends the shareholder meeting is not limited to one person. When an institution is entrusted to attend a shareholders' meeting, only one person may be appointed to attend the meeting.

7. (Chairman of the shareholders' meeting, attendees)

If the shareholders' meeting is convened by the board of directors and the president is the chairman, the chairman appoints one person to represent the board of directors; if the chairman does not assign, the board of directors will push one person to represent each other.

If the shareholder meeting is convened by a convener other than the board of directors, the chairman is assumed by the convener. If there are more than two conveners, one person should be elected.

The company may appoint appointed lawyers, accountants or related personnel to attend the shareholders' meeting and answer relevant questions during the agenda.

8. (Conservation of recording or video recording during the meeting of shareholders)

The company shall record or videotape the entire meeting of the shareholders meeting and keep it for at least one year. However, if a shareholder filed a lawsuit in accordance with Article 189 of the Corporation Law, it shall be kept until the end of the lawsuit.

9. The attendance of shareholders' meetings should be calculated on the basis of shares. The number of shares attending is calculated based on the scrapbook or the paid-in card, plus the number of shares in which voting rights are exercised in writing or electronically.

At the time of the meeting, the chairman shall immediately announce the meeting. However, when no shareholder representing more than half of the total number of shares already issued is present, the chairman may announce a postponement of the meeting. The number of postponements shall be limited to the second time, and the total delay time shall not exceed one hour. After the second time of the postponement, the present shares are still insufficient to represent more than one-third of the total number of issued shares, the chairman shall announce the cancel of the meeting.

If the foregoing item is delayed for the second time and the shareholder represents more than one-third of the total number of shares already issued, it may be subject to a semi-resolution in accordance with the first item of article 175 of the company law, and shall notify each of the semi-resolutions.

Shareholders will re-convene the shareholders meeting within a month.

Before the end of the current meeting, if the number of shares represented by

the shareholders attending the meeting exceeds half of the total number of issued shares, the chairman may make a semi-resolution to be resubmitted to the shareholder meeting according to Article 174 of the Company Law.

10.(Motion Discussion)

If the shareholders' meeting is convened by the board of directors, its agenda is set by the board of directors. The meeting shall be conducted in accordance with the scheduled agenda, and may not be changed without the resolution of the shareholders' meeting.

If the shareholders' meeting is convened by a caller other than the board of directors, the same rules shall apply.

Before the end of the agenda (including the provisional motion) of the first two scheduled agendas, the chairman shall not announce the adjournment without resolution.

If the chairman violates the rules of procedure and announces the adjournment, the other members of the board of directors shall promptly assist the shareholders in attending the proceedings according to law, and appoint one person to chair the meeting with the consent of more than half of the voting rights of the shareholders, and continue the meeting.

When the chairman thinks that the amendment and the provisional motion proposed reached the level to vote, he may announce to stop the discussion and put it to the vote.

11.(Shareholders' speeches)

Before attending a shareholder's speech, a statement should be filled in with the statement of speech, the shareholder number and the name of the account, and the chairman should set the order of his speech.

Shareholders who only provide speech notes will be considered as not speaking. And if the speech is not consistent with the note of the speech, the speech shall prevail.

The shareholder's speech shall be made after all reports have been reported by the chairman. Each person shall not speak more than twice, and each time shall not exceed five minutes. However, with the permission of the chairman, it may be extended by five minutes and shall be limited to one extension.

Shareholders shall use the provisions of the preceding paragraph for the time and frequency of speeches for each of the items listed on the agenda for recognition and discussion, as well as various Ratifications in the temporary motion procedure.

Shareholders shall speak in response to various items in the agenda of the temporary motion that are not part of the motion. The time and frequency shall be subject to the provisions above.

If the shareholder makes a speech that violates the provisions of the preceding

paragraph or exceeds the scope of the topic, the chairman may stop his speech. When a shareholder is making a speech, other shareholders shall not interrupt except with the consent of the chairman.

When an institutional shareholder appoints more than two representatives to attend the shareholders' meeting, the same motion may only be delivered by one person.

After attending the shareholder's speech, the chairman may answer the question in person or by a designated person.

12.(Calculation of voting shares, avoidance of interest conflict)

The voting of the shareholders' meeting shall be based on the shares.

Resolutions of the shareholders' meeting shall not be counted as the total number of shares issued to non-voting shareholders. When a shareholder has a stake in the matter of the meeting that is detrimental to the interests of the company, he shall not be included in the voting and shall not exercise his voting rights on his behalf. The number of shares not entitled to vote in the preceding paragraph shall not be counted as the number of voting rights that have been present at the shareholders.

