

【Important Disclaimer】

(This MEETING HANDBOOK has been translated into English from the original Chinese version prepared and used in the Republic of China, and this English version was only for reference.)

【Translation】



Stock Code: 8299

PHISON ELECTRONICS CORP.

2012

REGULAR SHAREHOLDERS MEETING

MEETING HANDBOOK

Time: June 6, 2012

Location: 1F Meeting Room, No. 1-1, Qun Yi Rd., Jhunan, Miaoli, Taiwan

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Phison Electronics Corporation

Procedure for the 2011 Annual Meeting of Shareholders

Call the Meeting to Order

Chairperson Remarks

Company Reports

Matters to be accepted

Motions to be discussed

Extemporaneous motions

Adjournment

Phison Electronics Corporation

Year 2012

Agenda of Annual Meeting of Shareholders

Time: 9:00 AM on Wednesday, June 6, 2012

Place: 1F Meeting Room, No. 77, Qun Yi Rd Rd., Jhunan, Miaoli, Taiwan

Call the Meeting to Order.

Chairperson Remarks

Subjects to be reported

1. The business operation report of the Company for Year 2011.
2. The supervisor's report for reviewing the financial statements of the Company for Year 2011.
3. To amend the "Regulations Governing Procedure for Board of Directors Meetings".

Matters to be accepted

1. The business operation report and the financial statements of the Company for Year 2011.
2. For the matter regarding the retained earnings distribution of the Company for Year 2011.

Motions to be discussed

1. To approve the revisions to "Procedure of Acquisition and disposal of Assets" and "Procedure of Engaging in Derivatives Trading".
2. To release the Directors' non-compete restrictions

Extemporaneous motions

Adjournment

Subjects to be reported

Report No. 1

The business operation report of the Company for Year 2011.

Explanation:

The 2011 Business Report is attached as pp.9, Attachment 1.

Report No. 2

The supervisor's report for reviewing the financial statements of the Company for Year 2011.

Explanation:

The financial statements of 2011 (including Balance Sheet, Income Statement, Statement of Changes in Shareholders' Equity and Cash Flow Statement) were audited by CPA, incorporated with the annual business operation report and the earning distribution of 2011 were reviewed by the supervisors. Please refer to attachment 2 (page 13) of the Supervisors' review report which submit according to the Article 219 of Company Law.

Report No. 3

To report the "Regulations Governing Procedure for Board of Directors Meetings".

Explanation:

According to the duty adjustment of company Article 206 of "Company Act" and "Securities and Exchange Act" issued, to amend the partial articles of "Regulations Governing Procedure for Board of Directors Meetings" of the Company. Regarding the revised articles of the Articles of the "Regulations Governing Procedure for Board of Directors Meetings", please refer to attachment 3 (page 14) amendment comparison table for the Articles of the "Regulations Governing Procedure for Board of Directors Meetings".

Matters to be accepted

1. Proposed by the Board

Proposal:

The business operation report and the financial statements of the Company for Year 2011, please be accepted.

Explanation:

- (1) Phison Electronics Company's Financial Statements, including the Balance sheet, Income statement, Statement of Changes in shareholders' Equity, and Statement of Cash Flows, were audited by independent auditors, Mr. Dai Xin Wei(戴信維) and Mrs. Wang En Wen(王儀雯) of Deloitte & Touche. Also Business Report and Financial Statements have been approved by the Board and examined by the supervisors of Phison Electronics Company.
- (2) The 2011 Business Report, independent auditors' audit report, and the above-mentioned Financial Statements are attached in the Meeting Agenda, pp. 9 and pp.16~30.

Resolution:

2. Proposed by the Board

Proposal:

For the matter regarding the retained earnings distribution of the Company for Year 2011, please be accepted.

Explanation:

- (1) The net profit after taxes of the Company for Year 2011 are NT\$2,616,397,821. The Company prepared the proposal regarding the distribution of profits for Year 2011 according to the rules of the Articles of the Corporation. The table of earnings distribution of the Company for Year 2011 is proposed as below :

Phison Electronics Corporation
PROFIT DISTRIBUTION TABLE
Year 2011

(Unit: NTD \$)

ITEMS	Amount
Beginning retained earnings	2,315,105,879
Add : Net profits after taxes of the Year 2011	2,616,397,821
Less : 10% Legal reserve	261,639,782
Add : Reverse special reserve under the law	8,148,733
Distributable net profit	4,678,012,651
Distributable items:	
Shareholder Dividend-Cash (Distributed NT\$7 per share)	1,259,494,201
Unappropriated Retained Earnings	3,418,518,450
<p>Remark 1 : Total amount of distribution: NT\$1,585,347,677</p> <p>Remark 2 : The compensation of directors and supervisors: NT\$15,853,476. Employee bonus sharing: NT\$310,000,000.</p> <p>Remark 3 : (1)The compensation of directors and supervisors of NT\$15,853,476 is 1% of total distribution amount. (2)Total Bonuses to be allotted to employees of NT\$310,000,000 is 19.55% of total distribution amount. (3)Total Dividends to be allotted to shareholders of NT\$1,259,494,201 is 79.45% of total distribution amount.</p>	

Director :

Manager :

Financial Manager :

- (2) Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date and other relevant issues.
- (3) In the event that, before the distribution record date, the proposed profit distribution is affected by an amendment to relevant laws or regulations, a request by the competent authorities, or employee

stock options, it is proposed that the Board of Directors be authorized to adjust the cash to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.

Resolution:

Motions to be discussed

1.

Proposed by the Board

Proposal:

To approve the revisions to “Procedure of Acquisition and Disposal of Assets” and “Procedure of Engaging in Derivatives Trading”, please be discussed.

Explanation:

- (1) According to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and the needs of the Company’s operation, the Company proposed to revise partial articles of “Procedure of Acquisition and Disposal of Assets” and “Procedure of Engaging in Derivatives Trading”.
- (2) Please refer Attachment 3 (page 14) amendment comparison table for the “Procedure of Acquisition and Disposal of Assets” and “Procedure of Engaging in Derivatives Trading”.

Resolution:

2.

Proposed by the Board

Proposal:

To release the Directors' non-compete restrictions

Explanation:

- (1) According to the Item1 of Article 209 of Company Laws, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) Due to the Directors of the Company may invest or operate other

companies which operate in the same or similar scope of the Company's business and act as the directors of these companies, in order to match the actual business need, the Company proposed to release the Directors' non-compete restrictions, as long as such release does not cause the infringement and damage of Company's benefit due to the director's personal conflict of interests. Please refer as below :

Name	Release the Directors' none compete restrictions	Position
Toshiba Corporation	<ol style="list-style-type: none"> 1. Toshiba Memory Advanced Package Corporation 2. Toshiba Storage Device Corporation 3. Toshiba Computer Technology Co., Ltd. 4. Toshiba Electronics do Brasil Ltda. 5. NuFlare Technology Korea, Inc. 6. Toshiba America Information Systems, Inc 7. Toshiba Europe GmbH 8. Toshiba Singapore Pte., Ltd. 9. Toshiba Information Equipment (Philippines), Inc 10. Toshiba Storage Device (Thailand) Co., Ltd 11. 東芝電子(上海)有限公司 Toshiba Electronics (Shanghai) Co. Ltd. 	Director
Hiroto Nakai (Representative of Toshiba Corporation)	<ol style="list-style-type: none"> 1. Flash Partners, Ltd. 2. Flash Alliance, Ltd. 3. Flash Forward, Ltd. 	Representative of Director
Kuang	Phison Electronics Japan Corporation.	Chairman

Resolution:

Extemporaneous Motions

Attachments

【Attachment 1】

Phison Electronics Corporation *The Business Operation Report of Year 2011*

一、經營方針及實施概況：

因歐元區主權債務問題對國際金融穩定性的影響且拖慢全球經濟成長性的持續發酵，在全球不穩定的政經環境及變化劇烈的科技產業市場下，100 年度 NAND Flash 應用產品市場同樣變化多端，群聯戰戰兢兢地隨著應用產品市場及客戶需求的變化，快速推出新應用產品組合並即時滿足客戶需求，於 100 年度終於能交出具成長性的優秀營業成果，100 年度營業收入為新台幣約 323 億元，稅後淨利新台幣約 26 億元，每股稅後盈餘新台幣 14.68 元。

本公司在隨身碟、快閃記憶卡、SSD 及內建式快閃記憶體應用產品各方面，持續投入控制晶片及新應用產品的研究開發並同時對原有產品線不斷創新，以滿足市場需求，尤其是新產品線 SSD 及內建式快閃記憶體應用產品在市場上不斷有新的終端應用產品推出，使得出貨金額持續成長，100 年度在 SSD 相關控制晶片及成品的整體出貨金額較前一年度成長約 168%，在內建式快閃記憶體應用產品控制晶片模組的整體出貨金額較前一年度成長約 250%，在市場銷售版圖並持續提高產品市佔率。

展望未來，面對快閃記憶體的終端應用產品持續推陳出新，NAND Flash 控制晶片的應用日趨蓬勃發展，群聯除了在原有的隨身碟及快閃記憶卡產品線上穩定成長外，針對智慧型手機、電子書及平板電腦等手持裝置將開發內嵌式新一代高速 eMMC 控制晶片產品，針對 PC、Ultrabook、低價電腦及工業電腦市場持續開發 PATA/SATA SSD 控制晶片，並持續開發支援先進資料加/解密演算法之 NAND Flash 控制晶片以持續搶攻 NFC(Near Field Communication)等行動交易裝置應用產品市場所需的資料加解密技術解決方案，以搶得市場先機。群聯在各種內建式 NAND Flash 應用產品上繼續開發出創新的應用控制晶片並提供系統整合應用設計服務及產品，以提供符合市場快速變化所需的 Total Solution 技術與服務，加深市場競爭力，持續拓展市場版圖。

在營運策略方面，本公司將以穩定擴張的方式持續邁進成長之路。對內，本公司持續強化專業研發團隊的研發強度及技術質量，並繼續提升內部營運流程的效率與客戶服務品質，並適時適當擴增營運據點；對外，將持續善用策略聯盟方式積極開發創新應用技術與產品並拓展更廣闊的產品銷售通路，加強合作。本公司將縝密佈局國內外市場，以持續進行縱向的資源整合與橫向的擴張，提供市

場更完整的產品服務，朝多元化的市場版圖伸展，持續創造競爭優勢，以達公司永續穩定經營的目標。

二、一〇〇年度之營業成果說明：

(一)、營業計畫實施成果

(1)營業收入：

本公司 100 年度營業收入淨額為 32,343,227 仟元，較 99 年度 31,796,255 仟元增加 546,972 仟元，增加 1.72%。

(2)淨利：

本公司 100 年度稅後淨利 2,616,398 仟元，較 99 年度稅後淨利 1,515,723 仟元增加 1,100,675 仟元，增加 72.62%。

(3)本公司截至 100 年 12 月 31 日止，員工人數為 552 人，研發處員工人數約為 287 人。

(二)、預算執行情形：

本公司 100 年度未公開財務預測，故無須公開揭露預算執行情形。

(三)、最近二年度之營業收支及獲利能力分析

(1)財務收支狀況

單位：新台幣仟元

項目	一〇〇年度	九十九年度	增(減)金額	變動比例(%)
營業收入	32,343,227	31,796,255	546,972	1.72%
營業毛利	4,533,988	3,330,373	1,203,615	36.14%
營業利益	2,756,376	2,044,818	711,558	34.80%
營業外收入及支出	228,949	(181,505)	410,454	226.14%
稅後利益	2,616,398	1,515,723	1,100,675	72.62%

