

Handbook for 2019 Annual General Meeting of Shareholders (Translation)

Time: June 20, 2019 9:00AM

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



Table of Contents

- I.Meeting Agenda..... 2
 - 1.Meeting Agenda for 2019 Annual General Meeeting of Shareolders 2
 - 2.Matters for Report..... 3
 - 3.Matters for Ratification..... 5
 - 4.Matters for Discussion 6
 - 5.Extempore Motions..... 7
 - 6.Adjournment 7
- II. Attachment 8
 - 1.2018 Annual Business Report..... 8
 - 2. Audit Committee Review Report..... 10
 - 3. The Transferring Rules of the 4th , and 5th Share Buy-Back Programs ... 11
 - 4. Independent Auditors’ Report and Consolidated/Standalone Financial Statements 15
 - 5. 2018 Deficit Compensation Table 38
 - 6. Amendment to the “Articles of Incorporation” Comparison Table 39
 - 7. Amendment to the “Operational Procedures for Acquisition and Disposal of Assets” Comparison Table 45
 - 8. Amendment to the“Operational Procedures for Loaning of Company Funds” Comparison Table 58
- III.Appendix..... 60
 - 1.Rules of Procedure for Shareholders’ Meeting..... 60
 - 2. Articles of Incorporation for FocalTech (before amended) 67
 - 3.Director’s Stockholding Status 75

Meeting Agenda

Meeting Agenda for 2019 Annual General Meeting of Shareholders

Time : 9:00AM June 20, 2019

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 for Report
 1. 2018 business report
 2. Audit committee review report
 3. Status report of the company's share buyback program
6. Matters for Ratification
 1. Adoption of 2018 annual business report and financial statements
 2. Adoption of the proposal for 2018 deficit compensation
7. Matters for Discussion
 1. Proposal for cash distribution from Additional Paid-in Capital
 2. Amendment to the “Articles of Incorporation”
 3. Amendment to the “Operational Procedures for Acquisition and Disposal of Assets”
 4. Amendment to the “Operational Procedures for Loaning of Company Funds”
8. Extempore Motions
9. Adjournment

Matters for Report

Report item (1)

Subject: 2018 Annual Business Report

Descriptions: 2018 Annual Business Report is attached on page 8, Attachment 1

Report item (2)

Subject: Audit Committee Review Report

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

Attachment 2

Report item (3)

Subject: Status report of the company's share buyback program

Descriptions: please refer the table below:

| Buy-Back Batch | 4 th | 5 th |
|--|--|--|
| Board of Directors Resolution Day | 2018.July.26 | 2018.August.23 |
| The Purpose for Buying | Transfer shares to employees | Transfer shares to employees |
| Planned Buying Back Period | 2018.July.27~2018.September.26 | 2018.August.24~2018.October.23 |
| Upper Limit of Dollar Amount to Be Used for Buying Back Shares | NT\$7,689,512,172 | NT\$7,781,439,865 |
| Share Type and Quantity Planned to Buy Back | 8,000,000 shares of common stock | 8,000,000 shares of common stock |
| Planned Price Range for Buying Back | NT\$17.68- NT\$39.65, but will continue to buy back shares, once the stock price is under the minimum of planned range | NT\$17.22- NT\$37.26, but will continue to buy back shares, once the stock price is under the minimum of planned range |
| Actual Buying Back Period | 2018.August.2~2018.August.20 | 2018.August.24~2018. October.23 |
| Quantity and Type of Shares Bought | 8,000,000 shares of common stock | 7,689,000 shares of common stock |

| | | |
|--|---|---|
| Back | | |
| Actual Dollar Amount Used for Buying Back | NT\$192,810,452 | NT\$192,095,557 |
| Average Share Bought Price | NT\$24.1 | NT\$24.98 |
| Execution Result of Buying Back Program | Completely bought back during the planned buy-back period. | During the planned buy-back period, the shares bought were less than those planned due to stable share price and the consideration of cash usage efficiency. |
| Shares Eliminated and Transferred | 0 shares of common stock | 0 shares of common stock |
| Cumulative Holding Quantity of Company Shares | 8,281,000 shares of common stock (186,000 shares of common stocks remained from the 2 nd batch in 2016, 95,000 shares of common stocks remained from the 3 rd batch in 2017, 8,000,000 shares of common stocks remained from the 4 th batch in 2018) | 15,970,000 shares of common stock (186,000 shares of common stocks remained from the 2 nd batch in 2016, 95,000 shares of common stocks remained from the 3 rd batch in 2017, 8,000,000 shares of common stocks remained from the 4 th batch in 2018, 7,689,000 shares of common stocks remained from the 5 th batch in 2018) |
| Proportion of Cumulative Holding Quantity of Company Shares in the Total Issued Shares | 2.77% | 5.33% |

2. The Transferring Rules to employees of the 4th and 5th Share Buy-Back

Programs are referred to Page11, Attachment 3

Matters for Ratification

Ratification item (1):

[Proposed by the Board]

Subject: Adoption of the 2018 Business Report and Financial Statements

Descriptions:

- (1) FocalTech 2018 business report and financial statements had been approved by the Board and the financial statements were audited by independent auditors Xu Xiu Ming and Lin Su Wan of Deloitte accounting firm.
- (2) Independent auditor report, 2018 business report and financial statements are attached on page 8, Attachment 1 and attached on page 15, Attachment 4.

Resolution:

Ratification item (2):

[Proposed by the Board]

Subject: Adoption of the proposal for 2018 deficit compensation

Descriptions:

- (1) 2018 beginning inappropriate retained earnings are NT\$ 1,058,983,658, and the annual net loss after tax was NT\$2,451,641,570. After adding the remeasurement of the welfare plan and the impact of adjusting the IFRS9, the total deficit compensation is NT\$1,434,755,743, so no shareholder dividend is allocated. In addition, it is proposed to compensate the deficit with the statutory surplus reserve and capital reserve. After the compensation, there is no accumulated net loss.
- (2) 2018 deficit compensation table is attached on page 38, 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\$0.5 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 Amendment to the "Articles of Incorporation"

Descriptions:

- (1) According to paragraph 1 of Article 228 and Article 240 of the amended Company Act, it is proposed to adjust the distribution of surplus and dividends and dividend distribution procedures and to amend the Company's Articles of Incorporation in response to the Company's operational needs.
- (2) Amended paragraph comparison table is attached on page 39, as attachment 6.

Resolution:

Discussion item (3):

[Proposed by the Board]

Subject: Amendment to the “Operational Procedures for Acquisition and Disposal of Assets”

Descriptions:

- (1) According to the amendment of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” on November 26th.2018 and for the Company's operational requirements, the Company has amended the “Operational Procedures for Acquisition and Disposal of Assets”.
- (2) Amended paragraph comparison table is attached on page 45, as attachment 7.

Resolution:

Discussion item (4):

[Proposed by the Board]

Subject: Amendment to the “Operational Procedures for Loaning of Company Funds”

Descriptions:

- (1) According to the amendment of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” on March 7th 2019 and for the Company's operational requirements, the Company has amended the “Operational Procedures for Acquisition and Disposal of Assets”.
- (2) Amended paragraph comparison table is attached on page 58, as attachment 8.

Resolution:

Extempore Motions

Adjournment

Attachment

Attachment 1

2018 Annual Business Report

Looking back on 2018, it was the most challenging year for FocalTech as being in the adversity of the smart phone market for the first time in the recent ten years, and also suffered from a serious shortage of foundry capacity, which let FocalTech faced a double dilemma from both supply and demand side. However, FocalTech didn't been knocked down. Through the optimal adjustment of product mix, production capacity provisioning, pricing strategy and other operational guideline adjustments, the impact resulted minimized, as FocalTech's final annual revenue declined only in single digits, and the operations remained stable.

According to the statistics of the research organization Canals, the decline of the shipment in the mainland smart phone market in 2018 was 14%, which is the largest annual decline in shipments in history. It is evident that FocalTech suffered from a sharp decline in demand. Fortunately, the penetration rate of the full in-cell solution which FocalTech had long-term invested R&D, has gradually increased from approximately 15% in 2017 to over 30%, and drove the IDC (Integrated Driver Controller) annual shipment to reach 90 million units in 2018, as a growth nearly 50% against 2017.

In addition, with the positive expanding of the application for discrete touch and driver solutions, and the pricing strategy benefits, the performance of the FocalTech still resulted relatively stable in the adversity. 2018 The annual revenue was NT\$9.92 billion, as a 8.14% decrease annually. But at the end of the year, FocalTech recognized a loss from LCM assessment and slow-moving inventories up to approximately NT\$ 630 million resulting in a net operating loss of NT\$675 million. And the impact of impairment loss of goodwill and intangible assets accounting to NT\$2 billion resulted FocalTech's 2018 annual after-tax loss at NT\$2.488 billion, and the net loss per share was NT\$8.66. FocalTech believes that with the two losses been recognized, the company's finances could be more sound, lightly loaded and more positive for the operation.

In 2018, although FocalTech did not have outstanding performance in operations, but still insisted on investment of expansion in research and development. As an important supplier of human-machine interface for global mobile devices, FocalTech continues to contribute efforts in new application solutions and development of various innovative technologies. In 2018 the total research and development expenses of FocalTech increased to NT\$1.481 billion which is an increase of more than 10% compared with 2017. Nearly 50 patents were obtained, and 50 new patent applications were filed. This shows that FocalTech insists on innovation and research and development.

In terms of products and technology, FocalTech continued to dig deep into the IDC market and launched new products. In 2018, for FHD and HD resolution, it successfully developed Mux 1:6 and Dual Gate to realize advanced specification chips for ultra-narrow bezel full-screen smart phones, in order to maintain the leading position in the IDC market. And also, FocalTech successfully developed the world's first automotive IDC and sampled out to global car manufacturers and automotive panel suppliers.

For AMOLED panels, 2018 was also a year of success for FocalTech. First, FocalTech's touch controller IC for AMOLED panels not only successfully entered wearable device applications, but also expanded into smart phone applications. In addition, FocalTech has also successfully developed display driver ICs for AMOLED panels, and has already entered pilot run production with panel customers. In the future, as the penetration rate of AMOLED panels expands in the smart phone market, it is expected to simultaneously drive FocalTech's revenue.