Except for the trust business or the share agency approved by the securities regulatory authority, when a person is entrusted by more than two shareholders at the same time, the voting rights of its agent shall not exceed 3% of the total voting shares of the issued shares, and those exceeding will not count in the voting.

13.Shareholders have one voting right per share; however, those who do not have the voting power listed in the second paragraph of Article 179 of the Company Law are not subject to this rule.

When the company convenes a shareholders' meeting, it may vote exercise its voting rights in writing or electronically; when it exercises voting rights in writing or electronically, its method of exercise shall be clearly stated in the shareholders' meeting convening notice. Shareholders who exercise voting rights in writing or electronically are deemed to have attended the shareholders meeting in person. However, the temporary motion of the shareholders meeting and the amendment of the original motion are deemed as abstentions.

For those who have voted in writing or electronically in the preceding paragraph, their meaning means that they should be delivered to the company two days before the meeting of shareholders. If there is any duplication of the meaning, the person who delivered the first shall prevail. However, the statement of the meaning before revocation is not limited to this.

After a shareholder has exercised voting rights in writing or electronically, if he wishes to attend the shareholder meeting he shall withdraw the meaning of the previous exercise of voting rights in the same manner as the exercise of voting

rights two days prior to the meeting of the shareholders; overdue withdrawals will be made in writing or electronically. The exercise of voting rights shall prevail. If the voting rights are exercised in writing or electronically, and the proxy is entrusted to attend the shareholders' meeting, the principal's right to vote at the time of exercise shall prevail. Voting of the resolution is subject to the consent of more than half of the voting rights of the shareholders in addition to the company law and the articles of association of the company.

If the chairman consults all the attending shareholders and no objection to the proposal, the proposal shall be deemed as passed and approved. The effectiveness shall be the same as voting. If there is any objection, voting shall be conducted in accordance with the provisions of the preceding paragraph.

When there are amendments or alternatives to the same motion, the chairman and the original case set the voting order. If one of the cases attending has been passed, other motions will be considered veto and no one will be required to vote again.

The scrutineer for the vote on the motion and the vote counting staff shall be appointed by the chairman but the scrutineers shall be the shareholder.

The vote count shall be publicly disclosed in the shareholders' meeting room.

The result of the vote shall be reported on site and recorded.

14.(Election Matters)

When a election for directors is held, should be according to the relevant election rules set by the company and announce the results of the election right away.

Election tickets shall be sealed and signed by the scrutineers for safekeeping and kept for at least one year. However, if a shareholder filed a lawsuit in accordance with Article 189 of the Corporation Law, it shall be kept until the end of the lawsuit.

15.The resolutions of the shareholders' meeting shall be made into conference record, signed or sealed by the chairman, and the conference record shall be distributed to all shareholders within 20 days after the meeting. The production and distribution of the proceedings were made electronically.

The conference record can be announced by uploading to the MOPS.

The conference record should be written in accordance with the year, month, day, place, name of the chairman, resolution method, method, and the results of the meeting. It shall be kept forever during the existence of the company.

The method of the above resolution is subject to the chairman's advice to the shareholders. If the shareholders have no objection to the ratification, they should record that “the chairman has consulted all shareholders to attend without objection”; however, if the shareholders object to the ratification, the voting method and vote result by ratio and shares should be recorded.

16.(External announcement)

The number of shares sought by the solicitor and the number of shares entrusted by the agent shall be clearly disclosed in the shareholders' meeting at the meeting on the day when the shareholders meeting is held.

If the resolutions of the shareholders' meeting are stipulated by laws and regulations and the major information stipulated by the Taiwan Stock Exchange Co., Ltd., the company shall transmit the content to the MOPS.

17.(Maintenance of Venue Order)

The personnel attending the shareholders meeting should wear an identification card or an armband.

The chairman has to command pickers or security personnel to help maintain order at the venue. When pickets or security guards are present to help maintain order, they should wear the “picker’s” armband or ID card.

The chairman of the venue shall be equipped with sound reinforcement equipment. When the shareholders do not speak in accordance with the equipment allocated by the company, the chairman may stop it.

If a shareholder violates the rules of procedure and fails to obey the chairman's correction, the person precluding the meeting from proceeding to prevent him from doing so may be asked by the chairman to direct a picket or security officer to leave the venue.

18.(Taking a Break and Continue Meeting)

When the meeting is held, the chairman may announce a break at a discretionary time. When an irresistible situation occurs, the chairman may rule that the meeting should be suspended temporarily and announce the time for the meeting to continue.