(2)獲利能力分析

項	目	一〇〇年度	九十九年度
財務結構	負債佔資產比率(%)	30.35	35.00
	長期資金佔固定資產比率(%)	857.72	1,212.33
償債能力	流動比率(%)	293.77	258.59
	速動比率(%)	242.91	192.86
	利息保障倍數(次)	620.62	245.14
經營能力	應收款項週轉率(次)	8.82	10.11

	平均收現日數(日)		41.38	36.10	
	存貨週轉率(次)		13.28	11.26	
	應付款項週轉率(次)		9.40	8.85	
	平均銷貨日數(日)		27.48	32.41	
	固定資產週轉率(次)		32.47	43.99	
	總資產週轉率(次)		2.22	2.36	
獲利能力	資產報酬率(%)		17.96	11.28	
	股東權益報酬率(%)		26.58	17.93	
	占實收資本比率(%)	營業利益		154.20	115.48
		稅前純益		167.01	105.23
	純益率(%)		8.09	4.77	
	每股盈餘(元)		14.68	8.57	
現金流量	現金流量比率(%)		56.51	52.31	
	現金流量允當比率(%)		145.82	104.65	
	現金再投資比率(%)		17.23	19.55	
槓桿度	營運槓桿度		1.03	1.05	
	財務槓桿度		1.00	1.00	

(四)、研究發展狀況

(1)最近二年度研究發展費用

100 及 99 年度研發費用分別為 1,174,360 仟元及 793,227 仟元，佔各該年度營業總額比例為 3.60% 和 2.49%。且截至 100 年底，本公司已取得各國專利權核准達 291 件。

(2)研發成果

100 年度成功開發推出下列產品，頗受市場好評，包括：

- a. 可支援 2xnm 製程及 x3 NAND Flash 之 USB2.0 隨身碟、記憶卡之控制單晶片及系統產品
- b. 針對手機、電子書等手持裝置開發內嵌式新一代 eMMC/eSD 系統產品
- c. 針對 PC、低價電腦及工業電腦市場開發 PATA/SATA SSD 控制單晶片及 1.8/2.5 吋 SSD 系統產品
- d. 針對平板電腦、低價電腦開發 SATA SSD 控制單晶片及 mSATA/Slim Type SSD Module 系統產品
- e. USB3.0 單晶片控制 IC 及 USB3.0 超高速隨身碟與 USB3.0 SSD 相關應用產品
- f. 針對高階相機市場開發之 SDXC 控制晶片與高速 SDXC 記憶卡
- g. PCI Express 控制單晶片及 Express Card 系統產品
- h. 支援先進資料加/解密演算法之 NAND Flash 控制晶片
- i. 支援 RTOS 之高運算能力記憶卡控制單晶片

j. 其他內嵌式 Flash 應用產品之控制晶片

(3)本公司根據市場需求走勢、產業競爭態勢及新產品計劃推出時程等考量，

101 年度計畫新開發或持續升級之產品線如下：

- a. 可支援 1xnm 製程及 x3 NAND Flash 之 USB 2.0 隨身碟、記憶卡之控制晶片及系統產品。
- b. 針對手機、電子書及平板電腦等手持裝置開發內嵌式新一代高速 eMMC 控制晶片。
- c. 針對 PC、Ultrabook、低價電腦及工業電腦市場開發 PATA/SATA SSD 控制晶片及 1.8/2.5 吋 SSD 系統產品。
- d. 針對平板電腦、低價電腦開發 SATA SSD 控制單晶片及 mSATA/Slim Type SSD Module 系統產品。
- e. USB 3.0 控制晶片及 USB3.0 超高速隨身碟與 USB 3.0 SSD 相關應用產品。
- f. 針對高階相機市場開發之 UHS-I SDXC 控制晶片與高速 UHS-I SDXC 記憶卡。
- g. 支援先進資料加/解密演算法之 NAND Flash 控制晶片。
- h. 支援 RTOS 之高運算能力記憶卡控制單晶片。
- i. 其他內嵌式 Flash 應用產品之控制晶片。

群聯電子股份有限公司

董事長 潘健成

總經理 歐陽志光

會計主管 邱淑華

【Attachment 2】

Supervisors' Review Report

To:

The 2012 regular shareholders meeting of Phison Electronics Corp.

The financial statements of 2011 (including Balance Sheet, Income Statement, Statement of Changes in Shareholders' Equity and Cash Flow Statement) were audited by the certified public accountants of Deloitte & Touche, Mr. Dai Xin Wei(戴信維) and Mrs. Wang En Wen(王儀雯) incorporated with the annual business operation report, financial report and the earning distribution of 2011 were reviewed by the supervisors and there is no inconsistentment. The supervisors submit the review report according to the rules of the article 219 of Company Law.

Phison Electronics Corp.

Supervisor:

Supervisor:

Supervisor:

Date: March 23, 2012

【Attachment 3】

【The amendment comparison table for the Articles of the “Regulations Governing Procedure for Board of Directors Meetings”】

Original	Amendment	Reason
<p>Article 4 The board of directors shall appoint an handle the agenda working group affairs, which is President Office. The agenda working group shall prepare agenda items for board of directors meetings and provide sufficient pre-meeting materials, to be sent together with the notice of the meeting. A director of the opinion that the pre-meeting materials provided are insufficient in content may request the agenda working group affairs to supplement the materials. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the board of directors.</p>	<p>Article 4 The board of directors shall appoint an handle the agenda working group affairs, which is <u>Shareholders Service Dept.</u> The agenda working group shall prepare agenda items for board of directors meetings and provide sufficient pre-meeting materials, to be sent together with the notice of the meeting. A director of the opinion that the pre-meeting materials provided are insufficient in content may request the agenda working group affairs to supplement the materials. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the board of directors.</p>	<p>To amend according to the duty adjustment of company.</p>
<p>Article 12 A company shall submit the following items for discussion by the board of directors</p> <ol style="list-style-type: none"> 1. Corporate business plan. 2. Annual, semi-annual and quarterly financial reports. 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Law. 4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Law, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of any equity-type securities. 6. The appointment or discharge of a financial, accounting, or internal audit officer. 7. Any matter required by Article 	<p>Article 12 A company shall submit the following items for discussion by the board of directors</p> <ol style="list-style-type: none"> 1. Corporate business plan. 2. Annual, semi-annual and <u>each</u> quarterly financial reports. 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Law. 4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Law, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of any equity-type securities. 6. The appointment or discharge of a financial, accounting, or internal audit officer. 7. Any matter required by Article 	<p>To amend according to the “Securities and Exchange Act”.</p>

<p>14-3 of the Securities and Exchange Law or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or to be submitted to a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.</p> <p>The independent directors, with respect to a matter required by Article 14-3 of the Securities and Exchange Law to be submitted to a meeting of the board of directors, each independent director shall attend the meeting in person or may proxy other independent agency attendance. If an independent director objects to or expresses reservations about the matter, it shall be recorded in the board meeting minutes; an independent director intending to express objection or reservations but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.</p>	<p>14-3 of the Securities and Exchange Law or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or to be submitted to a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.</p> <p>The independent directors, with respect to a matter required by Article 14-3 of the Securities and Exchange Law to be submitted to a meeting of the board of directors, each independent director shall attend the meeting in person or may proxy other independent agency attendance. If an independent director objects to or expresses reservations about the matter, it shall be recorded in the board meeting minutes; an independent director intending to express objection or reservations but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.</p>	
<p>Article 15</p> <p>A board director is prohibited from participating in discussion of or voting on an agenda item in which the director or the juristic person that the director represents is an interested party, where such participation is likely to prejudice the interest of the company, and likewise is prohibited from voting on such an item as a proxy of another director.</p> <p>With respect to a resolution at a board of directors meeting, the provisions of Article 180, paragraph 2, of the Company Law, as applied mutatis mutandis under Article 206, paragraph 2, of that Law, shall apply in cases where a board director is prohibited by the preceding paragraph from exercising voting rights.</p>	<p>Article 15</p> <p>A board director is prohibited from participating in discussion of or voting on an agenda item in which the director or the juristic person that the director represents is an interested party, where such participation is likely to prejudice the interest of the company, and likewise is prohibited from voting on such an item as a proxy of another director. <u>In cash of such possible conflict of interest, the board directors shall immediately notify the board of directors.</u></p> <p>With respect to a resolution at a board of directors meeting, the provisions of Article 180, paragraph 2, of the Company Law, as applied mutatis mutandis under Article 206, paragraph 2, of that Law, shall apply in cases where a board director is prohibited by the preceding paragraph from exercising voting rights.</p>	<p>To amend according to the Article 206 of “Company Act”</p>

FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS OF YEAR 2011

【Attachment 4】

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Phison Electronics Corp.

We have audited the accompanying nonconsolidated balance sheets of Phison Electronics Corp. (the "Corporation") as of December 31, 2011 and 2010, and the related nonconsolidated statements of income, changes in shareholders' equity and cash flows for the years then ended. These nonconsolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these nonconsolidated financial statements based on our audits.

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

In our opinion, the nonconsolidated financial statements referred to above present fairly, in all material respects, the financial position of Phison Electronics Corp. as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, requirements of the Business Accounting Law and Guidelines Governing Business Accounting relevant to financial accounting standards, and accounting principles generally accepted in the Republic of China.

We have also audited the consolidated financial statements of Phison Electronics Corp. and its subsidiaries as of and for the years ended December 31, 2011 and 2010 and have issued an unqualified opinion, respectively, in our report dated March 19, 2012 (not presented herewith).

March 19, 2012

Notice to Readers

The accompanying nonconsolidated financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such nonconsolidated financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the auditors' report and the accompanying nonconsolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and nonconsolidated financial statements shall prevail.

PHISON ELECTRONICS CORP.

NONCONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2011 AND 2010

(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2011		2010		LIABILITIES AND SHAREHOLDERS' EQUITY	2011		2010	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash (Note 4)	\$ 6,278,584	40	\$ 5,601,533	41	Short-term loans (Note 14)	\$ 302,750	2	\$ 1,106,940	8
Financial assets at fair value through profit or loss - current (Notes 2 and 5)	558,667	4	403,012	3	Notes and accounts payable				
Notes and accounts receivable					Third parties	2,312,486	15	1,432,898	10
Third parties, net (Notes 2, 3 and 6)	3,580,237	23	2,640,258	19	Related parties (Note 21)	479,009	3	1,175,408	9
Related parties (Note 21)	767,942	5	342,113	2	Income tax payable (Notes 2 and 16)	317,354	2	131,961	1
Other financial assets (Note 21)	2,695	-	6,554	-	Accrued expenses (Note 18)	1,251,537	8	821,388	6
Inventories (Notes 2 and 7)	1,981,021	13	2,207,788	16	Other	45,157	-	105,864	1
Prepayments (Note 13)	413,266	3	930,397	7					
Deferred income tax assets - current (Notes 2 and 16)	61,450	-	79,619	1	Total current liabilities	<u>4,708,293</u>	<u>30</u>	<u>4,774,459</u>	<u>35</u>
Restricted assets (Note 22)	5,211	-	5,202	-					
Other	182,332	1	127,076	1	OTHER LIABILITIES				
					Guarantee deposits received	416	-	406	-
Total current assets	<u>13,831,405</u>	<u>89</u>	<u>12,343,552</u>	<u>90</u>	Deferred credits (Notes 2 and 21)	-	-	9,975	-
LONG-TERM INVESTMENTS					Total other liabilities	<u>416</u>	<u>-</u>	<u>10,381</u>	<u>-</u>
Investments accounted for by the equity method (Notes 2 and 10)	222,341	1	474,487	4	Total liabilities	<u>4,708,709</u>	<u>30</u>	<u>4,784,840</u>	<u>35</u>
Prepayments for long-term investments (Notes 2 and 9)	15,000	-	-	-					
Available-for-sale financial assets - noncurrent (Notes 2 and 8)	969	-	31,540	-	SHAREHOLDERS' EQUITY (Notes 2 and 18)				
Financial assets carried at cost - noncurrent (Notes 2 and 9)	119,739	1	18,668	-	Capital stock - NT\$10 par value				
					Authorized - 230,000 thousand shares in 2011 and 2010				
Total long-term investments	<u>358,049</u>	<u>2</u>	<u>524,695</u>	<u>4</u>	Issued and outstanding - 178,753 thousand shares in 2011 and 177,078 thousand shares in 2010	<u>1,787,532</u>	<u>12</u>	<u>1,770,788</u>	<u>13</u>
					Advance receipts for common stock	<u>3,779</u>	<u>-</u>	<u>12,246</u>	<u>-</u>
PROPERTIES (Notes 2, 11 and 21)					Capital surplus				
Cost					Additional paid-in capital	3,220,972	21	3,112,044	23
Land	505,235	3	375,235	3	Long-term investments	10,373	-	23,466	-
Land improvements	18,695	-	5,095	-	Employee stock options	53,975	-	86,670	1
Buildings	320,225	2	320,225	2	Expired stock options	16	-	-	-
Testing equipment	139,098	1	118,921	1	Total capital surplus	<u>3,285,336</u>	<u>21</u>	<u>3,222,180</u>	<u>24</u>
Office equipment	7,808	-	15,005	-	Retained earnings				
Other equipment	1,348	-	1,668	-	Legal reserve	787,757	5	636,185	4
Total cost	992,409	6	836,149	6	Special reserve	14,892	-	1,643	-
Less: Accumulated depreciation					Unappropriated retained earnings	<u>4,931,505</u>	<u>32</u>	<u>3,256,071</u>	<u>24</u>
					Total retained earnings	<u>5,734,154</u>	<u>37</u>	<u>3,893,899</u>	<u>28</u>
Construction in progress	395,550	3	-	-	Other equity				
Prepayments for equipment	4,011	-	4,080	-	Cumulative translation adjustments	(4,912)	-	(6,432)	-
					Unrealized loss on financial instruments	(1,831)	-	(8,460)	-
Net properties	<u>1,259,632</u>	<u>8</u>	<u>732,822</u>	<u>5</u>	Total other equity	<u>(6,743)</u>	<u>-</u>	<u>(14,892)</u>	<u>-</u>
					Total shareholders' equity	<u>10,804,058</u>	<u>70</u>	<u>8,884,221</u>	<u>65</u>
INTANGIBLE ASSETS (Notes 2 and 12)									
					TOTAL	<u>\$ 15,512,767</u>	<u>100</u>	<u>\$ 13,669,061</u>	<u>100</u>
OTHER ASSETS									
Guarantee deposits paid	529	-	1,982	-					
Deferred income tax assets - noncurrent (Notes 2 and 16)	9,672	-	5,901	-					
Miscellaneous (Notes 2 and 15)	1,092	-	2,613	-					
Total other assets	<u>11,293</u>	<u>-</u>	<u>10,496</u>	<u>-</u>					
TOTAL	<u>\$ 15,512,767</u>	<u>100</u>	<u>\$ 13,669,061</u>	<u>100</u>					

The accompanying notes are an integral part of the nonconsolidated financial statements.

PHISON ELECTRONICS CORP.
NONCONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2011 AND 2010
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2011		2010	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 2 and 21)				
Gross sales	\$ 32,534,504	101	\$ 31,886,204	100
Less: Sales returns and allowances	<u>241,850</u>	<u>1</u>	<u>153,001</u>	<u>-</u>
Net sales	32,292,654	100	31,733,203	100
Service revenue	<u>50,573</u>	<u>-</u>	<u>63,052</u>	<u>-</u>
Total operating revenue	<u>32,343,227</u>	<u>100</u>	<u>31,796,255</u>	<u>100</u>
OPERATING COSTS (Notes 7, 17 and 21)	<u>27,809,239</u>	<u>86</u>	<u>28,465,882</u>	<u>89</u>
GROSS PROFIT	<u>4,533,988</u>	<u>14</u>	<u>3,330,373</u>	<u>11</u>
OPERATING EXPENSES (Note 17)				
Marketing	324,452	1	291,979	1
General and administrative	278,800	1	200,349	1
Research and development	<u>1,174,360</u>	<u>4</u>	<u>793,227</u>	<u>2</u>
Total operating expenses	<u>1,777,612</u>	<u>6</u>	<u>1,285,555</u>	<u>4</u>
OPERATING INCOME	<u>2,756,376</u>	<u>8</u>	<u>2,044,818</u>	<u>7</u>
NONOPERATING INCOME AND GAINS				
Foreign exchange gain, net (Note 2)	213,823	1	-	-
Gain on disposal of investments, net (Notes 5, 8 and 9)	16,935	-	311	-
Gain on disposal of properties (Notes 2 and 21)	9,993	-	366	-
Interest income	8,982	-	4,461	-
Other (Notes 2, 5 and 21)	<u>38,463</u>	<u>-</u>	<u>20,478</u>	<u>-</u>
Total nonoperating income and gains	<u>288,196</u>	<u>1</u>	<u>25,616</u>	<u>-</u>
NONOPERATING EXPENSES AND LOSSES				
Equity in net loss of investees (Notes 2 and 10)	41,989	-	12,071	-
Interest expense	4,818	-	7,632	-
Impairment loss on financial assets carried at cost (Notes 2 and 9)	1,500	-	6,767	-
Foreign exchange loss, net (Note 2)	-	-	180,473	1
Other (Notes 2 and 5)	<u>10,940</u>	<u>-</u>	<u>178</u>	<u>-</u>
Total nonoperating expenses and losses	<u>59,247</u>	<u>-</u>	<u>207,121</u>	<u>1</u>
INCOME BEFORE INCOME TAX	2,985,325	9	1,863,313	6
INCOME TAX EXPENSE (Notes 2 and 16)	<u>368,927</u>	<u>1</u>	<u>347,590</u>	<u>1</u>
NET INCOME	<u>\$ 2,616,398</u>	<u>8</u>	<u>\$ 1,515,723</u>	<u>5</u>

(Continued)

PHISON ELECTRONICS CORP.

**NONCONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2011 AND 2010**

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2011		2010	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS PER SHARE (Note 19)				
Basic	<u>\$ 16.75</u>	<u>\$ 14.68</u>	<u>\$ 10.53</u>	<u>\$ 8.57</u>
Diluted	<u>\$ 16.40</u>	<u>\$ 14.37</u>	<u>\$ 10.21</u>	<u>\$ 8.31</u>

The accompanying notes are an integral part of the nonconsolidated financial statements. (Concluded)

PHISON ELECTRONICS CORP.

**NONCONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2011 AND 2010
(In Thousands of New Taiwan Dollars, Except Amounts Per Share)**

	Capital Stocks Issued and Outstanding		Advance Receipts for Common Stock	Paid-in Capital in Excess of Par Value	Long-term Investment	Capital Surplus		Total	Legal Reserve	Retained Earnings			Other Equity		Total Shareholders' Equity
	Shares (Thousands)	Amount				Employee Stock Options	Expired Stock Options			Legal Reserve	Special Reserve	Unappropriated	Total	Cumulative Translation Adjustments	
BALANCE, JANUARY 1, 2010	146,727	\$ 1,467,273	\$ 66,166	\$ 3,016,551	\$ 23,367	\$ 42,183	\$ -	\$ 3,082,101	\$ 429,879	\$ -	\$ 2,980,919	\$ 3,410,798	\$ (1,643)	\$ -	\$ 8,024,695
Appropriation of the 2009 earnings															
Legal reserve	-	-	-	-	-	-	-	-	206,306	-	(206,306)	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	1,643	(1,643)	-	-	-	-
Stock dividends - NTS1.99946 per share	29,503	295,035	-	-	-	-	-	-	-	-	(295,035)	(295,035)	-	-	-
Cash dividends - NTS4.99864 per share	-	-	-	-	-	-	-	-	-	-	(737,587)	(737,587)	-	-	(737,587)
Balance after appropriation	176,230	1,762,308	66,166	3,016,551	23,367	42,183	-	3,082,101	636,185	1,643	1,740,348	2,378,176	(1,643)	-	7,287,108
Effect of change in equity in an investee due to the Corporation's subscription for shares issued by an investee at a rate not equal to its current equity	-	-	-	-	99	-	-	99	-	-	-	-	-	-	99
Transfer of employee stock options to capital stock on January 31, 2010 - NTS123.1 per share	538	5,375	(66,166)	60,791	-	-	-	60,791	-	-	-	-	-	-	-
Transfer of executed employee stock options to capital stock on April 30, 2010 - NTS123.1 per share	252	2,525	-	28,558	-	-	-	28,558	-	-	-	-	-	-	31,083
Transfer of executed employee stock options to capital stock on June 30, 2010 - NTS123.1 per share	20	200	-	2,262	-	-	-	2,262	-	-	-	-	-	-	2,462
Transfer of executed employee stock options to capital stock on October 31, 2010 - 20,000 shares, NTS123.1 per share; 18,000 shares, NTS100 per share	38	380	-	3,882	-	-	-	3,882	-	-	-	-	-	-	4,262
Advance receipts for common stock - employee stock options	-	-	12,246	-	-	-	-	-	-	-	-	-	-	-	12,246
Compensation cost recognized for employee stock options	-	-	-	-	-	44,487	-	44,487	-	-	-	-	-	-	44,487
Unrealized loss on financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,460)	(8,460)
Translation of adjustments long-term equity investments	-	-	-	-	-	-	-	-	-	-	-	-	(4,789)	-	(4,789)
Net income in 2010	-	-	-	-	-	-	-	-	-	-	1,515,723	1,515,723	-	-	1,515,723
BALANCE, DECEMBER 31, 2010	177,078	1,770,788	12,246	3,112,044	23,466	86,670	-	3,222,180	636,185	1,643	3,256,071	3,893,899	(6,432)	(8,460)	8,884,221
Appropriation of the 2010 earnings															
Legal reserve	-	-	-	-	-	-	-	-	151,572	-	(151,572)	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	13,249	(13,249)	-	-	-	-
Cash dividends - NTS4.344886 per share	-	-	-	-	-	-	-	-	-	-	(776,143)	(776,143)	-	-	(776,143)
Balance after appropriation	177,078	1,770,788	12,246	3,112,044	23,466	86,670	-	3,222,180	787,757	14,892	2,315,107	3,117,756	(6,432)	(8,460)	8,108,078
Effect of change in equity in an investee due to the Corporation's subscription for additional shares issued by an investee at a rate not equal to its current equity	-	-	-	-	5,060	-	-	5,060	-	-	-	-	-	-	5,060
Adjustments on shareholders' equity due to disposal of long-term investment	-	-	-	-	(18,153)	-	-	(18,153)	-	-	-	-	-	-	(18,153)
Transfer of employee stock options to capital stock on January 3, 2011 - NTS100 per share	58	575	(5,750)	5,175	-	-	-	5,175	-	-	-	-	-	-	-
Transfer of employee stock options to capital stock on January 3, 2011 - NTS29 per share	224	2,240	(6,496)	7,712	-	(3,456)	-	4,256	-	-	-	-	-	-	-
Transfer of executed employee stock options to capital stock on May 5, 2011 - NTS29 per share	175	1,750	-	6,025	-	(2,700)	-	3,325	-	-	-	-	-	-	5,075
Transfer of executed employee stock options to capital stock on May 5, 2011 - NTS54.7 per share	991	9,910	-	75,049	-	(30,751)	-	44,298	-	-	-	-	-	-	54,208
Transfer of executed employee stock options to capital stock on July 8, 2011 - NTS29 per share	23	230	-	792	-	(355)	-	437	-	-	-	-	-	-	667
Transfer of executed employee stock options to capital stock on July 8, 2011 - NTS54.7 per share	85	844	-	6,400	-	(2,622)	-	3,778	-	-	-	-	-	-	4,622
Transfer of executed employee stock options to capital stock on October 5, 2011 - NTS28.2 per share	27	270	-	908	-	(417)	-	491	-	-	-	-	-	-	761
Transfer of executed employee stock options to capital stock on October 5, 2011 - NTS53.2 per share	92	925	-	6,867	-	(2,870)	-	3,997	-	-	-	-	-	-	4,922
Advance receipts for common stock - employee stock options	-	-	3,779	-	-	-	-	-	-	-	-	-	-	-	3,779
Compensation cost recognized for employee stock options	-	-	-	-	-	10,492	-	10,492	-	-	-	-	-	-	10,492
Expired stock options	-	-	-	-	-	(16)	16	-	-	-	-	-	-	-	-
Unrealized gain on financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	6,629	6,629
Translation adjustments on long-term equity investments	-	-	-	-	-	-	-	-	-	-	-	-	1,520	-	1,520
Net income in 2011	-	-	-	-	-	-	-	-	-	-	2,616,398	2,616,398	-	-	2,616,398
BALANCE, DECEMBER 31, 2011	178,753	\$ 1,787,532	\$ 3,779	\$ 3,220,972	\$ 10,373	\$ 53,975	\$ 16	\$ 3,285,336	\$ 787,757	\$ 14,892	\$ 4,931,505	\$ 5,734,154	\$ (4,912)	\$ (1,831)	\$ 10,804,058