Finally, FocalTech's fingerprint product has been officially mass-produced in capacitive type, and continues to be refined in the field of optical fingerprints, that can be implemented in both TFT-LCD and AMOLED panels, and through algorithms and optical components adjustments, the heart rate and other bio measurement functions were successfully realized.

Looking forward to 2019, even the international trade atmosphere and the mobile device market is not clear, FocalTech is expected to continue to increase its shipments. AMOLED and fingerprint product's are also well prepared to go to the market. 2019 is the year for FocalTech to reborn from low ebb. And FocalTech will continue to adhere to the core values of the leader in human-machine interface solutions, and store up powers in technology and intellectual property rights through technological innovation to provide customers, supply chain, and the industry with the best solutions. FocalTech will continue the leading position, and most importantly create higher shareholder value to appreciate the long-term support and love of shareholders.

Chairman and General Manager: Genda Hu

Attachment 2

FocalTech Audit Committee Review Report

The board of directors has prepared the company's 2018 annual business report, financial statements, and the 2018 deficit compensation proposal. Deloitte CPA firm was engaged to audit the financial statements and issued an audit report.

The above-mentioned 2018 annual business report, financial statements and the 2018 deficit compensation proposal have been reviewed by the Audit Committee and no discrepancy and irregularity was found. We hereby report as above in accordance with the Securities Exchange Act and the Company Law. Please kindly verify and approve.

To 2019 Annual General Shareholders' Meeting

Chairman of the Audit Committee: Lin Yajuan
2019.May.7

Attachment 3

The Transferring Rule of the 4th 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 4th 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 is valid by the approval of the Board of Directors but should be reported in the Shareholder's meeting. This rule shall be applied to any amendments.

Article Eleven:

This procedure was established on July 26, 2018

The Transferring Rule of the 5th 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 5th 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 is valid by the approval of the Board of Directors but should be reported in the Shareholder's meeting. This rule shall be applied to any amendments.

Article Eleven:

This procedure was established on August 23, 2018

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 107 年及 106 年 12 月 31 日之個體資產負債表，暨民國 107 年及 106 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 107 年及 106 年 12 月 31 日之個體財務狀況，暨民國 107 年及 106 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 107 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 107 年度個體財務報表之關鍵查核事項敘明如下：

商譽之減損評估

關鍵查核事項說明

敦泰電子股份有限公司民國 107 年 12 月 31 日商譽 1,237,268 仟元，占資

產總額 14%，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是否減損時，係以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，用可回收金額與帳列之商譽金額比較，評估商譽有無減損情事。

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，因此將商譽之減損評估列為 107 年度之關鍵查核事項。

與商譽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其他假設；及
3. 評估及諮詢本事務所內部專家，包括無風險報酬利率、波動性及風險溢酬等假設，以判斷加權平均資金成本率所屬產業係屬允當。

存貨評價

關鍵查核事項說明

本會計師關注此風險，係因存貨之價值受到市場需求波動及技術變化快速，可能導致存貨滯銷過時或淨變現價值降低而產生損失。敦泰電子股份有限公司，其提列存貨跌價及呆滯損失之會計政策係按照存貨庫齡及存貨成本與淨變現價值孰低提列存貨跌價及呆滯損失，該資料來源係管理階層根據存貨之銷售情形與過時狀況，進行各項產品可能損失情形之判斷與評估。因此本會計師認為存貨評價可能存有風險，故列為 107 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. 取得管理階層編製之存貨成本與淨變現價值孰低之評估資料，瞭解其存貨備抵跌價損失所採用提列政策與程序，包括決定淨變現價值之方式。測試存貨庫齡分析之分類及金額正確性，抽核近期銷售及進貨紀錄，以評估其銷售情形與淨變現價值之合理性。

2. 瞭解取得管理階層另外針對過時陳舊存貨項目提列存貨跌價及呆滯損失之判斷，與其討論存貨近期銷售狀況及未來可能去化估計之合理性，並抽核存貨近期銷售狀況，以評估其針對過時存貨提列存貨跌價及呆滯損失之金額是否適當。

子公司銷貨收入

關鍵查核事項說明

敦泰電子股份有限公司之子公司銷售觸控和驅動整合晶片之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，敦泰電子股份有限公司銷售觸控和驅動整合晶片可能會有收入認列不正確之風險，因此將銷售觸控和驅動整合晶片之收入認列列為 107 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. 取得 107 年度銷貨客戶排行，針對本年度主要客戶消長變化及其銷貨金額增減變動，予以分析原因；
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；及
4. 在銷售客戶中，抽樣核對訂購單、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 107 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



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


會計師 林 淑 婉

林淑婉



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 8 年 3 月 2 9 日


 敦泰電子股份有限公司
 個體資產負債表
 民國 107 年及 106 年 12 月 31 日

單位：新台幣仟元

| 代 碼 | 資 產 | 107年12月31日 | | 106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) | \$ 614,709 | 7 | \$ 846,774 | 7 |
| 1170 | 應收帳款淨額(附註四、九及二八) | 616,655 | 7 | 959,711 | 8 |
| 130X | 存貨(附註四、五及十) | 535,965 | 6 | 856,976 | 7 |
| 1476 | 其他金融資產(附註四及八) | - | - | 24,500 | 1 |
| 1479 | 其他流動資產(附註二一及二八) | 21,842 | 1 | 139,139 | 1 |
| 11XX | 流動資產總計 | 1,789,171 | 21 | 2,827,100 | 24 |
| | 非流動資產 | | | | |
| 1510 | 透過損益按公允價值衡量之金融資產—非流動(附註四及七) | 22,129 | - | - | - |
| 1550 | 採用權益法之投資(附註四及十一) | 5,427,022 | 63 | 5,569,492 | 47 |
| 1600 | 不動產、廠房及設備(附註四及十二) | 30,753 | - | 27,744 | - |
| 1805 | 商譽(附註四、五及十三) | 1,237,268 | 14 | 3,237,268 | 27 |
| 1821 | 其他無形資產(附註四及十四) | 91,361 | 1 | 113,010 | 1 |
| 1840 | 遞延所得稅資產(附註四及二一) | 112,897 | 1 | 82,855 | 1 |
| 1990 | 其他非流動資產 | 13,125 | - | 11,405 | - |
| 15XX | 非流動資產總計 | 6,934,555 | 79 | 9,041,774 | 76 |
| 1XXX | 資 產 總 計 | \$ 8,723,726 | 100 | \$ 11,868,874 | 100 |
| | 負債及權益 | | | | |
| | 流動負債 | | | | |
| 2170 | 應付帳款(附註十五及二八) | \$ 306,212 | 4 | \$ 720,867 | 6 |
| 2209 | 其他應付款(附註十六) | 185,647 | 2 | 239,646 | 2 |
| 2230 | 本期所得稅負債(附註四及二一) | - | - | 6,478 | - |
| 2399 | 其他流動負債(附註十九及二八) | 14,060 | - | 5,676 | - |
| 21XX | 流動負債總計 | 505,919 | 6 | 972,667 | 8 |
| | 非流動負債 | | | | |
| 2570 | 遞延所得稅負債(附註四、五及二一) | 30,998 | 1 | 15,876 | - |
| 2640 | 淨確定福利負債—非流動(附註四及十七) | 26,096 | - | 29,620 | - |
| 2645 | 存入保證金 | 106,040 | 1 | 104,231 | 1 |
| 2670 | 其他非流動負債—其他 | 10,400 | - | 10,400 | - |
| 25XX | 非流動負債總計 | 173,534 | 2 | 160,127 | 2 |
| 2XXX | 負債總計 | 679,453 | 8 | 1,132,794 | 10 |
| | 權益(附註四、十八及二三) | | | | |
| | 股本 | | | | |
| 3110 | 普通股 | 2,987,432 | 34 | 2,983,700 | 25 |
| | 資本公積 | | | | |
| 3210 | 發行溢價 | 6,422,355 | 74 | 6,565,204 | 55 |
| 3220 | 庫藏股 | 40,868 | - | 40,868 | 1 |
| 3235 | 認列對子公司所有權權益變動數 | 20,448 | - | 1,269 | - |
| 3271 | 員工認股權 | 47,476 | 1 | 30,179 | - |
| 3280 | 員工認股權—逾期失效 | 20,334 | - | 17,356 | - |
| 3200 | 資本公積總計 | 6,551,481 | 75 | 6,654,876 | 56 |
| | 保留盈餘(累積虧損) | | | | |
| 3310 | 法定盈餘公積 | 186,154 | 2 | 186,154 | 2 |
| 3350 | 未分配盈餘(待彌補虧損) | (1,434,755) | (16) | 1,058,985 | 8 |
| 3300 | 保留盈餘(累積虧損)總計 | (1,248,601) | (14) | 1,245,139 | 10 |
| | 其他權益 | | | | |
| 3410 | 國外營運機構財務報表換算之兌換差額 | 149,454 | 2 | 47,154 | - |
| 3420 | 透過其他綜合損益按公允價值衡量之金融資產未實現損失 | (2,290) | - | - | - |
| 3425 | 備供出售金融資產未實現損失 | - | - | (2,791) | - |
| 3400 | 其他權益總計 | 147,164 | 2 | 44,363 | - |
| 3500 | 庫藏股票 | (393,203) | (5) | (191,998) | (1) |
| 3XXX | 權益總計 | 8,044,273 | 92 | 10,736,080 | 90 |
| 3X2X | 負債及權益總計 | \$ 8,723,726 | 100 | \$ 11,868,874 | 100 |