Before the scheduled agenda is finalized, if the venue does not continue to be used, the shareholders’ meeting may decide to move to other location to continue.

The shareholders’ meeting may be postponed within 5 days or continue subject to the provisions of Article 182 of the Company Law.

19.This rule will be implemented after approval by the shareholders' meeting and the amendment will follow the same procedure.

Appendix 2

Articles of Incorporation for FocalTech

Section I General Provisions

Article 1 The Company shall be incorporated as a limited liability company with shares defined by the Company Act and its name shall be “FocalTech Systems Co., Ltd.”.

Article 2 The scope of business of the Company shall be as follow:

1. CC01080 Electronic component manufacturing
2. I301010 Information Software Services
3. IG02010 Research and Development Service
4. I501010 Product Design

Research, development, design, manufacture, and sales of various integrated circuits:

- (1) Providing hardware, software, application design, testing, maintenance, and technical consulting services for various integrated circuits.
- (2) Research, development and sales of IP.
- (3) Import and export activities related to the previous business.

Article 3 The Company shall have its head-office in Hsinchu Science-based Industrial Park and, if necessary, may set up branches domestically or overseas after the approval its Board of Directors and the authority.

Article 4 Public notices of the Company shall be made in accordance with Article 28 of the Company Act.

Section II Shares

Article 5 The total capital amount of the Company shall be five billion New Taiwan Dollars accounting for five hundred million shares, at a par value of Ten New Taiwan Dollars (NT\$10) per share. The Board of Directors is authorized to issue the unissued shares in installments

Article 5-1 If the company intends to issue employee stock options at a share price lower than the market price (net book value per share), it shall comply with the provisions of Article 56-1 and 76 of the Code of Dealing with the Offering and Issuance of Securities of the Issuer. After being resolved by the shareholders' meeting, the shares could

be issued.

Article 5-2 If the company intends to transfer the shares of the company to the employees at the price lower than the average actual purchase price, it shall comply with the provisions of Article 10-1 and Article 13 of the Measures for Buying Back Stocks of the Company by the Listed and OTC company. The approval by 2/3 of the more than 50% of the attending voting shares in the latest shareholders' meeting is required.

Article 6 The share certificate of the Company shall be all name registered share certificates and shall be signed by, and affixed with the seals or by signature of, at least three directors of the Company, and issued after duly authentication pursuant to the law. The Company can also issue shares by registering or wiring into account books based on related regulations, rather printing physical shares.

Article 7 The company's stock handling operations, besides the provisions of laws and securities regulations, also shall be in accordance with the "Standards for the Issuance of Stocks of Public Share Issuing Companies". When the relevant laws and regulations are changed, they shall be executed at any time after the change.

Article 8 Registration for transfer of shares shall all be suspended 60 days before the convocation of any ordinary shareholders' meeting, 30 days before the convocation of extraordinary shareholders' meeting, or 5 days before the record day for distribution of dividend, interest and bonus or any other benefit as scheduled by the Company.

Section III Shareholder Meeting

Article 9 There are two types of shareholders' meetings: ordinary meetings and extraordinary meetings. The regular meetings are convened by the board of directors. The ordinary meetings are held once a year and are held within six months after the end of each fiscal year. The extraordinary meeting is convened according to law when necessary. The convening of the ordinary shareholders' meeting must be announced 30 days before the meeting. The extraordinary meeting shall announce the date, location and convening of the meeting 15 days before the meeting. The convening notice to shareholders

holding less than 1,000 shares can be in the form of an announcement.

- Article 9-1 Shareholders who hold 1 per cent of the total number of issued shares at the time when the company convened a regular meeting of shareholders could submit no more than one shareholder meeting proposal to the company in writing. Any proposal more than one shall not be included in the shareholders meeting. The operations are handled in accordance with the company law and related regulations.
- Article 10 Resolutions of the shareholders' meeting may be processed in writing or electronically. Except specified by the provisions of the Company Law, the resolution should be made by the agreement of more than half of the attending voting shares, which are more than half of the issued shares.
- Article 11 When the shareholders are unable to attend the shareholders' meeting, according to Article 177 of the company law, the power of attorney shall specify the scope of authorization and entrust the agent to attend the meeting. The power of attorney shall reach the company five days before the meeting.
The method of entrusting the shareholders to attend shall be handled in accordance with the provisions of the "Provisional Regulations on the Use of Public Companies to Attend Shareholders' Meetings" issued by the competent authority, besides to the provisions of the company law.
- Article 12 Each share has one voting right except for the case defined in Article 179 of the Company Law.
- Article 13 When the shareholder meeting is held, the Company chairman shall be the meeting chairman. In the absence of the chairman of the board of directors, the chairman shall appoint one director to act as the agent. If not, the directors shall elect one director to represent. If the meeting is not convened by the board of directors, the meeting chairman could be the convener. When there are two or more concentrators, one of them should be elected to be the meeting chairman.
- Article 14 The resolutions of the shareholders' meeting shall be made into