The accompanying notes are an integral part of the nonconsolidated financial statements.

PHISON ELECTRONICS CORP.
NONCONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(In Thousands of New Taiwan Dollars)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 2,616,398	\$ 1,515,723
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loss on inventories	77,727	-
Allowance for sales returns and discounts	58,229	6,184
Amortization	49,394	54,029
Depreciation	43,782	43,945
Equity in net loss of investees	41,989	12,071
Allowance for (reversal of) doubtful accounts	28,953	(7,912)
Gain on disposal of investments, net	(20,225)	-
Deferred income tax	15,728	79,455
Compensation cost of employee stock options	10,492	44,487
Gain on disposal of properties, net (including realized deferred credits)	(9,986)	(339)
Impairment loss on financial assets carried at cost	1,500	6,767
Intangible assets transferred to expense	-	281
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss - current	(155,655)	58,592
Notes and accounts receivable	(1,452,990)	290,304
Other financial assets	3,859	24,741
Inventories	149,040	639,418
Other current assets	461,875	544,599
Notes and accounts payable	183,189	(642,239)
Income tax payable	185,393	(29,177)
Accrued expenses	430,149	(159,246)
Other current liabilities	(59,731)	14,644
Prepaid pension cost	1,521	1,128
Net cash provided by operating activities	<u>2,660,631</u>	<u>2,497,455</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of properties	(571,773)	(62,383)
Proceeds of the disposal of financial assets carried at cost	241,907	-
Increase in investments accounted for by the equity method	(75,536)	(70,000)
Increase in investments accounted for by the equity method - subsidiary	(47,451)	-
Increase in intangible assets	(44,286)	(55,299)
Proceeds of the disposal of available-for-sale financial assets	37,628	-
Increase in prepayment for long-term investments	(15,000)	-
Increase in financial assets carried at cost	(4,440)	(8,035)
Decrease (increase) in guarantee deposits paid	1,453	(155)
Proceeds of the disposal of properties	216	1,479
Increase in restricted assets	(9)	(9)

(Continued)

PHISON ELECTRONICS CORP.
NONCONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(In Thousands of New Taiwan Dollars)

	2011	2010
Increase in available-for-sale financial assets - noncurrent	\$ -	\$ (40,000)
Proceeds from investees' capital reduction	<u>-</u>	<u>2,553</u>
Net cash used in investing activities	<u>(477,291)</u>	<u>(231,849)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term loans	(804,190)	307,190
Cash dividends paid	(776,143)	(737,587)
Transfer of executed employee stock options to capital stock	70,255	37,807
Advance receipts for common stock - employee stock options	3,779	12,246
Increase in guarantee deposits received	<u>10</u>	<u>340</u>
Net cash used in financing activities	<u>(1,506,289)</u>	<u>(380,004)</u>
NET INCREASE IN CASH	677,051	1,885,602
CASH, BEGINNING OF YEAR	<u>5,601,533</u>	<u>3,715,931</u>
CASH, END OF YEAR	<u>\$ 6,278,584</u>	<u>\$ 5,601,533</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	<u>\$ 5,109</u>	<u>\$ 7,276</u>
Income tax paid	<u>\$ 169,135</u>	<u>\$ 297,312</u>
INVESTING ACTIVITIES AFFECTING BOTH CASH AND NONCASH ITEMS		
Increase in properties	\$ 570,797	\$ 65,435
Increase (decrease) in payables to contractors and equipment suppliers (included in other current liabilities)	<u>976</u>	<u>(3,052)</u>
Acquisition of properties	<u>\$ 571,773</u>	<u>\$ 62,383</u>

The accompanying notes are an integral part of the nonconsolidated financial statements. (Concluded)

REPRESENTATION LETTER

The affiliates of Phison Electronics Corp. (the “Corporation”), which should have been included in the combined financial statements of the Corporation and its affiliates as of and for the year ended December 31, 2011 based on the “Regulations Governing The Preparation of Combined Financial Statements of Public Companies and Their Affiliates” in the Republic of China (ROC), are the same as those included in the consolidated financial statements of the Corporation and its subsidiaries as of and for the year ended December 31, 2011, prepared under the Statement of Financial Accounting Standards No. 7 - “Consolidated Financial Statements,” in the ROC. The information required to be disclosed in the combined financial statements has already been disclosed in the above consolidated financial statements. Consequently, there is no need to prepare separate combined financial statements of the Corporation and its affiliates.

Very truly yours,

PHISON ELECTRONICS CORP.

By

KHEIN SENG PUA
Chairman

March 19, 2012

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Phison Electronics Corp.

We have audited the accompanying consolidated balance sheets of Phison Electronics Corp. (the "Corporation") and its subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Phison Electronics Corp. and its subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China.

March 19, 2012

Notice to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and consolidated financial statements shall prevail.

PHISON ELECTRONICS CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2011 AND 2010

(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2011		2010		LIABILITIES AND SHAREHOLDERS' EQUITY	2011		2010	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash (Note 4)	\$ 6,328,282	41	\$ 5,611,939	41	Short-term loans (Note 14)	\$ 302,750	2	\$ 1,106,940	8
Financial assets at fair value through profit or loss - current (Notes 2 and 5)	558,667	4	403,012	3	Notes and accounts payable				
Notes and accounts receivable					Third parties	2,312,486	15	1,432,898	10
Third parties, net (Notes 2, 3 and 6)	3,580,237	23	2,640,258	19	Related parties (Note 21)	478,963	3	1,175,408	9
Related parties (Note 21)	767,942	5	342,113	2	Income tax payable (Notes 2 and 16)	317,439	2	131,961	1
Other financial assets (Note 21)	2,794	-	6,554	-	Accrued expenses (Note 18)	1,252,009	8	821,388	6
Inventories (Notes 2 and 7)	1,981,121	13	2,207,788	16	Others	45,659	-	105,864	1
Prepayments (Note 13)	413,283	3	930,397	7					
Deferred income tax assets - current (Notes 2 and 16)	61,450	-	79,619	1	Total current liabilities	<u>4,709,306</u>	<u>30</u>	<u>4,774,459</u>	<u>35</u>
Restricted assets (Note 22)	5,211	-	5,202	-	OTHER LIABILITIES				
Others	182,378	1	127,097	1	Guarantee deposits received	416	-	406	-
					Deferred credits (Notes 2 and 21)	-	-	9,975	-
Total current assets	<u>13,881,365</u>	<u>90</u>	<u>12,353,979</u>	<u>90</u>					
					Total other liabilities	<u>416</u>	<u>-</u>	<u>10,381</u>	<u>-</u>
LONG-TERM INVESTMENTS					Total liabilities	<u>4,709,722</u>	<u>30</u>	<u>4,784,840</u>	<u>35</u>
Investments accounted for by the equity method (Notes 2 and 10)	161,748	1	454,060	4	SHAREHOLDERS' EQUITY (Notes 2 and 18)				
Prepayments for long-term investment (Notes 2 and 9)	15,000	-	-	-	Capital stock - NT\$10 par value				
Available-for-sale financial assets - noncurrent (Notes 2 and 8)	969	-	31,540	-	Authorized - 230,000 thousand shares in 2011 and 2010				
Financial assets carried at cost - noncurrent (Notes 2 and 9)	131,374	1	28,668	-	Issued and outstanding - 178,753 thousand shares in 2011 and 177,078 thousand shares in 2010	<u>1,787,532</u>	<u>12</u>	<u>1,770,788</u>	<u>13</u>
					Advance receipts for common stock	<u>3,779</u>	<u>-</u>	<u>12,246</u>	<u>-</u>
Total long-term investments	<u>309,091</u>	<u>2</u>	<u>514,268</u>	<u>4</u>	Capital surplus				
					Additional paid-in capital	3,220,972	21	3,112,044	23
PROPERTIES (Notes 2, 11 and 21)					Long-term investments	10,373	-	23,466	-
Cost					Employee stock options	53,975	-	86,670	1
Land	505,235	3	375,235	3	Expired stock options	16	-	-	-
Land improvements	18,695	-	5,095	-	Total capital surplus	<u>3,285,336</u>	<u>21</u>	<u>3,222,180</u>	<u>24</u>
Buildings	320,225	2	320,225	2	Retained earnings				
Testing equipment	139,098	1	118,921	1	Legal reserve	787,757	5	636,185	4
Office equipment	7,808	-	15,005	-	Special reserve	14,892	-	1,643	-
Other equipment	1,348	-	1,668	-	Unappropriated retained earnings	<u>4,931,505</u>	<u>32</u>	<u>3,256,071</u>	<u>24</u>
Total cost	992,409	6	836,149	6	Total retained earnings	<u>5,734,154</u>	<u>37</u>	<u>3,893,899</u>	<u>28</u>
Less: Accumulated depreciation					Other equity				
	860,071	5	728,742	5	Cumulative translation adjustments	(4,912)	-	(6,432)	-
Construction in progress	395,550	3	-	-	Unrealized loss on financial instruments	(1,831)	-	(8,460)	-
Prepayments for equipment	4,011	-	4,080	-	Total other equity	<u>(6,743)</u>	<u>-</u>	<u>(14,892)</u>	<u>-</u>
					Total shareholders' equity	<u>10,804,058</u>	<u>70</u>	<u>8,884,221</u>	<u>65</u>
Net properties	<u>1,259,632</u>	<u>8</u>	<u>732,822</u>	<u>5</u>					
					TOTAL	\$ 15,513,780	100	\$ 13,669,061	100
INTANGIBLE ASSETS (Notes 2 and 12)	<u>52,388</u>	<u>-</u>	<u>57,496</u>	<u>1</u>					
OTHER ASSETS									
Guarantee deposits paid	540	-	1,982	-					
Deferred income tax assets - noncurrent (Notes 2 and 16)	9,672	-	5,901	-					
Miscellaneous (Notes 2 and 15)	1,092	-	2,613	-					
Total other assets	<u>11,304</u>	<u>-</u>	<u>10,496</u>	<u>-</u>					
TOTAL	\$ 15,513,780	100	\$ 13,669,061	100					

The accompanying notes are an integral part of the consolidated financial statements.