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 107 年及 106 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元，惟
每股虧損為元

| 代碼 | | 107年度 | | 106年度 | |
|------|-------------------------|--------------|-------|--------------|-------|
| | | 金 | % | 金 | % |
| 4000 | 營業收入（附註四、十九及二八） | \$ 4,298,242 | 100 | \$ 5,197,671 | 100 |
| 5000 | 營業成本（附註四、十、二十及二八） | (3,618,702) | (84) | (3,953,624) | (76) |
| 5900 | 營業毛利 | 679,540 | 16 | 1,244,047 | 24 |
| | 營業費用（附註二十、二三及二八） | | | | |
| 6100 | 推銷費用 | (98,149) | (3) | (129,135) | (2) |
| 6200 | 管理費用 | (180,123) | (4) | (185,290) | (4) |
| 6300 | 研究發展費用 | (596,823) | (14) | (626,217) | (12) |
| 6000 | 營業費用合計 | (875,095) | (20) | (940,642) | (18) |
| 6900 | 營業淨（損）利 | (195,555) | (5) | 303,405 | 6 |
| | 營業外收入及支出 | | | | |
| 7050 | 財務成本（附註二十） | (783) | - | (401) | - |
| 7060 | 採用權益法認列之子公司損失份額（附註四） | (313,129) | (7) | (303,960) | (6) |
| 7100 | 利息收入（附註四） | 5,632 | - | 4,611 | - |
| 7235 | 透過損益按公允價值衡量之金融資產利益（附註四） | 756 | - | - | - |
| 7679 | 商譽減損損失（附註四、五及十三） | (2,000,000) | (47) | - | - |
| 7590 | 其他利益及損失—淨額（附註二八） | 2,284 | - | 4,257 | - |
| 7610 | 處分不動產、廠房及設備損失（附註四） | - | - | (3) | - |

（接次頁）

（承前頁）

| 代 碼 | | 107年度 | | 106年度 | |
|------|--|----------------|-------|--------------|------|
| | | 金 額 | % | 金 額 | % |
| 7630 | 外幣兌換利益 (損失) (附註四) | \$ 27,022 | 1 | (\$ 52,450) | (1) |
| 7000 | 營業外收入及支出 合計 | (2,278,218) | (53) | (347,946) | (7) |
| 7900 | 稅前淨損 | (2,473,773) | (58) | (44,541) | (1) |
| 7951 | 所得稅 (利益) 費用 (附註 四及二一) | 22,131 | - | (35,139) | (1) |
| 8200 | 本年度淨損 | (2,451,642) | (57) | (79,680) | (2) |
| | 其他綜合損益 | | | | |
| | 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 及十七) | 3,275 | - | 16,581 | - |
| 8349 | 與不重分類之項目 相關之所得稅 (附註四及二 一) | (733) | - | (1,990) | - |
| 8310 | 不重分類至損益之 項目 | 2,542 | - | 14,591 | - |
| | 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) | 102,801 | 2 | (387,723) | (7) |
| 8300 | 本年度其他綜合損 益合計 | 105,343 | 2 | (373,132) | (7) |
| 8500 | 本年度綜合損益總額 | (\$ 2,346,299) | (55) | (\$ 452,812) | (9) |
| | 每股盈餘 (附註二二) | | | | |
| 9750 | 基 本 | (\$ 8.66) | | (\$ 0.28) | |

後附之附註係本個體財務報告之一部分。

董事長：

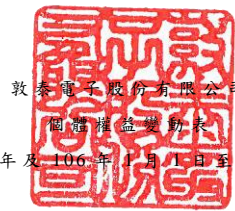


經理人：



會計主管：





敦泰電子股份有限公司

圖信雅益製印

民國 107 年及 106 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元

| 代 碼 | 股 本 | 普 通 股 | 資 本 公 積 | 保 留 盈 餘 (累 積 虧 損) | | 其 他 權 益 | | | | | | |
|-----|---|--------------|--------------|---------------------|-------------------------|-----------------------------------|-----------------------------|---|---------------|--------------|---------------|--|
| | | | | 法 定 盈 餘 公 積 | 未 分 配 盈 餘 (待 彌 補 虧 損) | 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 | 透 過 其 他 綜 合 損 益 按 公 允 價 值 衡 量 之 金 融 資 產 未 實 現 損 益 | 員 工 未 賺 得 酬 勞 | 庫 藏 股 票 | 權 益 總 額 | |
| A1 | 106 年 1 月 1 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 | (21,109) | - | - | - | - | - | - | |
| B5 | 現 金 股 利 | - | - | - | (189,985) | - | - | - | - | - | (189,985) | |
| D1 | 106 年 度 淨 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 八) | - | - | - | - | - | - | - | - | (245,812) | (245,812) | |
| F3 | 庫 藏 股 轉 讓 (附 註 十 八 及 二 三) | - | - | - | - | - | - | - | - | 116,806 | 116,806 | |
| M7 | 對 子 公 司 所 有 權 權 益 變 動 (附 註 二 四) | - | 687 | - | - | - | - | - | - | - | 687 | |
| N1 | 員 工 認 股 權 酬 勞 成 本 (附 註 十 八 及 二 三) | - | 36,339 | - | - | - | - | - | - | - | 36,339 | |
| N1 | 執 行 認 股 權 計 畫 下 發 行 之 普 通 股 (附 註 十 八 及 二 三) | 18,619 | 20,762 | - | - | - | - | - | - | - | 39,381 | |
| N1 | 既 得 限 制 員 工 權 利 股 票 (附 註 十 八) | - | (28,972) | - | - | - | - | - | 28,972 | - | - | |
| N1 | 限 制 員 工 權 利 股 票 酬 勞 成 本 (附 註 十 八 及 二 三) | - | - | - | - | - | - | - | 7,068 | - | 7,068 | |
| N1 | 註 銷 限 制 員 工 權 利 股 票 (附 註 十 八) | (263) | 214 | - | - | - | - | - | - | - | (49) | |
| N1 | 未 既 得 限 制 員 工 權 利 限 票 退 還 股 利 | - | - | - | 8 | - | - | - | - | - | 8 | |
| 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 | |
| A3 | 追 溯 適 用 及 追 溯 重 編 之 影 響 數 | - | - | - | (44,640) | - | 2,791 | (2,791) | - | - | (44,640) | |
| A5 | 107 年 1 月 1 日 重 編 後 餘 額 | 2,983,700 | 6,654,876 | 186,154 | 1,014,345 | 47,154 | - | (2,791) | - | (191,998) | 10,691,440 | |
| C5 | 資 本 公 積 配 發 現 金 股 利 | - | (150,000) | - | - | - | - | - | - | - | (150,000) | |
| D1 | 107 年 度 淨 損 | - | - | - | (2,451,642) | - | - | - | - | - | (2,451,642) | |
| D3 | 107 年 度 稅 後 其 他 綜 合 損 益 | - | - | - | 2,542 | 102,300 | - | 501 | - | - | 105,343 | |
| D5 | 107 年 度 綜 合 損 益 總 額 | - | - | - | (2,449,100) | 102,300 | - | 501 | - | - | (2,346,299) | |
| L1 | 庫 藏 股 買 回 (附 註 十 八) | - | - | - | - | - | - | - | - | (384,906) | (384,906) | |
| F3 | 庫 藏 股 轉 讓 (附 註 十 八 及 二 三) | - | - | - | - | - | - | - | - | 183,701 | 183,701 | |
| M7 | 對 子 公 司 所 有 權 權 益 增 加 (附 註 二 四) | - | 19,179 | - | - | - | - | - | - | - | 19,179 | |
| N1 | 員 工 認 股 權 酬 勞 成 本 (附 註 十 八 及 二 三) | - | 26,474 | - | - | - | - | - | - | - | 26,474 | |
| N1 | 執 行 認 股 權 計 畫 下 發 行 之 普 通 股 (附 註 十 八 及 二 三) | 3,732 | 952 | - | - | - | - | - | - | - | 4,684 | |
| Z1 | 107 年 12 月 31 日 餘 額 | \$ 2,987,432 | \$ 6,551,481 | \$ 186,154 | (\$ 1,434,755) | \$ 149,454 | \$ - | (\$ 2,290) | \$ - | (\$ 393,203) | \$ 8,044,273 | |

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

個體現金流量表

民國 107 年及 106 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元

| 代 碼 | | 107年度 | 106年度 |
|--------|-------------------------|----------------|----------------|
| | 營業活動之現金流量 | | |
| A10000 | 本年度稅前淨損 | (\$ 2,473,773) | (\$ 44,541) |
| | 收益費損項目： | | |
| A20100 | 折舊費用 | 15,089 | 14,518 |
| A20200 | 攤銷費用 | 21,649 | 19,641 |
| A20300 | 預期信用減損損失迴轉利益 | (6,084) | - |
| A20400 | 透過損益按公允價值衡量金融 資產之淨利益 | (756) | - |
| A20900 | 財務成本 | 783 | 401 |
| A21200 | 利息收入 | (5,632) | (4,611) |
| A21900 | 認股權酬勞成本 | 13,075 | 15,787 |
| A21900 | 限制員工權利新股酬勞成本 | - | 2,315 |
| A22300 | 採用權益法認列之子公司損失 份額 | 313,129 | 303,960 |
| A22500 | 處分不動產、廠房及設備損失 | - | 3 |
| A23700 | 存貨跌價及呆滯損失 | 360,000 | 60,000 |
| A23800 | 商譽減損損失 | 2,000,000 | - |
| A30000 | 營業資產及負債之淨變動數 | | |
| A31115 | 強制透過損益按公允價值衡量 之金融資產 | (21,373) | - |
| A31150 | 應收帳款 | 349,140 | (51,396) |
| A31200 | 存 貨 | (38,989) | 138,655 |
| A31240 | 其他流動資產 | 117,939 | (43,384) |
| A32150 | 應付帳款 | (414,655) | 10,362 |
| A32180 | 其他應付款 | (53,999) | (19,431) |
| A32230 | 其他流動負債 | 8,384 | (47,878) |
| A32240 | 淨確定福利負債 | (249) | (185) |
| A33000 | 營運產生之現金 | 183,678 | 354,216 |
| A33300 | 支付之利息 | (783) | (401) |
| A33500 | 支付之所得稅 | (472) | (604) |
| AAAA | 營業活動之淨現金流入 | <u>182,423</u> | <u>353,211</u> |

(接次頁)