meeting records, signed or sealed by the chairman, and the minutes shall be distributed to the shareholders within 20 days after the meeting. The distribution of the records shall be announced in the form of an announcement. The period of record of the minutes of the proceedings and proceedings, attendance at the shareholders' signature book or attendance card, and power of attorney attendance shall be subject to the provisions of Article 183 of the Company Law.

Article 15 When the company's shares are proposed not to be traded publicly, this shall be subject to the resolution of the shareholders' meeting, and this provision will not be changed during the listing period.

Section IV Directors and Audit Committee

Article 16 The company has nine to eleven directors. It adopts the nomination system for candidates. The shareholders' meeting elect and choose those capable to be the Board members in a term of three years. The Board members could be reelected term by term. If a representative of an institutional shareholder is elected as a director, the institution may change the representative at any time in the of service. The company may, subject to relevant laws and regulations, under the resolution by the board of directors, purchases liability insurance for the directors to reduce the risk of the directors being sued by the shareholders or other related parties for performing their duties according to law.

Article 16-1 The number of independent directors shall not be less than three, and shall not be less than one-fifth of the number of directors. The candidate nomination system shall be used. The shareholders' meeting shall elect the list of candidates for independent directors. The professional qualifications of the independent directors referred to in the preceding paragraph, restrictions on shareholding and part-time work, nomination methods, and other compliance matters shall be handled in accordance with the relevant provisions of the competent securities authority.

Article 16-2 When the directors of the company perform the duties of the company, regardless of the operating profit and loss of the company, the compensation may be paid and the remuneration is authorized by the board of directors considering the normal level of the industry.

- Article 16-3 In accordance with the provisions of Article 14-4 of the Securities and Exchange Act, the company sets up an audit committee and the audit committee is responsible for executing the company's law, securities trading law and other laws and regulations stipulating the authority of the supervisor. The audit committee shall consist of all independent directors, the number of whom shall be no less than three, one of which shall be the convener, and at least one shall have accounting or financial expertise. The resolution of the audit committee shall have the agreement of more than one-half of all members.
- Article 17 When the missing amount of directors is up to one-third, the board of directors shall convene a shareholders meeting to elect new Board members within sixty days.
- Article 18 When the term of office of the director is expired but not till the re-election, except as otherwise provided in the company law, he or she shall extend his or her duties until the re-election.
- Article 19 The Chairman shall be elected by more than 2/3 majority in the Board meeting with at least half members attending. The Chairman conducts all company affairs in accordance with laws, regulations, shareholders' meetings and board resolutions.
- Article 20 Except as otherwise provided in the company law, the board of directors shall be convened in accordance with the provisions of the company law. When the board of directors meets at the meeting, the directors should attend in person unless they are otherwise required by the company law. When the directors are unable to attend in person, they will produce a power of attorney, list the scope of the authorization for the cause of the meeting, and appoint other directors to represent the board of directors. The director acts as an agent for other directors to attend the board of directors, but limited by the commission of one person.
- Article 20-1 The convening of the board of directors shall be notified to all directors by written, E-mail or fax seven days ago. The Board meeting could be called at any time in an emergency by notify in writing, by e-mail or by fax.

Article 21 The chairman of the board represents the company. If the chairman leave or other reasons that makes him cannot exercise authority, the chairman of the board of directors shall appoint one person to act as the agent. In the absence of such designation, the deputy shall be elected by the directors.

Article 22 Matters to be resolved by the board of directors shall be made into records and shall be signed or sealed by the chairman. Within 20 days after the meeting, the records will be distributed to all directors. The records of the board meeting shall notice the proceedings of the board of directors, the attendance of the board of directors shall be recorded. The agent's power of attorney attendance will be handled in accordance with Article 207 of the company law.