PHISON ELECTRONICS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2011 AND 2010

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2011		2010	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 2 and 21)				
Gross sales	\$ 32,537,138	101	\$ 31,886,204	100
Less: Sales returns and allowances	<u>241,850</u>	<u>1</u>	<u>153,001</u>	<u>-</u>
Net sales	32,295,288	100	31,733,203	100
Service revenue	<u>50,573</u>	<u>-</u>	<u>63,052</u>	<u>-</u>
Total operating revenue	32,345,861	100	31,796,255	100
OPERATING COSTS (Notes 7, 17 and 21)	<u>27,811,756</u>	<u>86</u>	<u>28,465,882</u>	<u>89</u>
GROSS PROFIT	<u>4,534,105</u>	<u>14</u>	<u>3,330,373</u>	<u>11</u>
OPERATING EXPENSES (Note 17)				
Marketing	324,874	1	291,979	1
General and administrative	287,415	1	200,402	1
Research and development	<u>1,174,360</u>	<u>4</u>	<u>793,227</u>	<u>2</u>
Total operating expenses	<u>1,786,649</u>	<u>6</u>	<u>1,285,608</u>	<u>4</u>
OPERATING INCOME	<u>2,747,456</u>	<u>8</u>	<u>2,044,765</u>	<u>7</u>
NONOPERATING INCOME AND GAINS				
Foreign exchange gain, net (Note 2)	213,849	1	-	-
Gain on disposal of investments, net (Notes 5, 8 and 9)	16,935	-	311	-
Gain on disposal of properties (Notes 2 and 21)	9,993	-	366	-
Interest income	9,064	-	4,518	-
Other (Notes 2, 5 and 21)	<u>38,500</u>	<u>-</u>	<u>20,478</u>	<u>-</u>
Total nonoperating income and gains	<u>288,341</u>	<u>1</u>	<u>25,673</u>	<u>-</u>
NONOPERATING EXPENSES AND LOSSES				
Equity in net loss of investees (Notes 2 and 10)	33,126	-	12,075	-
Interest expense	4,818	-	7,632	-
Impairment loss on financial assets carried at cost (Notes 2 and 9)	1,500	-	6,767	-
Foreign exchange loss, net (Note 2)	-	-	180,473	1
Other (Notes 2 and 5)	<u>10,940</u>	<u>-</u>	<u>178</u>	<u>-</u>
Total nonoperating expenses and losses	<u>50,384</u>	<u>-</u>	<u>207,125</u>	<u>1</u>

(Continued)

PHISON ELECTRONICS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2011 AND 2010

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2011		2010	
	Amount	%	Amount	%
CONSOLIDATED INCOME BEFORE INCOME TAX	\$ 2,985,413	9	\$ 1,863,313	6
INCOME TAX EXPENSE (Notes 2 and 16)	<u>369,015</u>	<u>1</u>	<u>347,590</u>	<u>1</u>
CONSOLIDATED NET INCOME	<u>\$ 2,616,398</u>	<u>8</u>	<u>\$ 1,515,723</u>	<u>5</u>
ATTRIBUTED TO SHAREHOLDERS OF THE PARENT	<u>\$ 2,616,398</u>	<u>8</u>	<u>\$ 1,515,723</u>	<u>5</u>
	2011		2010	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS PER SHARE (Note 19)				
Basic	<u>\$ 16.75</u>	<u>\$ 14.68</u>	<u>\$ 10.53</u>	<u>\$ 8.57</u>
Diluted	<u>\$ 16.40</u>	<u>\$ 14.37</u>	<u>\$ 10.21</u>	<u>\$ 8.31</u>

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

PHISON ELECTRONICS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2011 AND 2010
(In Thousands of New Taiwan Dollars, Except Amounts Per Share)

	Capital Stocks Issued and Outstanding		Advance Receipts for Common Stock	Capital Surplus				Retained Earnings				Other Equity		Total Shareholders' Equity	
	Shares (Thousands)	Amount		Paid-in Capital in Excess of Par Value	Long-term Investment	Employee Stock Options	Expired Stock Options	Total	Legal Reserve	Special Reserve	Unappropriated	Total	Cumulative Translation Adjustments		Unrealized Gain (Loss) on Financial Instruments
BALANCE, JANUARY 1, 2010	146,727	\$ 1,467,273	\$ 66,166	\$ 3,016,551	\$ 23,367	\$ 42,183	\$ -	\$ 3,082,101	\$ 429,879	\$ -	\$ 2,980,919	\$ 3,410,798	\$ (1,643)	\$ -	\$ 8,024,695
Appropriation of the 2009 earnings															
Legal reserve	-	-	-	-	-	-	-	-	206,306	-	(206,306)	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	1,643	(1,643)	-	-	-	-
Stock dividends - NTS1.99946 per share	29,503	295,035	-	-	-	-	-	-	-	-	(295,035)	(295,035)	-	-	-
Cash dividends - NTS4.99864 per share	-	-	-	-	-	-	-	-	-	-	(737,587)	(737,587)	-	-	(737,587)
Balance after appropriation	176,230	1,762,308	66,166	3,016,551	23,367	42,183	-	3,082,101	636,185	1,643	1,740,348	2,378,176	(1,643)	-	7,287,108
Effect of change in equity in an investee due to the Corporation's subscription for shares issued by an investee at a rate not equal to its current equity	-	-	-	-	99	-	-	99	-	-	-	-	-	-	99
Transfer of employee stock options to capital stock on January 31, 2010 - NTS123.1 per share	538	5,375	(66,166)	60,791	-	-	-	60,791	-	-	-	-	-	-	-
Transfer of executed employee stock options to capital stock on April 30, 2010 - NTS123.1 per share	252	2,525	-	28,558	-	-	-	28,558	-	-	-	-	-	-	31,083
Transfer of executed employee stock options to capital stock on June 30, 2010 - NTS123.1 per share	20	200	-	2,262	-	-	-	2,262	-	-	-	-	-	-	2,462
Transfer of executed employee stock options to capital stock on October 31, 2010 - 20,000 shares, NTS123.1 per share; 18,000 shares, NTS100 per share	38	380	-	3,882	-	-	-	3,882	-	-	-	-	-	-	4,262
Advance receipts for common stock - employee stock options	-	-	12,246	-	-	-	-	-	-	-	-	-	-	-	12,246
Compensation cost recognized for employee stock options	-	-	-	-	-	44,487	-	44,487	-	-	-	-	-	-	44,487
Unrealized loss on financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,460)	(8,460)
Translation of adjustments on long-term equity investments	-	-	-	-	-	-	-	-	-	-	-	-	(4,789)	-	(4,789)
Consolidated net income in 2010	-	-	-	-	-	-	-	-	-	-	1,515,723	1,515,723	-	-	1,515,723
BALANCE, DECEMBER 31, 2010	177,078	1,770,788	12,246	3,112,044	23,466	86,670	-	3,222,180	636,185	1,643	3,256,071	3,893,899	(6,432)	(8,460)	8,884,221
Appropriation of the 2010 earnings															
Legal reserve	-	-	-	-	-	-	-	-	151,572	-	(151,572)	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	13,249	(13,249)	-	-	-	-
Cash dividends - NTS4.344886 per share	-	-	-	-	-	-	-	-	-	-	(776,143)	(776,143)	-	-	(776,143)
Balance after appropriation	177,078	1,770,788	12,246	3,112,044	23,466	86,670	-	3,222,180	787,757	14,892	2,315,107	3,117,756	(6,432)	(8,460)	8,108,078
Effect of change in equity in an investee due to the Corporation's subscription for additional shares issued by an investee at a rate not equal to its current equity	-	-	-	-	5,060	-	-	5,060	-	-	-	-	-	-	5,060
Adjustments on shareholders' equity due to disposal of long-term investment	-	-	-	-	(18,153)	-	-	(18,153)	-	-	-	-	-	-	(18,153)
Transfer of employee stock options to capital stock on January 3, 2011 - NTS100 per share	58	575	(5,750)	5,175	-	-	-	5,175	-	-	-	-	-	-	-
Transfer of employee stock options to capital stock on January 3, 2011 - NTS29 per share	224	2,240	(6,496)	7,712	-	(3,456)	-	4,256	-	-	-	-	-	-	-
Transfer of executed employee stock options to capital stock on May 5, 2011 - NTS29 per share	175	1,750	-	6,025	-	(2,700)	-	3,325	-	-	-	-	-	-	5,075
Transfer of executed employee stock options to capital stock on May 5, 2011 - NTS54.7 per share	991	9,910	-	75,049	-	(30,751)	-	44,298	-	-	-	-	-	-	54,208
Transfer of executed employee stock options to capital stock on July 8, 2011 - NTS29 per share	23	230	-	792	-	(355)	-	437	-	-	-	-	-	-	667
Transfer of executed employee stock options to capital stock on July 8, 2011 - NTS54.7 per share	85	844	-	6,400	-	(2,622)	-	3,778	-	-	-	-	-	-	4,622
Transfer of executed employee stock options to capital stock on October 5, 2011 - NTS28.2 per share	27	270	-	908	-	(417)	-	491	-	-	-	-	-	-	761
Transfer of executed employee stock options to capital stock on October 5, 2011 - NTS53.2 per share	92	925	-	6,867	-	(2,870)	-	3,997	-	-	-	-	-	-	4,922
Advance receipts for common stock - employee stock options	-	-	3,779	-	-	-	-	-	-	-	-	-	-	-	3,779
Compensation cost recognized for employee stock options	-	-	-	-	-	10,492	-	10,492	-	-	-	-	-	-	10,492
Expired stock options	-	-	-	-	-	(16)	16	-	-	-	-	-	-	-	-
Unrealized gain on financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	6,629	6,629
Translation adjustments on long-term equity investments	-	-	-	-	-	-	-	-	-	-	-	-	1,520	-	1,520
Consolidated net income in 2011	-	-	-	-	-	-	-	-	-	-	2,616,398	2,616,398	-	-	2,616,398
BALANCE, DECEMBER 31, 2011	178,753	\$ 1,787,532	\$ 3,779	\$ 3,220,972	\$ 10,373	\$ 53,975	\$ 16	\$ 3,285,336	\$ 787,757	\$ 14,892	\$ 4,931,505	\$ 5,734,154	\$ (4,912)	\$ (1,831)	\$ 10,804,058

The accompanying notes are an integral part of the consolidated financial statements.