(承前頁)

| 代 碼 | | 107年度 | 106年度 |
|--------|-----------------|-------------|------------|
| | 投資活動之現金流量 | | |
| B01800 | 取得採用權益法之投資 | (\$ 79,920) | \$ - |
| B02700 | 購置不動產、廠房及設備 | (18,098) | (13,428) |
| B04500 | 購置無形資產 | - | (4,810) |
| B06500 | 其他金融資產減少 | 24,500 | - |
| B06800 | 其他非流動資產(增加)減少 | (1,720) | 443 |
| B07500 | 收取之利息 | 5,462 | 4,283 |
| BBBB | 投資活動之淨現金流出 | (69,776) | (13,512) |
| | 籌資活動之現金流量 | | |
| C03100 | 存入保證金增加(減少) | 1,809 | (9,044) |
| C04500 | 發放現金股利 | (150,000) | (189,985) |
| C04800 | 員工執行認股權 | 4,684 | 39,381 |
| C04900 | 庫藏股票買回 | (384,906) | (245,812) |
| C05100 | 庫藏股轉讓 | 183,701 | 116,806 |
| C09900 | 註銷限制員工權利新股 | - | (77) |
| C09900 | 未既得限制員工權利股票返還股利 | - | 8 |
| CCCC | 籌資活動之淨現金流出 | (344,712) | (288,723) |
| EEEE | 現金及約當現金淨(減少)增加 | (232,065) | 50,976 |
| E00100 | 年初現金及約當現金餘額 | 846,774 | 795,798 |
| E00200 | 年底現金及約當現金餘額 | \$ 614,709 | \$ 846,774 |

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 107 年及 106 年 12 月 31 日之合併資產負債表，暨民國 107 年及 106 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 107 年及 106 年 12 月 31 日之合併財務狀況，暨民國 107 年及 106 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 107 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 107 年度合併財務報表之關鍵查核事項敘明如下：

商譽之減損評估

關鍵查核事項說明

敦泰集團民國 107 年 12 月 31 日商譽 1,237,268 仟元，占合併資產總額 11%，對整體合併財務報表係屬重大。敦泰集團之商譽係反向併購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，用可回收金額與帳列商譽金額比較，評估商譽有無減損情事。

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，因此將商譽之減損評估列為 107 年度之關鍵查核事項。

商譽減損評估之相關會計政策、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、五及十六。

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其他假設；及
3. 評估及諮詢本事務所內部專家，包括無風險報酬利率、波動性及風險溢酬等假設，以判斷加權平均資金成本率所屬產業係屬允當。

存貨評價

關鍵查核事項說明

本會計師關注此風險，係因存貨之價值受到市場需求波動及技術變化快速，可能導致存貨滯銷過時或淨變現價值降低而產生損失，敦泰電子股份有限公司及其子公司其提列存貨跌價及呆滯損失之會計政策，係按照存貨庫齡及存貨成本與淨變現價值孰低提列存貨跌價及呆滯損失，該資料來源係管理階層根據存貨之銷售情形與過時狀況，進行各項產品可能損失情形之判斷與評估。因此本會計師認為存貨評價可能存有風險，故列為 107 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. 取得管理階層編製之存貨成本與淨變現價值孰低之評估資料，瞭解其存貨備抵跌價損失所採用提列政策與程序，包括決定淨變現價值之方式。測試存貨庫齡分析之分類及金額正確性，抽核近期銷售及進貨紀錄，以評估其銷售情形與淨變現價值之合理性。
2. 瞭解取得管理階層另外針對過時陳舊存貨項目提列存貨跌價及呆滯損失之判斷，與其討論存貨近期銷售狀況及未來可能去化估計之合理性，並抽核存貨近期銷售狀況，以評估其針對過時存貨提列存貨跌價及呆滯損失之金額是否適當。

銷貨收入

關鍵查核事項說明

銷售觸控和驅動整合晶片之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，集團對銷售觸控和驅動整合晶片之收入可能會有收入認列不正確之風險，因此將銷售觸控和驅動整合晶片之收入認列列為 107 年度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. 取得 107 年度銷貨客戶排行，針對本年度主要客戶消長變化及其銷貨金額增減變動，予以分析原因。
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；及
4. 在銷售客戶中，抽樣核對訂購單、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 107 及 106 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 107 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



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

會計師 林 淑 婉

林 淑 婉



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 8 年 3 月 2 9 日

敦泰電子股份有限公司及子公司
合併資產負債表
民國 107 年及 106 年 12 月 31 日

單位：新台幣仟元

| 代 碼 | 資 產 | 107年12月31日 | | 106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） | \$ 2,355,926 | 21 | \$ 2,596,128 | 19 |
| 1120 | 透過其他綜合損益按公允價值衡量之金融資產－流動（附註四及八） | 130,716 | 1 | - | - |
| 1125 | 備供出售金融資產－流動（附註四及九） | - | - | 35,814 | - |
| 1170 | 應收帳款淨額（附註四及十二） | 983,496 | 9 | 1,257,525 | 9 |
| 130X | 存貨（附註四、五及十三） | 2,120,600 | 19 | 2,685,765 | 20 |
| 1476 | 其他金融資產（附註四及十一） | 2,283,900 | 20 | 1,385,904 | 10 |
| 1479 | 其他流動資產（附註二四） | 158,385 | 1 | 212,037 | 2 |
| 11XX | 流動資產總計 | 8,033,023 | 71 | 8,173,173 | 60 |
| | 非流動資產 | | | | |
| 1510 | 透過損益按公允價值衡量之金融資產－非流動（附註四及七） | 112,063 | 1 | - | - |
| 1517 | 透過其他綜合損益按公允價值衡量之金融資產－非流動（附註四及八） | 183,253 | 2 | - | - |
| 1523 | 備供出售金融資產－非流動（附註四及九） | - | - | 245,640 | 2 |
| 1543 | 以成本衡量之金融資產－非流動（附註四及十） | - | - | 74,400 | - |
| 1600 | 不動產、廠房及設備（附註四及十五） | 1,394,372 | 12 | 1,408,474 | 10 |
| 1805 | 商譽（附註四、五及十六） | 1,237,268 | 11 | 3,237,268 | 24 |
| 1821 | 其他無形資產（附註四及十七） | 148,998 | 1 | 210,714 | 2 |
| 1840 | 遞延所得稅資產（附註四及二四） | 134,858 | 1 | 104,501 | 1 |
| 1990 | 其他非流動資產（附註三二） | 56,286 | 1 | 89,898 | 1 |
| 15XX | 非流動資產總計 | 3,267,098 | 29 | 5,370,895 | 40 |
| 1XXX | 資 產 總 計 | \$ 11,300,121 | 100 | \$ 13,544,068 | 100 |
| | 負債及權益 | | | | |
| | 流動負債 | | | | |
| 2170 | 應付帳款（附註十八） | \$ 1,625,756 | 14 | \$ 1,310,390 | 10 |
| 2209 | 其他應付款（附註十九） | 794,104 | 7 | 738,870 | 5 |
| 2230 | 本期所得稅負債（附註四及二四） | 394,493 | 3 | 411,977 | 3 |
| 2399 | 其他流動負債（附註二二） | 64,875 | 1 | 82,620 | 1 |
| 21XX | 流動負債總計 | 2,879,228 | 25 | 2,543,857 | 19 |
| | 非流動負債 | | | | |
| 2570 | 遞延所得稅負債（附註四、五及二四） | 30,998 | - | 15,876 | - |
| 2640 | 淨確定福利負債－非流動（附註四及二十） | 26,096 | - | 29,620 | - |
| 2645 | 存入保證金 | 275,784 | 3 | 200,951 | 2 |
| 2670 | 其他非流動負債－其他 | 10,400 | - | 10,400 | - |
| 25XX | 非流動負債總計 | 343,278 | 3 | 256,847 | 2 |
| 2XXX | 負債總計 | 3,222,506 | 29 | 2,800,704 | 21 |
| | 歸屬於本公司業主之權益（附註四、二一及二六） | | | | |
| | 股本 | | | | |
| 3110 | 普通股 | 2,987,432 | 26 | 2,983,700 | 22 |
| | 資本公積 | | | | |
| 3210 | 發行溢價 | 6,422,355 | 58 | 6,565,204 | 49 |
| 3220 | 庫藏股 | 40,868 | - | 40,868 | - |
| 3235 | 認列對子公司所有權權益變動數 | 20,448 | - | 1,269 | - |
| 3271 | 員工認股權 | 47,476 | - | 30,179 | - |
| 3280 | 員工認股權－逾期失效 | 20,334 | - | 17,356 | - |
| 3200 | 資本公積總計 | 6,551,481 | 58 | 6,654,876 | 49 |
| | 保留盈餘（累積虧損） | | | | |
| 3310 | 法定盈餘公積 | 186,154 | 2 | 186,154 | 1 |
| 3350 | 未分配盈餘（待彌補虧損） | (1,434,755) | (13) | 1,058,985 | 8 |
| 3300 | 保留盈餘（累積虧損）總計 | (1,248,601) | (11) | 1,245,139 | 9 |
| | 其他權益 | | | | |
| 3410 | 國外營運機構財務報表換算之兌換差額 | 149,454 | 1 | 47,154 | - |
| 3420 | 透過其他綜合損益按公允價值衡量之金融資產未實現損失 | (2,290) | - | - | - |
| 3425 | 備供出售金融資產未實現損失 | - | - | (2,791) | - |
| 3400 | 其他權益總計 | 147,164 | 1 | 44,363 | - |
| 3500 | 庫藏股票 | (393,203) | (3) | (191,998) | (1) |
| 31XX | 本公司業主權益總計 | 8,044,273 | 71 | 10,736,080 | 79 |
| 36XX | 非控制權益 | 33,342 | - | 7,284 | - |
| 3XXX | 權益總計 | 8,077,615 | 71 | 10,743,364 | 79 |
| 3X2X | 負債及權益總計 | \$ 11,300,121 | 100 | \$ 13,544,068 | 100 |