Article 23 The Board of Directors shall have the following functions and responsibilities:

1. Decision on business policy
2. Validation of the budget
3. Prepare financial statements to report shareholders' meeting.
4. Amend the proposed articles of association.
5. Execute resolutions of the shareholders meeting.
6. Validation of the main contract.
7. Propose a Ratification for surplus distribution or loss provision.
8. Ratifications for capital increase or reduction.
9. Employment of key staff.
10. The organization rules and business rules formulation
11. Other duties defined by laws and shareholder meeting resolutions

Section V Managers and staff

Article 24 The company may have the position of the manager, whose appointment, dismissal and remuneration are in accordance with Article 29 of the company law.

Article 24-1 The Company may, subject to the relevant laws and regulations, obtain resolutions from the board of directors and purchase liability insurance for the managers to reduce the risk of the managers being prosecuted by shareholders or other related parties for performing their duties according to law.

Article 25 The company may hire important staffs based on Board resolutions in accordance with the provisions of Article 24 of the Articles of Incorporation.

Section VI Accounting

Article 26 The Board of Directors shall prepare after the close of each accounting fiscal year for the Company (1) Business Report, (2) Financial Statements, (3) Ratification of Distribution of Profit or Making Up of Loss, etc. and submit the same to the general shareholders meeting for acceptance.

Article 26-1 If the company is profitable for the year, it shall be remunerated to employees no less than 1% of the profit. The board of directors shall make a resolution to distribute the remuneration in shares or cash. The remuneration could include the employees in subsidiaries that meet certain conditions; the remuneration of the board of directors shall be no more than 1.5% of the profit. The profit sharing to employees and Board members should be reported to the shareholders' meeting.

However, when the company still has the accumulated loss, the remuneration shall be used to make up the deficit until the accumulated loss turns to the profit.

Article 27 If the company has annual profit before tax, the company shall pay taxes in accordance with the law, make up the deficit and reserve 10% of the rest as a statutory surplus reserve. However, if the statutory surplus reserve has reached the company's paid-in capital, it will be no longer to reserve. According to the statutory decree, special surplus reserve shall be provided or turned back; after the reserves and reductions above, the rest of the profit and the accumulated undistributed surplus in previous years could be considered together as the proposal of dividend distribution by the Board of Directors for shareholders meeting approval. The company's dividend policy is based on current and future development plans, consideration of the investment environment, funding needs, and domestic and foreign competition conditions, and the interests of shareholders. Each year the dividends shall be no less than 10% of the annual profit, distributed in cash, shares or both. Cash dividend portion shall not be less than 10% of total dividends. If

the cash dividends is less than NT\$0.5 per share, the Company may decide not to distribute the dividends.

- Article 28 The company may endorse the external endorsement and may, depending on the needs of the business, lend the funds to others. Its operating methods are determined by the board of directors according to law.
- Article 29 The total amount of the company's investment is not subject to the limit of 40 percent of the paid-in capital of the company law in Article 13.
- Article 30 The company's organization rules and operation procedures are set by the board of directors.
- Article 30-1 For matters not regulated in this statute, shall be handled in accordance with the provisions of the company law and other statutes.
- Article 31 This Article was established on December 15, 2005. The first amendment was made on January 19, 2006. The second amendment was made on March 28, 2006. The third amendment was made on October 5, 2006. The fourth amendment was made on May 10, 2007. The fifth amendment was made on June 6, 2008. The sixth amendment was made on June 16, 2009. The seventh amendment was made on June 15, 2011. The eighth amendment was made on June 13, 2012. The ninth amendment was made on June 18, 2013. The tenth amendment was made on June 30, 2014. The eleventh amendment was made on January 5, 2015. The twelfth amendment was made on June 10, 2015. The thirteenth amendment was made on June 22, 2016.

Appendix 3

FocalTech Directors' Shareholdings Status

Record Date: April 17, 2018

Position	Name	Shareholdings Status	
		Number of shares	Shareholding Ratio
Chairman	Genda Hu	370,341	0.12%
Director	James Liao	578,474	0.19%
Director	GWAA LLC Representative Person : Shie Hanping	5,940,047	1.99%
Director	CTBC Bank Trusteeship for Jifu Holding Group (shares) Investment Account Representative Person : Shen Yen	8,286,703	2.78%
Independent Director	Shih Chintay	0	0%
Independent Director	Lin Yujuan	0	0%
Independent Director	Lee Linshan	0	0%
Independent Director	Tu Nengmo	0	0%
Total of All Directors		15,175,565	5.08%

Note:

1. Total shares issued: 298,469,966 common shares.
2. Minimum number of shares that all directors should hold in total is 12,000,000 shares on April 17, 2017
3. The number of shares held by individual and all directors listed above, summarized from the shareholders' register on the date of suspension of transfer, fulfills the requirement of Article 26 of the Securities Exchange Act.