PHISON ELECTRONICS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(In Thousands of New Taiwan Dollars)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	\$ 2,616,398	\$ 1,515,723
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loss on inventories	77,727	-
Allowance for sales returns and discounts	58,229	6,184
Amortization	49,394	54,029
Depreciation	43,782	43,945
Equity in net loss of investees	33,126	12,075
Allowance of (reversal of) doubtful accounts	28,953	(7,912)
Gain on disposal of investments, net	(20,225)	-
Deferred income tax	15,728	79,455
Compensation cost of employee stock options	10,492	44,487
Gain on disposal of properties, net (including realized deferred credits)	(9,986)	(339)
Impairment loss on financial assets carried at cost	1,500	6,767
Intangible assets transferred to expenses	-	281
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss - current	(155,655)	58,592
Notes and accounts receivable	(1,452,990)	290,304
Other financial assets	3,760	24,741
Inventories	148,940	639,418
Other current assets	461,833	544,598
Notes and accounts payable	183,143	(642,239)
Income tax payable	185,478	(29,183)
Accrued expenses	430,621	(159,246)
Other current liabilities	(59,229)	14,644
Prepaid pension cost	1,521	1,128
	<u>2,652,540</u>	<u>2,497,452</u>
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of properties	(571,773)	(62,383)
Proceeds of the disposal of financial assets carried at cost	241,907	-
Increase in investments accounted for by the equity method	(75,536)	(70,000)
Increase in intangible assets	(44,286)	(55,299)
Proceeds of the disposal of available-for-sale financial assets	37,628	-
Increase in prepayments for long-term investment	(15,000)	-
Increase in financial assets carried at cost	(6,075)	(8,035)
Decrease (increase) in guarantee deposits paid	1,442	(155)
Proceeds of the disposal of properties	216	1,479
Increase in restricted assets	(9)	(9)
Increase in available-for-sale financial assets - noncurrent	-	(40,000)
Proceeds from investees' capital reduction	-	2,553
	<u>(431,486)</u>	<u>(231,849)</u>
Net cash used in investing activities		

(Continued)

PHISON ELECTRONICS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2011 AND 2010 (In Thousands of New Taiwan Dollars)

	2011	2010
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term loans	\$ (804,190)	\$ 307,190
Cash dividends paid	(776,143)	(737,587)
Transfer of executed employee stock options to capital stock	70,255	37,807
Advance receipts for common stock - employee stock options	3,779	12,246
Increase in guarantee deposits received	<u>10</u>	<u>340</u>
Net cash used in financing activities	<u>(1,506,289)</u>	<u>(380,004)</u>
EFFECT OF EXCHANGE RATE CHANGES	<u>1,578</u>	<u>-</u>
NET INCREASE IN CASH	716,343	1,885,599
CASH, BEGINNING OF YEAR	<u>5,611,939</u>	<u>3,726,340</u>
CASH, END OF YEAR	<u>\$ 6,328,282</u>	<u>\$ 5,611,939</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	<u>\$ 5,109</u>	<u>\$ 7,276</u>
Income tax paid	<u>\$ 169,139</u>	<u>\$ 297,318</u>
INVESTING ACTIVITIES AFFECTING BOTH CASH AND NONCASH ITEMS		
Increase in properties	\$ 570,797	\$ 65,435
Increase (decrease) in payables to contractors and equipment suppliers (included in other current liabilities)	<u>976</u>	<u>(3,052)</u>
Acquisition of properties	<u>\$ 571,773</u>	<u>\$ 62,383</u>

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

【Attachment 5】

【The amendment comparison table for the Articles of the “Procedure of Acquisition and Disposal of Assets” and “Procedure of Engaging in Derivatives Trading”】

【The amendment comparison table for the Articles of the “Procedure of Acquisition and Disposal of Assets”】

原條文	修正後條文	修正原因
<p>第一條 目的及依據 為加強本公司資產管理及落實資訊公開之目的，特依據證券交易法（以下簡稱證交法）第三十六條之一規定及「公開發行公司取得或處分資產處理準則」（以下簡稱本準則），訂定本取得或處分資產處理程序（以下簡稱本程序）。</p>	<p>第一條 目的及依據 為加強本公司資產管理及落實資訊公開之目的，特依據證券交易法（以下簡稱證交法）第三十六條之一規定及「公開發行公司取得或處分資產處理準則」（以下簡稱處理準則），訂定本取得或處分資產處理程序（以下簡稱本程序）。</p>	<p>依據「公開發行公司取得或處分資產處理準則」及公司營運需要</p>
<p>第二條 適用範圍 有關本公司及子公司資產之取得或處分悉依本程序處理之。</p>	<p>第二條 適用範圍 有關本公司及子公司取得或處分資產，應依處理準則及本程序規定辦理，但其他法令另有規定者，從其規定。</p>	<p>依據「公開發行公司取得或處分資產處理準則」及公司營運需要</p>
<p>第三條 資產範圍及用詞定義 一、內容略 二、本程序所稱用詞定義如下： （一）衍生性商品：指其價值由資產、利率、匯率、指數或其他利益等商品所衍生之遠期契約、選擇權契約、期貨契約、槓桿保證金契約、交換契約，及上述商品組合而成之複合式契約等。所稱之遠期契約，不含保險契約、履約契約、售後服務契約、長期租賃契約及長期進（銷）貨合約。 （二）依法律合併、分割、收購或股份受讓而取得或處分之資產：指依企業併購法、金融控股公司法、金融機構合併法或其他法律進行合併、分割或收購而取得或處分之資產，或依公司法第一百五十六條第六項規定發行新股受讓他公司股份（以下簡稱股份受讓）者。 （三）關係人：指依財團法人中華民國會計研究發展基金會（以</p>	<p>第三條 資產範圍及用詞定義 一、內容略（無修正）。 二、本程序所稱用詞定義如下： （一）衍生性商品：指其價值由資產、利率、匯率、指數或其他利益等商品所衍生之遠期契約、選擇權契約、期貨契約、槓桿保證金契約、交換契約，及上述商品組合而成之複合式契約等。所稱之遠期契約，不含保險契約、履約契約、售後服務契約、長期租賃契約及長期進（銷）貨合約。 （二）依法律合併、分割、收購或股份受讓而取得或處分之資產：指依企業併購法、金融控股公司法、金融機構合併法或其他法律進行合併、分割或收購而取得或處分之資產，或依公司法第一百五十六條第六項規定發行新股受讓他公司股份（以下簡稱股份受讓）者。 （三）關係人：指依財團法人中華民國會計研究發展基金會（以</p>	<p>依據「公開發行公司取得或處分資產處理準則」及公司營運需要</p>

<p>下簡稱會計研究發展基金會)所發布之財務會計準則公報第六號所規定者。</p> <p>(四) 子公司：指依會計研究發展基金會發布之財務會計準則公報第五號及第七號所規定者。</p> <p>(五) 專業估價者：指不動產估價師或其他依法律得從事不動產、其他固定資產估價業務者。</p> <p>(六) 事實發生日：指交易簽約日、付款日、委託成交日、過戶日、董事會決議日或其他足資確定交易對象及交易金額之日等日期孰前者。但屬需經主管機關核准之投資者，以上開日期或接獲主管機關核准之日孰前者為準。</p> <p>(七) 大陸地區投資：指從事經濟部投資審議委員會在大陸地區從事投資或技術合作許可辦法規定之大陸投資。</p> <p>三、內容略。</p>	<p>下簡稱會計研究發展基金會)所發布之財務會計準則公報第六號所規定者。</p> <p>(四) 子公司：指依會計研究發展基金會發布之財務會計準則公報第五號及第七號所規定者。</p> <p>(五) 專業估價者：指不動產估價師或其他依法律得從事不動產、其他固定資產估價業務者。</p> <p>(六) 事實發生日：指交易簽約日、付款日、委託成交日、過戶日、董事會決議日或其他足資確定交易對象及交易金額之日等日期孰前者。但屬需經主管機關核准之投資者，以上開日期或接獲主管機關核准之日孰前者為準。</p> <p>(七) 大陸地區投資：指依經濟部投資審議委員會在大陸地區從事投資或技術合作許可辦法規定從事之大陸投資。</p> <p>三、內容略(無修正)。</p>	
<p>第四條 評估程序</p> <p>本公司取得或處分資產之價格決定方式及參考依據應依下列規定：</p> <p>一、有價證券：</p> <p>取得或處分有價證券，應先取具標的公司最近期經會計師查核簽證或核閱之財務報表作為評估交易價格之參考，並依下列方式決定交易價格：</p> <p>(一) 取得或處分已於集中交易市場或證券商營業處所買賣之有價證券，依當時之交易價格決定之。</p> <p>(二) 取得或處分非集中交易市場或證券商營業處所買賣之有價證券，應考量其每股淨值、獲利能力、未來發展潛力及參考當時交易價格議定之，或參考當時市場利率、債券票面利率及債務人債信等後議定之。</p> <p>本公司有下列情形之一，且交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，應洽請會計師就交易價格之合理性表示意見：</p> <p>(一) 取得或處分非於證券交易所或證券商營業處所買賣之有價證券。</p> <p>(二) 取得或處分私募有價證券。</p>	<p>第四條 評估程序</p> <p>本公司取得或處分資產之價格決定方式及參考依據應依下列規定：</p> <p>一、有價證券：</p> <p>取得或處分有價證券，應於事實發生日前取具標的公司最近期經會計師查核簽證或核閱之財務報表作為評估交易價格之參考，並依下列方式決定交易價格：</p> <p>(一) 取得或處分已於集中交易市場或證券商營業處所買賣之有價證券，依當時之交易價格決定之。</p> <p>(二) 取得或處分非集中交易市場或證券商營業處所買賣之有價證券，應考量其每股淨值、獲利能力、未來發展潛力及參考當時交易價格議定之，或參考當時市場利率、債券票面利率及債務人債信等後議定之。</p> <p>另交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，應於事實發生日前洽請會計師就交易價格之合理性表示意見，會計師若需採用專家報告者，應依會計研究發展基金會所發布之審計準則公報第二十號規定辦理。但該有價證券具活絡市場之公開報價或行政院金融監督管理委員會(以下簡稱金管會)另有規定者，不在此限。</p>	<p>依據「公開發行公司取得或處分資產處理準則」及公司營運需要</p>

二、不動產或其他固定資產

取得或處分不動產，應參考公告現值、評定價值、鄰近不動產實際交易價格等議定之；取得或處分其他固定資產，應事先收集相關價格資訊，並以比價、議價或招標方式擇一為之。

取得或處分不動產或其他固定資產，除與政府機構交易、自地委建、租地委建，或取得、處分供營業使用之機器設備外，交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，應先取得專業估價者出具之估價報告，並符合下列規定：