後附之附註係本合併財務報告之一部分。

董事長：胡正大

經理人：胡正大

會計主管：廖俊杰

敦泰電子股份有限公司及子公司

合併綜合損益表

民國 107 年及 106 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元，惟
每股虧損為元

| 代碼 | | 107年度 | | 106年度 | |
|------|-------------------------|------------------|-----------|------------------|-----------|
| | | 金 | 額 % | 金 | 額 % |
| 4000 | 營業收入（附註四及二二） | \$ 9,919,368 | 100 | \$ 10,798,334 | 100 |
| 5000 | 營業成本（附註四、十三及二三） | (8,357,068) | (84) | (8,528,149) | (79) |
| 5900 | 營業毛利 | <u>1,562,300</u> | <u>16</u> | <u>2,270,185</u> | <u>21</u> |
| | 營業費用（附註二三、二六及三一） | | | | |
| 6100 | 推銷費用 | (429,499) | (4) | (468,590) | (4) |
| 6200 | 管理費用 | (326,676) | (3) | (314,478) | (3) |
| 6300 | 研究發展費用 | (1,481,181) | (15) | (1,324,902) | (12) |
| 6000 | 營業費用合計 | (2,237,356) | (22) | (2,107,970) | (19) |
| 6900 | 營業淨（損）利 | (675,056) | (7) | <u>162,215</u> | <u>2</u> |
| | 營業外收入及支出 | | | | |
| 7050 | 財務成本（附註二三） | (786) | - | (9,676) | - |
| 7100 | 利息收入（附註四） | 96,737 | - | 65,475 | - |
| 7235 | 透過損益按公允價值衡量之金融資產損益（附註四） | (1,415) | - | - | - |
| 7679 | 商譽減損損失（附註四、五及十六） | (2,000,000) | (20) | - | - |
| 7590 | 其他利益及損失—淨額 | 59,449 | 1 | 28,162 | - |
| 7630 | 外幣兌換利益（損失）（附註四） | <u>17,422</u> | <u>-</u> | (42,443) | <u>-</u> |
| 7000 | 營業外收入及支出合計 | (1,828,593) | (18) | <u>41,518</u> | <u>-</u> |

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| 代碼 | | 107年度 | | 106年度 | |
|------|--|----------------|-------|--------------|------|
| | | 金 | % | 金 | % |
| 7900 | 稅前淨(損)利 | (\$ 2,503,649) | (25) | \$ 203,733 | 2 |
| 7951 | 所得稅利益(費用)(附註四及二四) | 15,531 | - | (306,943) | (3) |
| 8200 | 本年度淨損 | (2,488,118) | (25) | (103,210) | (1) |
| | 其他綜合損益 | | | | |
| | 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 二十) | 3,275 | - | 16,581 | - |
| 8349 | 與不重分類之項目 相關之所得稅(附 註四及二四) | (733) | - | (1,990) | - |
| 8310 | 不重分類至損益之 項目 | 2,542 | - | 14,591 | - |
| | 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) | 104,532 | 2 | (386,430) | (3) |
| 8367 | 透過其他綜合損益 按公允價值衡量 之債務工具投資 未實現評價利益 (附註四) | 501 | - | - | - |
| 8362 | 備供出售金融資產 未實現評價損失 (附註四) | - | - | (1,293) | - |
| 8360 | 後續可能重分類至 損益之項目 | 105,033 | 2 | (387,723) | (3) |
| 8300 | 本年度其他綜合損 益合計 | 107,575 | 1 | (373,132) | (3) |
| 8500 | 本年度綜合損益總額 | (\$ 2,380,543) | (24) | (\$ 476,342) | (4) |

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| 代碼 | 107年度 | | 106年度 | | |
|-------------|-------|-----------------------|--------------|---------------------|-------------|
| | 金 | % | 金 | % | |
| 淨損歸屬於： | | | | | |
| 8610 | 本公司業主 | (\$ 2,451,642) | (25) | (\$ 79,680) | (1) |
| 8620 | 非控制權益 | (36,476) | - | (23,530) | - |
| 8600 | | <u>(\$ 2,488,118)</u> | <u>(25)</u> | <u>(\$ 103,210)</u> | <u>(1)</u> |
| 綜合損益總額歸屬於： | | | | | |
| 8710 | 本公司業主 | (\$ 2,346,299) | (24) | (\$ 452,812) | (4) |
| 8720 | 非控制權益 | (34,244) | - | (23,530) | - |
| 8700 | | <u>(\$ 2,380,543)</u> | <u>(24)</u> | <u>(\$ 476,342)</u> | <u>(4)</u> |
| 每股虧損 (附註二五) | | | | | |
| 9750 | 基 本 | <u>(\$ 8.66)</u> | | <u>(\$ 0.28)</u> | |

後附之附註係本合併財務報告之一部分。

董事長：胡正大



經理人：胡正大



會計主管：廖俊杰





敦泰電子股份有限公司

民國 107 年及 106 年 12 月 31 日

單位：新台幣仟元

| 代碼 | 歸屬 | 本公司 | | | | | | | | | | | 非控制權益 | 權益總額 |
|----|-------------------------|--------------|--------------|------------|----------------|------------|------------|------------|-------------|--------------|---------------|-----------|---------------|------|
| | | 股本 | 資本公積 | 保留盈餘 | (累積虧損) | 國外營運機構 | 其他 | 主權 | 之 | 權 | 益 | 益 | | |
| | | 普通股 | 公積 | 盈餘 | (虧損) | 財務報表換算 | 備供出售金融資產 | 透過其他綜合 | 員工未賺得酬勞 | 庫藏股票 | 總計 | | | |
| | | 未分配盈餘 | 法定盈餘公積 | 未分配盈餘 | (待彌補虧損) | 之兌換差額 | 未實現損失 | 損益按公允價值 | 未實現損益 | | | | | |
| A1 | 106年1月1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 | - | - | 21,109 | (21,109) | - | - | - | - | - | - | - | - | |
| B5 | 提列法定盈餘公積 | - | - | - | (189,985) | - | - | - | - | - | (189,985) | - | (189,985) | |
| | 本公司股東現金股利 | - | - | - | - | - | - | - | - | - | - | - | - | |
| 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(附註二一) | - | - | - | - | - | - | - | - | (245,812) | (245,812) | - | (245,812) | |
| F3 | 庫藏股轉讓(附註二一及二六) | - | - | - | - | - | - | - | - | (116,806) | 116,806 | - | 116,806 | |
| M7 | 對子公司所有權益增加(附註二七) | - | 687 | - | - | - | - | - | - | - | 687 | (687) | - | |
| N1 | 員工認股權酬勞成本(附註二一及二六) | - | 36,339 | - | - | - | - | - | - | - | 36,339 | - | 36,339 | |
| N1 | 執行認股權計畫下發行之普通股(附註二一及二六) | 18,619 | 20,762 | - | - | - | - | - | - | - | 39,381 | - | 39,381 | |
| N1 | 既得限制員工權利股票(附註二一及二六) | - | (28,972) | - | - | - | - | - | 28,972 | - | - | - | - | |
| N1 | 限制員工權利股票酬勞成本(附註二一及二六) | - | - | - | - | - | - | - | 7,068 | - | 7,068 | - | 7,068 | |
| N1 | 註銷限制員工權利股票(附註二一) | (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(附註二七) | - | - | - | - | - | - | - | - | - | - | 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 | |
| A3 | 追溯適用及追溯重編之影響數 | - | - | - | (44,640) | - | 2,791 | (2,791) | - | - | (44,640) | - | (44,640) | |
| A5 | 107年1月1日重編後餘額 | 2,983,700 | 6,654,876 | 186,154 | 1,014,345 | 47,154 | - | (2,791) | - | (191,998) | 10,691,440 | 7,284 | 10,698,724 | |
| C5 | 資本公積配發現金股利 | - | (150,000) | - | - | - | - | - | - | - | (150,000) | - | (150,000) | |
| D1 | 107年度淨損 | - | - | - | (2,451,642) | - | - | - | - | - | (2,451,642) | (36,476) | (2,488,118) | |
| D3 | 107年度稅後其他綜合損益 | - | - | - | 2,542 | 102,300 | - | 501 | - | - | 105,343 | 2,232 | 107,575 | |
| D5 | 107年度綜合損益總額 | - | - | - | (2,449,100) | 102,300 | - | 501 | - | - | (2,346,299) | (34,244) | (2,380,543) | |
| L1 | 庫藏股買回(附註二一) | - | - | - | - | - | - | - | - | (384,906) | (384,906) | - | (384,906) | |
| F3 | 庫藏股轉讓(附註二一及二六) | - | - | - | - | - | - | - | - | 183,701 | 183,701 | - | 183,701 | |
| M7 | 對子公司所有權益增加(附註二七) | - | 19,179 | - | - | - | - | - | - | - | 19,179 | (19,179) | - | |
| T1 | 員工認股權酬勞成本(附註二一及二六) | - | 26,474 | - | - | - | - | - | - | - | 26,474 | - | 26,474 | |
| N1 | 執行認股權計畫下發行之普通股(附註二一及二六) | 3,732 | 952 | - | - | - | - | - | - | - | 4,684 | - | 4,684 | |
| O1 | 非控制權益增加(附註二七) | - | - | - | - | - | - | - | - | - | - | 79,481 | 79,481 | |
| Z1 | 107年12月31日餘額 | \$ 2,987,432 | \$ 6,551,481 | \$ 186,154 | (\$ 1,434,755) | \$ 149,454 | \$ - | (\$ 2,290) | \$ - | (\$ 393,203) | \$ 8,044,273 | \$ 33,342 | \$ 8,077,615 | |

後附之附註係本合併財務報告之一部分。

董事長：胡正大

經理人：胡正大

會計主管：廖俊杰

敦泰電子股份有限公司及子公司

合併現金流量表

民國 107 年及 106 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元

| 代 碼 | | 107年度 | 106年度 |
|--------|-------------------------|----------------|-------------------|
| | 營業活動之現金流量 | | |
| A10000 | 本年度稅前淨(損)利 | (\$ 2,503,649) | \$ 203,733 |
| | 收益費損項目： | | |
| A20100 | 折舊費用 | 64,564 | 46,616 |
| A20200 | 攤銷費用 | 67,402 | 70,096 |
| A20300 | 預期信用減損損失迴轉利益 | (6,084) | - |
| A20400 | 透過損益按公允價值衡量金融 資產之淨損失 | 1,415 | - |
| A20900 | 財務成本 | 786 | 9,676 |
| A21200 | 利息收入 | (96,737) | (65,475) |
| A21900 | 認股權酬勞成本 | 26,474 | 36,339 |
| A21900 | 限制員工權利新股酬勞成本 | - | 7,068 |
| A22500 | 處分不動產、廠房及設備損失 | - | 27 |
| A23700 | 存貨跌價及呆滯損失 | 750,433 | 51,120 |
| A23800 | 商譽減損損失 | 2,000,000 | - |
| A24100 | 未實現外幣兌換損益 | 15,856 | (13,905) |
| A30000 | 營業資產及負債之淨變動數 | | |
| A31115 | 強制透過損益按公允價值衡量 之金融資產 | (81,672) | - |
| A31150 | 應收帳款 | 290,765 | 46,223 |
| A31200 | 存 貨 | (134,052) | (322,093) |
| A31240 | 其他流動資產 | 65,080 | (87,563) |
| A32150 | 應付帳款 | 286,289 | (169,037) |
| A32180 | 其他應付款 | 41,828 | (128,262) |
| A32230 | 其他流動負債 | (17,680) | 22,305 |
| A32240 | 淨確定福利負債 | (249) | (185) |
| A33000 | 營運產生(使用)之現金 | 770,769 | (293,317) |
| A33300 | 支付之利息 | (786) | (9,721) |
| A33500 | 支付之所得稅 | (30,348) | (24,635) |
| AAAA | 營業活動之淨現金流入 (出) | <u>739,635</u> | <u>(327,673)</u> |