- (一) 因特殊原因須以限定價格、特定價格或特殊價格作為交易價格之參考依據時，該項交易應先提經董事會決議通過，未來交易條件變更者，亦應比照上開程序辦理。
- (二) 交易金額達新臺幣十億元以上者，應請二家以上之專業估價者估價。
- (三) 專業估價者之估價結果有下列情形之一者，應洽請會計師依會計研究發展基金會所發布之審計準則公報第二十號規定辦理，並對差異原因及交易價格之允當性表示具體意見：
 1. 估價結果與交易金額差距達交易金額之百分之二十以上者。
 2. 二家以上專業估價者之估價結果差距達交易金額百分之十以上者。
- (四) ~~契約成立日前估價者~~，~~出具報告日期與契約成立日期不得逾三個月。但如其適用同一期公告現值且未逾六個月者，得由原專業估價者出具意見書。~~

三、會員證或無形資產

取得或處分會員證，應事先收集相關價格資訊，並以比價或議價方式擇一為之；取得或處分無形資產，亦應事先收集相關價格資訊，並經審慎評估相關法令及合約內容，以決定交易價格。

取得或處分會員證或無形資產交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，應洽請會計師就交易

二、不動產或其他固定資產

取得或處分不動產，應參考公告現值、評定價值、鄰近不動產實際交易價格等議定之；取得或處分其他固定資產，應事先收集相關價格資訊，並以比價、議價或招標方式擇一為之。

取得或處分不動產或其他固定資產，除與政府機構交易、自地委建、租地委建，或取得、處分供營業使用之機器設備外，交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，應於事實發生日前取得專業估價者出具之估價報告，並符合下列規定：

- (一) 因特殊原因須以限定價格、特定價格或特殊價格作為交易價格之參考依據時，該項交易應先提經董事會決議通過，未來交易條件變更，亦應比照上開程序辦理。
- (二) 交易金額達新臺幣十億元以上，應請二家以上之專業估價者估價。
- (三) 專業估價者之估價結果有下列情形之一，除取得資產之估價結果均高於交易金額，或處分資產之估價結果均低於交易金額外，應洽請會計師依會計研究發展基金會所發布之審計準則公報第二十號規定辦理，並對差異原因及交易價格之允當性表示具體意見：
 1. 估價結果與交易金額差距達交易金額之百分之二十以上。
 2. 二家以上專業估價者之估價結果差距達交易金額百分之十以上。
- (四) 專業估價者出具報告日期與契約成立日期不得逾三個月。但如其適用同一期公告現值且未逾六個月者，得由原專業估價者出具意見書。

三、會員證或無形資產

取得或處分會員證，應事先收集相關價格資訊，並以比價或議價方式擇一為之；取得或處分無形資產，亦應事先收集相關價格資訊，並經審慎評估相關法令及合約內容，以決定交易價格。

價格之合理性表示意見，會計師並應依會計研究發展基金會所發布之審計準則公報第二十號規定辦理。

四、其他重要資產

取得或處分金融機構之債權、衍生性商品、依法律合併、分割、收購或股份受讓之資產或其他重要資產，應視交易資產標的事先收集相關價格資訊，並經審慎評估相關法令及合約內容，以決定交易價格。

五、本公司經法院拍賣程序取得或處分資產者，得以法院所出具之證明文件替代估價報告或會計師意見。

取得或處分會員證或無形資產交易金額達公司實收資本額百分之二十或新臺幣三億元以上者，應於事實發生日前洽請會計師就交易價格之合理性表示意見，會計師並應依會計研究發展基金會所發布之審計準則公報第二十號規定辦理。

三之一、前三款交易金額之計算，應依第十九條第二項規定辦理，且所稱一年內係以本次交易事實發生之日為基準，往前追溯推算一年，已依處理準則規定取得專業估價者出具之估價報告或會計師意見部分免再計入。

四、其他重要資產

取得或處分金融機構之債權、衍生性商品、依法律合併、分割、收購或股份受讓之資產或其他重要資產，應視交易資產標的事先收集相關價格資訊，並經審慎評估相關法令及合約內容，以決定交易價格。

五、本公司經法院拍賣程序取得或處分資產者，得以法院所出具之證明文件替代估價報告或會計師意見。

第五條 作業程序

一、授權額度與層級

(一) 本公司取得或處分資產，承辦單位應將擬取得或處分之緣由、標的物、交易相對人、移轉價格、收付款條件、價格參考依據等資訊彙整，依交易資產項目呈請權責單位裁決。衍生性商品之授權額度與層級等相關規定，另依本公司「衍生性商品交易處理程序」辦理。

項目	金額	權責單位		
		董事會	董事長	總經理
長期有價證券投資	3,000 萬(含)以下			決
	3,000 萬~10,000 萬(含)以上		決	審
	10,000 萬(不含)以上	決	審	審
短期有價	每檔累積金額 6,000 萬(含)以下			決

第五條 作業程序

一、授權額度與層級

(一) 本公司取得或處分資產，承辦單位應將擬取得或處分之緣由、標的物、交易相對人、移轉價格、收付款條件、價格參考依據等資訊彙整，依交易資產項目呈請權責單位裁決。衍生性商品之授權額度與層級等相關規定，另依本公司「衍生性商品交易處理程序」辦理。

項目	金額	權責單位		
		董事會	董事長	總經理
長期有價證券投資	6,000 萬(含)以下			決
	6,000 萬~13,000 萬(含)以上		決	審
	13,000 萬(不含)以上	決	審	審
短期有價證券投資	每檔累積金額 6,000 萬(含)以下			決
	每檔累積金額 6,000 萬~20,000 萬(含)以上		決	審

依據「公開發行公司取得或處分資產處理準則」及公司營運需要

證券投資	每檔累積金額 6,000 萬 ~10,000 萬(含)以上		決	審	
	每檔累積金額 10,000 萬(不 含)以上	決	審	審	
不動產	9,000 萬(含)以下		決	審	
	9,000 萬(不含)以上	決	審	審	
其他固定 資產	1,000 萬(含)以下			決	
	1,000 萬~4,000 萬(含)以上		決	審	
	4,000 萬(不含)以上	決	審	審	
會員證	1,000 萬(含)以下		決	審	
	1,000 萬(不含)以上	決	審	審	
無形資產	1,000 萬(含)以下			決	
	1,000 萬~4,000 萬(含)以上		決	審	
	4,000 萬(不含)以上	決	審	審	
金融機構之債權	5,000 萬(含)以下		決	審	
	5,000 萬(不含)以上	決	審	審	
依法律合併、分割、 收購或股份受讓之資 產	依法令毋須經股東會決議 者	決	審	審	
	依法令應經股東會決議者	審	審	審	
其他重要 資產	1,000 萬(含)以下		決	審	
	1,000 萬(不含)以上	決	審	審	

(二) 本公司取得或處分資產依本程序或其他法律規定應經董事會通過者，如有董事表示異議且有紀錄或書面聲明，公司並應將董事異議資料送各監察人。
本公司設置獨立董事後，依前項規定將取得或處分資產交易提報董事會討論時，應充分考量各獨立董事之意見，**並將其同意或反對之意見與理由列入會議紀錄。**
本辦法所規定由董事會決議者，應有三分之二以上董事之出席，出席成員過半數之同意行之。

二、執行單位

	每檔累積金額 <u>20,000</u> 萬(不 含)以上	決	審	審	
不動產	<u>10,000</u> 萬(含)以下		決	審	
	<u>10,000</u> 萬(不含)以上	決	審	審	
其他固定 資產	1,000 萬(含)以下			決	
	1,000 萬~4,000 萬(含)以上		決	審	
	4,000 萬(不含)以上	決	審	審	
會員證	1,000 萬(含)以下		決	審	
	1,000 萬(不含)以上	決	審	審	
無形資產	1,000 萬(含)以下			決	
	1,000 萬~4,000 萬(含)以上		決	審	
	4,000 萬(不含)以上	決	審	審	
金融機構之債權	5,000 萬(含)以下		決	審	
	5,000 萬(不含)以上	決	審	審	
依法律合併、分割、 收購或股份受讓之 資產	依法令毋須經股東會決議者	決	審	審	
	依法令應經股東會決議者	審	審	審	
其他重要 資產	<u>2,000</u> 萬(含)以下		決	審	
	<u>2,000</u> 萬(不含)以上	決	審	審	

(二) 本公司取得或處分資產依本程序或其他法律規定應經董事會通過者，如有董事表示異議且有紀錄或書面聲明，公司並應將董事異議資料送各監察人。
本公司設置獨立董事後，依前項規定將取得或處分資產交易提報董事會討論時，應充分考量各獨立董事之意見，**獨立董事如有反對意見或保留意見，應於董事會議事錄載明。**
本辦法所規定由董事會決議者，應有三分之二以上董事之出席，出席成員過半數之同意行之。

二、執行單位

本公司取得或處分資產之執行單位如下：

(一) 長期投資有價證券、會員證、無形資產、依法律合併、

<p>本公司取得或處分資產之執行單位如下：</p> <p>(一) 長期投資有價證券、會員證、無形資產、依法律合併、分割、收購或股份受讓之資產及其他重要資產：由總經理指示投資部或成立專案小組負責評估與執行。</p> <p>(二) 短期投資有價證券、衍生性商品及金融機構之債權：由財務部負責評估與執行。</p> <p>(三) 不動產：由廠務部承辦。</p> <p>(四) 其他固定資產：由需求單位會同總務部承辦。</p> <p>(五) 公告申報：由公告申報人員洽請承辦單位彙整公告申報相關資料，統籌辦理。</p> <p>三、交易流程</p> <p>有關資產取得或處分之交易流程與作業，悉依相關法令及本公司內部控制制度之有關規定辦理。</p>	<p>分割、收購或股份受讓之資產及其他重要資產：由總經理或董事長指示專案小組負責評估與執行。</p> <p>(二) 短期投資有價證券、衍生性商品及金融機構之債權：由財會部負責評估與執行。</p> <p>(三) 不動產：由廠務部承辦。</p> <p>(四) 其他固定資產：由需求單位會同總務部承辦。</p> <p>(五) 公告申報：由公告申報人員洽請承辦單位彙整公告申報相關資料，統籌辦理。</p> <p>三、交易流程</p> <p>有關資產取得或處分之交易流程與作業，悉依相關法令及本公司內部控制制度之有關規定辦理。</p>	
<p>第六條 資產總額及個別限額</p> <p>本公司及各子公司得取得非供營業使用之不動產或有價證券之總額及個別有價證券之限額如下：</p> <p>一、本公司取得非供營業使用之不動產，其總額不得逾本公司淨值百分之十，各子公司不得逾其淨值百分之十。</p> <p>二、取得短期有價證券總額（不包含備抵損失之評價）不得逾公司淨值百分之五十，其中個別有價證券總額（不包含備抵損失之評價）不得逾公司淨值百分之十；各子公司則分別不得逾其淨值百分之五十及百分之十。</p> <p>三、取得長期有價證券總額（不包含備抵損失之評價）不得逾公司實收資本額百分之四十，其中個別有價證券總額（不包含備抵損失之評價）不得逾公司實收資本額之百分之三十；各子公司則分別不得逾其實收資本額百分之四十及百分之三十。</p> <p>四、子公司若以投資為專業，則不受上述二、三項之限制，惟仍需依其公司章程及取得或處分資產處理程序辦理。</p>	<p>第六條 資產總額及個別限額</p> <p>本公司及各子公司得取得非供營業使用之不動產或有價證券之總額及個別有價證券之限額如下：</p> <p>一、本公司取得非供營業使用之不動產，其總額不得逾本公司淨值百分之十，各子公司不得逾其淨值百分之十。</p> <p>二、取得短期有價證券總額（不包含備抵損失之評價）不得逾公司淨值百分之五十，其中個別有價證券總額（不包含備抵損失之評價）不得逾公司淨值百分之十；各子公司則分別不得逾其淨值百分之五十及百分之十。</p> <p>三、取得長期有價證券總額（不包含備抵損失之評價）不得逾公司實收資本額百分之<u>九十</u>，其中個別有價證券總額（不包含備抵損失之評價）不得逾公司實收資本額之百分之<u>四十</u>；各子公司則分別不得逾其實收資本額百分之<u>九十</u>及百分之<u>四十</u>。</p> <p>四、子公司若以投資為專業，則不受上述二、三項之限制，惟仍需依其公司章程及取得或處分資產處理程序辦理。</p>	<p>依據「公開發行公司取得或處分資產處理準則」及公司營運需要</p>