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| 代 碼 | | 107年度 | 106年度 |
|--------|----------------------------|--------------|--------------|
| | 投資活動之現金流量 | | |
| B00010 | 取得透過其他綜合損益按公允價值 衡量之金融資產 | (\$ 59,090) | \$ - |
| B00020 | 處分透過其他綜合損益按公允價值 衡量之金融資產 | 36,179 | - |
| B00300 | 取得備供出售金融資產 | - | (123,620) |
| B02700 | 購置不動產、廠房及設備 | (73,996) | (75,208) |
| B04500 | 購置無形資產 | (3,512) | (84,203) |
| B06500 | 其他金融資產(增加)減少 | (846,904) | 768,087 |
| B06800 | 其他非流動資產減少 | 33,026 | 58,273 |
| B07500 | 收取之利息 | 86,828 | 60,945 |
| BBBB | 投資活動之淨現金流(出)入 | (827,469) | 604,274 |
| | 籌資活動之現金流量 | | |
| C00100 | 短期借款減少 | - | (608,630) |
| C03000 | 存入保證金增加 | 70,539 | 89,858 |
| C04500 | 發放現金股利 | (150,000) | (189,985) |
| C04800 | 員工執行認股權 | 4,684 | 39,381 |
| C04900 | 庫藏股買回 | (384,906) | (245,812) |
| C05100 | 庫藏股轉讓 | 183,701 | 116,806 |
| C05500 | 非控制權益增加 | 79,481 | 17,568 |
| C05800 | 未既得限制員工權利股票返還股利 | - | 8 |
| C09900 | 註銷限制員工權利新股 | - | (77) |
| CCCC | 籌資活動之淨現金流出 | (196,501) | (780,883) |
| DDDD | 匯率變動對現金及約當現金之影響 | 44,133 | (165,369) |
| EEEE | 現金及約當現金淨減少 | (240,202) | (669,651) |
| E00100 | 年初現金及約當現金餘額 | 2,596,128 | 3,265,779 |
| E00200 | 年底現金及約當現金餘額 | \$ 2,355,926 | \$ 2,596,128 |

後附之附註係本合併財務報告之一部分。

董事長：胡正大



經理人：胡正大



會計主管：廖俊杰



Attachment 5

FocalTech 2018 Deficit Compensation Table

Unit: NT\$

| Item | Amount |
|---|-----------------|
| Undistributed Earnings at Year Beginning | 1,058,983,658 |
| Minus: Tracking the number of impacts of IFRS9 | (44,640,000) |
| Minus: Net Loss of 2018 | (2,451,641,570) |
| Plus: Remeasurement of defined welfare plan for this period | 2,542,169 |
| Deficit to be Compensated for this period | (1,434,755,743) |
| Compensation Items: | |
| Statutory | 186,154,915 |
| Additional paid-in capital in excess of par | 1,248,600,828 |
| Amount after the compensation | 0 |

Chairman:



CEO:



CFO:



Attachment 6

Amendment to the “Articles of Incorporation” Comparison Table

| Article | Content | | Change Cause |
|---------|--|---|---|
| | Before Amended | After Amended | |
| 5-3 | Article newly added. | The employees in subordinate companies are eligible for the transfer of treasury shares, allotment of new shares, the issue of employee stock options and the restriction shares with particular requirements, which are authorized to the board of directors to define. | In accordance with Article 167-1, Article 167-2 and Article 267 of the Companies Law Amendment. |
| 9 | <p>The shareholders' meeting is divided into two, ordinary meetings and temporary meetings, which are convened by the board of directors according to law. The regular meeting is held once a year and held within six months after the end of each fiscal year. The temporary meeting will be convened according to law when necessary. For the shareholders' meeting convening, shall notify the shareholders and announce the date, place and convening of the meeting before 30 days for ordinary meetings and 15 days for temporary meetings. For a shareholder holding a registered stock of less than one thousand shares, the notice could be done by announcing.</p> | <p>The shareholders' meeting is divided into two, ordinary meetings and temporary meetings, <u>the regular meeting shall be convened by the board of directors within six months after the end of each fiscal year; the convening of the temporary meeting shall be conducted in accordance with the relevant laws and regulations of the Republic of China.</u> For the shareholders' meeting convening, shall notify the shareholders and announce the date, place and convening of the meeting before 30 days for ordinary meetings and 15 days for temporary meetings. For a shareholder holding a registered stock of less than one thousand shares, the notice could be done by announcing.</p> | In accordance with Article 173-1 of the Companies Law Amendment. |
| 16 | The Company has <u>9 to 11</u> directors, and adopts the nomination system for candidates and is elected by the shareholders' meeting with the ability to act | The Company has <u>7 to 9</u> directors, and adopts the nomination system for candidates and is elected by the shareholders' meeting with the ability to | Company's operational needs. |

| Article | Content | | Change Cause |
|---------|--|--|---|
| | Before Amended | After Amended | |
| | <p>for a term of three years. If a representative of a legal person shareholder is elected as a director, the legal person may be reassigned at any time, but only to supplement the original term. The company may with the approval of relevant laws and regulations, purchase liability insurance for directors by resolution of the board of directors, so as to reduce the risk of directors being sued by shareholders or other related parties for performing their duties according to law.</p> | <p>act for a term of three years. If a representative of a legal person shareholder is elected as a director, the legal person may be reassigned at any time, but only to supplement the original term. The company may with the approval of relevant laws and regulations, purchase liability insurance for directors by resolution of the board of directors, so as to reduce the risk of directors being sued by shareholders or other related parties for performing their duties according to law.</p> | |
| 26-1 | <p>If the company makes a profit in the year, it should extract no less than 1% for the employee's remuneration, and be resolute by the board of directors whether to distribute it by stock or cash. The object must be employees who meet certain conditions.</p> <p>The company can base on the profit amount, and let the the board of directors resolute the director's remuneration which is less than 1.5%. The employee's compensation and the directors' compensation shall be reported to the shareholders' meeting.</p> <p>However, when the company still has accumulated losses, it should retain the</p> | <p>If the company makes a profit in the year, it should extract no less than 1% for the employee's remuneration, and be resolute by the board of directors whether to distribute it by stock or cash. The object must be employees who meet certain conditions, <u>and the conditions are authorized by the board of directors to resolute.</u></p> <p>The company can base on the profit amount, and let the board of directors resolute the director's remuneration which is less than 1.5%. The employee's compensation and the directors' compensation shall be reported to the shareholders' meeting.</p> | <p>In accordance with Article 235-1 of the Companies Law Amendment.</p> |

| Article | Content | | Change Cause |
|---------|---|--|--|
| | Before Amended | After Amended | |
| | amount of compensation in advance, and then provide employees' compensation and directors' compensation according to the proportion of the preceding paragraph. | However, when the company still has accumulated losses, it should retain the amount of compensation in advance, and then provide employees' compensation and directors' compensation according to the proportion of the preceding paragraph. | |
| 26-2 | Article newly added. | The Company's earning distribution or deficit compensation could be done after the end of each quarter. Before the earning is distributed in the first three quarters, the tax liability, compensation for the accumulated deficit, and the estimated employee compensation and the directors' remuneration should be reserved first. Then 10% of the rest amount should be extracted to the legal reserve. After the special surplus reserve is proposed or rescheduled according to the law, the remaining amount plus the year beginning undistributed retained earnings is available for distribution. Considering the operating conditions, the board of directors could make the proposal for earning distribution in terms of cash or shares. The earning distribution proposal in shares is valid only after the approval of shareholders meeting. | In accordance with Article 228-1 of the Companies Law Amendment. |

| Article | Content | | Change Cause |
|---------|---|--|---|
| | Before Amended | After Amended | |
| 27 | <p>If the Company has earnings annually, the payments to tax liability and the compensation of the accumulated deficit should be done first. Then 10% of the rest amount should be extracted to the legal reserve. If the legal reserve has reached the amount of paid-in capital of the company, this extraction may not be required. In addition, the special reserve shall be reversed or reserved, according to the law or operating requirements. The remaining amount plus the year beginning undistributed retained earnings is available for distribution in terms of cash or shares, which is proposed by the Board of Directors and approved by the shareholders' meeting.</p> <p>The company's dividend policy is based on the current and future development plans,</p> | <p>If the Company has earnings annually, the payments to tax liability and the compensation of the accumulated deficit should be done first. Then 10% of the rest amount should be extracted to the legal reserve. If the legal reserve has reached the amount of paid-in capital of the company, this extraction may not be required. In addition, the special reserve shall be reversed or reserved, according to the law or operating requirements. The remaining amount plus the year beginning undistributed retained earnings is available for distribution in terms of cash or shares, which is proposed by the Board of Directors. If the distribution is made in terms of shares, it is required to be approved by the shareholders' meeting.</p> <p>In accordance with the provisions of the Company Law, the Company authorizes the board of directors, with more than two-thirds of the directors attendance and the agreement of more than half of the attending directors, to distribute the dividends from the earnings, or dividends from legal reserve and additional paid-in capital fully or partially specified in the first paragraph of Article 241 of the Company Law. This resolution should be reported to the shareholders' meeting after the execution.</p> | <p>In accordance with Article 240 of the Companies Law Amendment.</p> |

| Article | Content | | Change Cause |
|---------|---|---|---|
| | Before Amended | After Amended | |
| | <p>considering the investment environment, capital needs and domestic and international competition, and taking into account the interests of shareholders, etc., the annual earning is not less than 10% of the annual dividend distribution dividends. When distributing dividends to shareholders, it can be cash or stock, in which the cash dividend is not less than 10% of the total dividend, but the cash dividend of less than NT\$0.5 per share will not be issued.</p> | <p>The company's dividend policy is based on the current and future development plans, considering the investment environment, capital needs and domestic and international competition, and taking into account the interests of shareholders, etc., the annual earning is not less than 10% of the annual dividend distribution dividends. When distributing dividends to shareholders, it can be cash or stock, in which the cash dividend is not less than 10% of the total dividend, but the cash dividend of less than NT\$0.5 per share will not be issued.</p> | |
| 31 | <p>These Articles of Incorporation are agreed to and signed on December 25, 2005 and the first Amendment was approved on January 19, 2006, the second Amendment on March 28, 2006, the third Amendment on October 5, 2006, the fourth Amendment on May 10, 2007, the fifth Amendment on June 6, 2009, the sixth Amendment on June 16, 2009, the seventh Amendment on June fifteenth, 2011, the eighth Amendment on June 13, 2012, the ninth Amendment on June 18, 2013, the tenth Amendment on June 30, 2014, the eleventh Amendment on January 5, 2015, the twelfth Amendment on June 10, 2015, the thirteenth Amendment on June 22, 2016.</p> | <p>These Articles of Incorporation are agreed to and signed on December 25, 2005 and the first Amendment was approved on January 19, 2006, the second Amendment on March 28, 2006, the third Amendment on October 5, 2006, the fourth Amendment on May 10, 2007, the fifth Amendment on June 6, 2009, the sixth Amendment on June 16, 2009, the seventh Amendment on June fifteenth, 2011, the eighth Amendment on June 13, 2012, the ninth Amendment on June 18, 2013, the tenth Amendment on June 30, 2014, the eleventh Amendment on January 5, 2015, the twelfth Amendment on June 10, 2015, the thirteenth Amendment on June 22, 2016,</p> | <p>The fourteenth Amendment date added.</p> |

| Article | Content | | Change Cause |
|---------|----------------|--|--------------|
| | Before Amended | After Amended | |
| | | the fourteenth Amendment on June 20, 2019. | |

Attachment 7

Amendment to the “Operational Procedures for Acquisition and Disposal of Assets” Comparison Table

| Content | | Amendment Description |
|---|---|--|
| Before the Amendment (Version 6.0) | After the Amendment (Version 7.0) | |
| <p>Article 2: The term "assets" as used in these Regulations includes the following: 1.Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2.Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment. 3.Memberships. 4.Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5.Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables). 6. Derivatives 7. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law. 8.Other major assets.</p> | <p>Article 2: The term "assets" as used in these Regulations includes the following: 1.Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2.Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment. 3.Memberships. 4.Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5.Right-of-use assets. 6.Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables). 7.Derivatives. 8.Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law. 9.Other major assets.</p> | <p>In accordance with Article 3 of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” that defines the range of assets</p> |
| <p>Article 4: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not have relationship with the trader:</p> | <p>Article 4: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: 1.May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement,</p> | <p>In accordance with Article 5 of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” about note to external experts.</p> |

| Content | | Amendment Description |
|--|--|---------------------------------|
| Before the Amendment (Version 6.0) | After the Amendment (Version 7.0) | |
| | <p>forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>2.May not be a related party or de facto related party of any party to the transaction.</p> <p>3.If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>1.Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>2.When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3.They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4.They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p> | |
| Article 6: In acquiring or disposing of real property, or | Article 6: In acquiring or disposing of real property, | In accordance with “Regulations |

| Content | | Amendment Description |
|---|--|--|
| Before the Amendment (Version 6.0) | After the Amendment (Version 7.0) | |
| <p>equipment thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction should be handled in accordance with the above procedures.</p> <p>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the</p> | <p>equipment, or <u>right-of-use assets</u> thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with <u>a domestic</u> government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment <u>or right-of-use</u> assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>A. The discrepancy between the appraisal</p> | <p>Governing the Acquisition and Disposal of Assets by Public Companies” increase the right to use assets and make discretionary amendments.</p> |

| Content | | Amendment Description |
|--|--|--|
| Before the Amendment (Version 6.0) | After the Amendment (Version 7.0) | |
| <p>transaction price: A.The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. B.The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 4.No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser. Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph, shall be obtained within 2 weeks counting inclusively from the date of occurrence.</p> | <p>result and the transaction amount is 20 percent or more of the transaction amount. B.The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 4.No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser. Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph, shall be obtained within 2 weeks counting inclusively from the date of occurrence.</p> | |
| <p>Article 8: Where a public company acquires or disposes of intangible assets or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> | <p>Article 8: Where a public company acquires or disposes of intangible assets or <u>right-of-use assets</u> thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a <u>domestic</u> government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> | <p>In accordance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” increase the right to use assets.</p> |

| Content | | Amendment Description |
|---|---|---|
| Before the Amendment (Version 6.0) | After the Amendment (Version 7.0) | |
| <p>Article 8-1: The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 3, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p> | <p>Article 8-1: The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article <u>31</u>, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p> | Cooperate the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and adjust the order |
| <p>Article 16: Information required to be publicly announced and reported in accordance with the provisions of the preceding Chapter on acquisitions and disposals of assets by a public company's subsidiary that is not itself a public company in Taiwan shall be reported by the public company. The paid-in capital or total assets of the public company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 30, paragraph 1.</p> | <p>Article 16: Information required to be publicly announced and reported in accordance with the provisions of the preceding Chapter on acquisitions and disposals of assets by a public company's subsidiary that is not itself a public company in Taiwan shall be reported by the public company. The paid-in capital or total assets of the public company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article <u>31</u>, paragraph 1.</p> | Cooperate the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and adjust the order |
| <p>Article 16-1: For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a company whose shares have no par value or a par value other than NT\$10-for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted</p> | <p>Article 16-1: For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a company whose shares have no par value or a par value other than NT\$10-for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted; for the threshold and rules of the transaction amount applied to those companies with the paid in capital</p> | The amendment in accordance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” , if the stock is not denominated or the denomination is not NT\$10, the relevant paid-in capital will be calculated at NT\$10 billion. |

| Content | | Amendment Description |
|--|--|---|
| Before the Amendment (Version 6.0) | After the Amendment (Version 7.0) | |
| | more than NT 10 billion would samely be applied to those companies issuing shares without par value or the par value other than NT 10 but the equity value attributable to parent companies more than NT\$20 billion. | |
| <p>Article 18</p> <p>When a public company intends to acquire or dispose of real property or to a related party, or when it intends to acquire or dispose of assets other than real property or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <ol style="list-style-type: none"> 1.The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2.The reason for choosing the related party as a transaction counterparty. 3.With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17. 4.The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party. 5.Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6.An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. 7.Restrictive covenants and other important | <p>Article 18</p> <p>When a public company intends to acquire or dispose of real property <u>or right-of-use assets thereof from</u> or to a related party, or when it intends to acquire or dispose of assets other than real property or <u>right-of-use assets thereof from</u> or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of <u>domestic</u> government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <ol style="list-style-type: none"> 1.The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2.The reason for choosing the related party as a transaction counterparty. 3.With respect to the acquisition of real property <u>or right-of-use assets thereof from</u> a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17. 4.The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party. | Cooperate the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and adjust the order |

| Content | | Amendment Description |
|---|---|-----------------------|
| Before the Amendment (Version 6.0) | After the Amendment (Version 7.0) | |
| <p>stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 11 to delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>Where an audit committee has been established in accordance with the provisions of the Act, the matters for which paragraph 1 requires recognition by the supervisors shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.</p> | <p>5.Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6.An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7.Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 11 to delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>1.Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>2.Acquisition or disposal of real property right-of-use of real property held for business use.</p> <p>Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's</p> | |

| Content | | Amendment Description |
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| Before the Amendment (Version 6.0) | After the Amendment (Version 7.0) | |
| | <p>opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>Where an audit committee has been established in accordance with the provisions of the Act, the matters for which paragraph 1 requires recognition by the supervisors shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.</p> | |
| <p>Article 19 any that acquires real property from a related party shall evaluate the reasonableness of the transaction costs by the following means: 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance. 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties. Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph. A public company that acquires real property from a related party and appraises the cost of the real property in accordance with the preceding two</p> | <p>Article 19 A public company that acquires real property <u>or right-of-use assets thereof</u> from a related party shall evaluate the reasonableness of the transaction costs by the following means: 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance. 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties. Where land and structures thereupon are combined as a single property purchased <u>or leased</u> in one transaction, the transaction</p> | <p>In accordance with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" increase the right to use assets.</p> |

| Content | | Amendment Description |
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| Before the Amendment (Version 6.0) | After the Amendment (Version 7.0) | |
| <p>paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>Where a public company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the Article 18, and the preceding three paragraphs do not apply:</p> <ol style="list-style-type: none"> 1.The related party acquired the real property through inheritance or as a gift. 2.More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction. 3.The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land. | <p>costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>A public company that acquires real property <u>or right-of-use assets thereof</u> from a related party and appraises the cost of the real property <u>or right-of-use assets thereof</u> in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>Where a public company acquires real property <u>or right-of-use assets thereof</u> from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the Article 18, and the preceding three paragraphs do not apply:</p> <ol style="list-style-type: none"> 1.The related party acquired the real property <u>or right-of-use assets thereof</u> through inheritance or as a gift. 2.More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property <u>or right-of-use assets thereof</u> to the signing date for the current transaction. 3.The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land. 4.The real property right-of-use assets for <u>business use are acquired among the public company, its parent, its subsidiaries, or affiliates which directly or indirectly 100 percent of the issued shares or authorized capital are owned.</u> | |
| <p>Article 20:</p> <p>When the results of a public company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 21. However, where the following circumstances exist, objective</p> | <p>Article 20:</p> <p>When the results of a public company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 21.</p> | <p>In accordance with “Regulations Governing the Acquisition and Disposal of</p> |

| Content | | Amendment Description |
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| Before the Amendment (Version 6.0) | After the Amendment (Version 7.0) | |
| <p>evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <p>1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>A. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>2. Where a public company acquiring real property, or obtaining real property through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date</p> | <p>However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <p>1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>A. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale <u>or leasing</u> practices.</p> <p>2. Where a public company acquiring real property, <u>or obtaining real property right-of-use assets through leasing</u>, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions involving</p> | <p>Assets by Public Companies” increase the right to use assets.</p> |

| Content | | Amendment Description |
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| Before the Amendment (Version 6.0) | After the Amendment (Version 7.0) | |
| of occurrence of the acquisition of the real property. | neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or <u>obtainment of the right-of-use assets thereof.</u> | |
| <p>Article 21: Where a public company acquires real property from a related party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction price, the following steps shall be taken: 1.A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company. 2.Supervisors shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee. 3.Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus. A public company that has set aside a special</p> | <p>Article 21: Where a public company acquires real property <u>or right-of-use assets thereof</u> from a related party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction price, the following steps shall be taken: 1.A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property <u>or right-of-use assets thereof</u> transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company. 2.Supervisors shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit</p> | In accordance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” increase the right to use assets. |

| Content | | Amendment Description |
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| Before the Amendment (Version 6.0) | After the Amendment (Version 7.0) | |
| <p>reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>When a public company obtains real property a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction.</p> | <p>committee.</p> <p>3.Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>A public company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased <u>or leased</u> at a premium, or they have been disposed of, <u>or the leasing contract has been terminated</u>, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>When a public company obtains real property <u>or right-of-use assets thereof</u> from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction.</p> | |
| <p>Article 22:</p> <p>The total amount of the real estate that can be purchased by the Company and its subsidiaries for the use of real estate that is not for business use or securities and the individual securities that can be invested are as follows:</p> <p>1. The total amount of real property that the company obtains for non-business use shall not exceed 20% of the net value of the company. The subsidiaries of the company may obtain real estate that is not for business use. The total amount shall not exceed 20% of the company's net value.</p> <p>2. The total investment in securities of the Company shall not exceed 50% of the net value; the total investment of the securities of the Company's subsidiaries shall not exceed 50% of the net value of the Company.</p> <p>3. The amount of individual securities invested by the Company shall not exceed 30% of the net value; the amount of individual securities of the company's subsidiaries shall not exceed 30% of the net value of</p> | <p>Article 22:</p> <p>The total amount of the real estate that can be purchased by the Company and its subsidiaries for the use of real estate that is not for business use <u>or its right to use assets</u> or securities and the individual securities that can be invested are as follows:</p> <p>1. The total amount of real property <u>or its right-of-use assets</u> that the company obtains for non-business use shall not exceed 20% of the net value of the company. The subsidiaries of the company may obtain real estate that is not for business use <u>or its right to use assets</u>. The total amount shall not exceed 20% of the company's net value.</p> <p>2. The total investment in securities of the Company shall not exceed 50% of the net value; the total investment of the securities of the Company's subsidiaries shall not</p> | <p>In accordance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” increase the right to use assets.</p> |

| Content | | Amendment Description |
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| Before the Amendment (Version 6.0) | After the Amendment (Version 7.0) | |
| <p>the Company. The 100% shareholding subsidiary investment is not within the above limits.</p> | <p>exceed 50% of the net value of the Company. 3. The amount of individual securities invested by the Company shall not exceed 30% of the net value; the amount of individual securities of the company's subsidiaries shall not exceed 30% of the net value of the Company. The 100% shareholding subsidiary investment is not within the above limits.</p> | |

Attachment 8

Amendment to the“ Operational Procedures for Loaning of Company Funds” Comparison Table

| Content | | Amendment Description |
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| Before the Amendment (Version 5.0) | After the Amendment (Version 6.0) | |
| <p>Article 3: Capital Loan and Total and Individual Object Limits The total amount of the company's and its subsidiaries' funds and loans shall not exceed 20% of the net value of the Company and its subsidiaries.</p> <p>The limits on the funds and individual targets of the Company and its subsidiaries are as follows: 1. For loans and companies with business operations, the total amount of loans and loans shall not exceed 20% of the net value of the Company; the amount of loans to individual investors shall be the total amount of the business between the two parties in the period of the loan and the business within the previous 12 months (The amount of the referred business refers to the amount of the purchase or sales volume between the two parties, the company's net worth of 10% or the borrower's net value of 30% . 2. For loans and companies with short-term financing, the total amount of loans and loans shall not exceed 20% of the net value of the lending company; the amount of loans to individual investors shall not exceed the lower amount of 10% of the net value of the lending company and the net value of the borrower.</p> <p>The loan between foreign companies directly and indirectly 100% held shall not exceed 100% of the net value of the lending company. The company's financial report is prepared by the International Financial Reporting Standards. The term "net value" as used in these</p> | <p>Article 3: Capital Loan and Total and Individual Object Limits The total amount of the company's and its subsidiaries' funds and loans shall not exceed 20% of the net value of the Company and its subsidiaries.</p> <p>The limits on the funds and individual targets of the Company and its subsidiaries are as follows: 1. For loans and companies with business transactions, the total amount of loans and loans shall not exceed 20% of the net value of the lending company; the amount of loans to individual investors shall be the total amount of the business between the two parties in the period of the previous 12-month period. (The amount of the business referred to is the highest amount of purchase or sales between the two parties), and the lending company's net worth of 10% or the borrower's net worth of 30% is limited. 2. For loans and companies with short-term financing, the total amount of loans and loans shall not exceed 20% of the net value of the lending company; the amount of loans to individual investors shall not exceed the lower amount of 10% of the net value of the lending company and 30% of the net value of the borrower.</p> <p>The loan between foreign subsidiaries directly or indirectly 100% owned by the Company <u>or the Company’s loan from those subsidiaries described above</u> shall not exceed 100% of the net value of the lending company.</p> | <p>In accordance with Article 3 of the “Guidelines for the Treatment of Capital Loans and Endorsement Guarantees of Public Issuance Companies”, in order to increase the flexibility of the internal fund allocation of the Group, the foreign companies that directly and indirectly hold 100% of the voting shares of the public offering company are released for the public offering. The company is engaged in fund lending and is not subject to a net value of 40%. In addition, when the company is engaged in fund lending and exceeding the limit, the person in charge of the company shall jointly bear the responsibility for returning the damage and the liability for damages;</p> |

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| Before the Amendment (Version 5.0) | After the Amendment (Version 6.0) | |
| Measures refers to the equity of the securities issuer's financial report preparation standards attributable to the owners of the parent company. | <u>When the company engages in capital loans and exceeds the limit, the person in charge of the company shall be jointly responsible for the return and damages.</u> The company's financial report is prepared by the International Financial Reporting Standards. The term "net value" as used in these Measures refers to the equity of the securities issuer's financial report preparation standards attributable to the owners of the parent company. | |
| <p>Article 5: Loans and Term and Interest-bearing Method The term of the loan of the Company and its subsidiaries shall be based on the period of time required by the borrower and may not exceed one year.</p> <p>The company shall directly and indirectly hold 100% of the voting shares of foreign companies engaged in loan lending and the term shall not exceed three years.</p> <p>loan interest rate refers to the short-term capital borrowing rate of financial institutions and the adjustment of the cost of funds. The calculation of the loan interest of the Company and its subsidiaries shall be based on the principle of monthly interest payment. In case of special circumstances, it may be adjusted according to the actual situation after the approval of the board of directors.</p> | <p>Article 5: Loans and maturities and interest-bearing methods</p> <p>The term of the loan of the company and its subsidiaries shall be based on the period of time required by the borrower and may not exceed one year.</p> <p>The company shall directly and indirectly hold 100% of the voting shares of foreign companies engaged in loan lending and the term shall not exceed three years.</p> <p>The loan interest rate refers to the short-term capital borrowing rate of financial institutions and the adjustment of the cost of funds. The calculation of the loan interest of the Company and its subsidiaries shall be based on the principle of monthly interest payment. In case of special circumstances, it may be adjusted according to the actual situation after the approval of the board of directors.</p> <p><u>The term of the loan between foreign subsidiaries directly or indirectly 100% owned by the Company or the Company's loan from those subsidiaries described above could not be more than three years, but it is not subject to the restrictions of the preceding paragraph.</u></p> | <p>In accordance with Article 3 of the "Guidelines for the Treatment of Capital Loans and Endorsement Guarantees of Public Issuance Companies", in order to increase the flexibility of the internal fund allocation of the Group, the foreign companies that directly and indirectly hold 100% of the voting shares of the public offering company are released for the public offering. The company is engaged in capital loans and is not subject to the one-year time limit; the company also relaxes the restrictions on loan interest rates and interest payments; and makes text paragraph adjustments.</p> |

Appendix 1

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 (before amended)

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, bit 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' Shareholding Status

Record Date: April 22, 2019

| Position | Name | Shareholding Status | |
|-------------------------|---|---------------------|--------------------|
| | | Number of shares | Shareholding Ratio |
| Chairman | Genda Hu | 1,094,341 | 0.37% |
| Director | James Liao | 643,474 | 0.21% |
| Director | GWAA LLC Representative Person : Hsieh Han-Ping | 5,940,047 | 1.98% |
| Director | CTBC Bank Trusteeship for Jifu Holding Group (shares) Investment Account Representative Person : Shen Yen | 8,236,703 | 2.75% |
| Independent Director | Shih Chin-Tay | 0 | 0% |
| Independent Director | Lin Chan-Jane | 0 | 0% |
| Independent Director | Lee Lin-Shan | 0 | 0% |
| Independent Director | Tu Neng-Mo | 0 | 0% |
| Total of All Directors | | 15,914,565 | 5.31% |

Note:

1. Total shares issued: 299,416,416 common shares.
2. Minimum number of shares that all directors should hold in total is 12,000,000 shares on April 22, 2019
3. The number of shares held by individual and all directors are listed above summarized from the shareholders' register on the date of suspension of transfer, which fulfills the requirement of Article 26 of the Securities Exchange Act.