<p>第七條 對子公司取得或處分資產之控管程序</p> <p>一、本公司應督促子公司訂定取得或處分資產處理程序，子公司取得或處分資產處理程序經其董事會通過後，應提報本公司董事會，修正時亦同。</p> <p>二、本公司對子公司取得或處分資產之控管程序，悉依相關法令及本公司內部控制制度之有關規定辦理。</p> <p>三、本公司之子公司非屬國內公開發行公司，取得或處分資產有第五章規定應公告申報情事者，由本公司為之。 前項子公司適用第十九條第一項第五款之應公告申報標準有關達實收資本額百分之二十規定，係以本公司之實收資本額為準。</p>	<p>第七條 對子公司取得或處分資產之控管程序</p> <p>一、本公司應督促子公司訂定<u>並執行</u>取得或處分資產處理程序，子公司取得或處分資產處理程序經其董事會通過後，應提報本公司董事會，修正時亦同。</p> <p>二、本公司對子公司取得或處分資產之控管程序，悉依相關法令及本公司內部控制制度之有關規定辦理。</p> <p>三、本公司之子公司非屬國內公開發行公司，取得或處分資產有第五章規定應公告申報情事者，由本公司為之。 前<u>款</u>子公司適用第十九條第一項之應公告申報標準有關達實收資本額百分之二十<u>或總資產百分之十</u>規定，以本公司之實收資本額<u>或總資產</u>為準。</p>	<p>依據「公開發行公司取得或處分資產處理準則」及公司營運需要</p>
<p style="text-align: center;">第三章 向關係人取得不動產</p> <p>第八條 適用範圍</p> <p>本公司向關係人購買或交換而取得不動產，應依前章及本章規定辦理相關決議程序及評估交易條件合理性等事項。判斷交易對象是否為關係人時，除注意其法律形式外，並應考慮實質關係。</p>	<p style="text-align: center;">第三章 關係人交易</p> <p>第八條 適用範圍</p> <p>本公司<u>與關係人取得或處分資產</u>，除應依前章及本章規定辦理相關決議程序及評估交易條件合理性等事項外，<u>交易金額達公司總資產百分之十以上者</u>，亦應依前章規定取得專業估價者出具之估價報告或會計師意見。</p> <p><u>前項交易金額之計算，應依第四條第三之一款規定辦理。</u> 判斷交易對象是否為關係人時，除注意其法律形式外，並應考慮實質關係。</p>	<p>依據「公開發行公司取得或處分資產處理準則」及公司營運需要</p>
<p>第九條 決議程序</p> <p>本公司向關係人取得不動產，應將下列資料一提交董事會通過及監察人承認後，始得為之：</p> <p>一、取得不動產之目的、必要性及預計效益。</p>	<p>第九條 決議程序</p> <p>本公司向關係人取得<u>或處分</u>不動產，<u>或與關係人取得或處分不動產外之其他資產且交易金額達公司實收資本額百分之二十、總資產百分之十或新臺幣三億元以上者</u>，應將下列資料提交董事會通過及監察人承認後，始得<u>簽訂交易契約及支付款項</u>：</p>	<p>依據「公開發行公司取得或處分資產處理準則」及公司營運需要</p>

<p>二、選定關係人為交易對象之原因。</p> <p>三、依第十條及第十一條規定評估預定交易條件合理性之相關資料。</p> <p>四、關係人原取得日期及價格、交易對象及其與公司和關係人之關係等事項。</p> <p>五、預計訂約月份開始之未來一年各月份現金收支預測表，並評估交易之必要性及資金運用之合理性。</p> <p>六、本次交易之限制條件及其他重要約定事項。 本公司依證交法設置獨立董事後，依前項規定提報董事會討論時，應充分考量各獨立董事之意見，獨立董事如有反對意見或保留意見，應於董事會議事錄載明。</p>	<p>一、取得<u>或處分資產</u>之目的、必要性及預計效益。</p> <p>二、選定關係人為交易對象之原因。</p> <p>三、<u>向關係人取得不動產</u>，依第十條及第十一條規定評估預定交易條件合理性之相關資料。</p> <p>四、關係人原取得日期及價格、交易對象及其與公司和關係人之關係等事項。</p> <p>五、預計訂約月份開始之未來一年各月份現金收支預測表，並評估交易之必要性及資金運用之合理性。</p> <p>六、<u>依前條規定取得之專業估價者出具之估價報告，或會計師意見。</u></p> <p><u>七、本次交易之限制條件及其他重要約定事項。 前項交易金額之計算，應依第十九條第二項規定辦理，且所稱一年內係以本次交易事實發生之日為基準，往前追溯推算一年，已依處理準則規定提交董事會通過及監察人承認部分免再計入。</u></p> <p><u>公開發行公司與其母公司或子公司間，取得或處分供營業使用之機器設備，董事會得依第五條第一項第一款授權董事長在一定額度內先行決行，事後再提報最近期之董事會追認。</u> 本公司依證交法設置獨立董事後，依前項規定提報董事會討論時，應充分考量各獨立董事之意見，獨立董事如有反對意見或保留意見，應於董事會議事錄載明。</p>	
<p>第十一條 評估交易價格較低時之處理程序一 內容略</p>	<p>第十一條 <u>評估結果均較交易價格為低</u>時之處理程序一 內容略(無修正)。</p>	<p>依據「公開發行公司取得或處分資產處理準則」及公司營運需要</p>
<p>第十二條 評估交易價格較低時之處理程序二</p>	<p>第十二條 <u>評估結果均較交易價格為低</u>時之處理程序二</p>	<p>依據「公開發行公司取得或處分資產處理準則」及公司營運需要</p>

<p>本公司向關係人取得不動產，如經按第十條及第十一條規定評估結果均較交易價格為低者，應辦理下列事項：</p> <p>一、應就不動產交易價格與評估成本間之差額，依證交法第四十一條第一項規定提列特別盈餘公積，不得予以分派或轉增資配股。對公司之投資採權益法評價之投資者如為本公司，亦應就該提列數額按持股比例依證交法第四十一條第一項規定提列特別盈餘公積。</p> <p>二、監察人應依公司法第二百十八條規定辦理。</p> <p>三、應將第一款及第二款處理情形提報股東會，並將交易詳細內容揭露於年報及公開說明書。</p> <p>本公司經依前項規定提列特別盈餘公積者，應俟高價購入之資產已認列跌價損失或處分或為適當補償或恢復原狀，或有其他證據確定無不合理者，並經行政院金融監督管理委員會（以下簡稱金管會）同意後，始得動用該特別盈餘公積。</p> <p>本公司向關係人取得不動產，若有其他證據顯示交易有不合營業常規之情事者，亦應依前二項規定辦理。</p>	<p>本公司向關係人取得不動產，如經按第十條及第十一條規定評估結果均較交易價格為低者，應辦理下列事項：</p> <p>一、應就不動產交易價格與評估成本間之差額，依證交法第四十一條第一項規定提列特別盈餘公積，不得予以分派或轉增資配股。對公司之投資採權益法評價之投資者如為本公司，亦應就該提列數額按持股比例依證交法第四十一條第一項規定提列特別盈餘公積。</p> <p>二、監察人應依公司法第二百十八條規定辦理。</p> <p>三、應將第一款及第二款處理情形提報股東會，並將交易詳細內容揭露於年報及公開說明書。</p> <p>本公司經依前項規定提列特別盈餘公積者，應俟高價購入之資產已認列跌價損失或處分或為適當補償或恢復原狀，或有其他證據確定無不合理者，並經金管會同意後，始得動用該特別盈餘公積。</p> <p>本公司向關係人取得不動產，若有其他證據顯示交易有不合營業常規之情事者，亦應依前二項規定辦理。</p>	
<p>第十三條 決議程序</p> <p>一、本公司辦理合併、分割、收購或股份受讓，應於召開董事會決議前，委請會計師、律師或證券承銷商就換股比例、收購價格或配發股東之現金或其他財產之合理性表示意見，提報董事會討論通過。</p> <p>二、參與合併、分割或收購之本公司應將合併、分割或收購重要約定內容及相關事項，於股東會開會前製作致股東之公開文件，併同前項之專家意見及股東會之開會通知一併交付股東，以作為是否同意該合併、分割或收購案之參考。但依其他法律規定得免召開股東會決議合併、分割或收購事項者，不在此限。</p>	<p>第十三條 決議程序</p> <p>一、本公司辦理合併、分割、收購或股份受讓，應於召開董事會決議前，委請會計師、律師或證券承銷商就換股比例、收購價格或配發股東之現金或其他財產之合理性表示意見，提報董事會討論通過。</p> <p>二、參與合併、分割或收購之本公司應將合併、分割或收購重要約定內容及相關事項，於股東會開會前製作致股東之公開文件，併同前項之專家意見及股東會之開會通知一併交付股東，以作為是否同意該合併、分割或收購案之參考。但依其他法律規定得免召開股東會決議合併、分割或收購事項者，不在此限。</p>	<p>依據「公開發行公司取得或處分資產處理準則」及公司營運需要</p>

參與合併、分割或收購之公司，任一方之股東會，因出席人數、表決權不足或其他法律限制，致無法召開、決議，或議案遭股東會否決，參與合併、分割或收購之公司應立即對外公開說明發生原因、後續處理作業及預計召開股東會之日期。

三、參與合併、分割或收購之公司，除其他法律另有規定或有特殊因素事先報經金管會同意者外，應於同一天召開董事會及股東會，決議合併、分割或收購相關事項。

參與股份受讓之公司，除其他法律另有規定或有特殊因素事先報經金管會同意者外，應於同一天召開董事會。

參與合併、分割或收購之公司，任一方之股東會，因出席人數、表決權不足或其他法律限制，致無法召開、決議，或議案遭股東會否決，參與合併、分割或收購之公司應立即對外公開說明發生原因、後續處理作業及預計召開股東會之日期。

三、參與合併、分割或收購之公司，除其他法律另有規定或有特殊因素事先報經金管會同意者外，應於同一天召開董事會及股東會，決議合併、分割或收購相關事項。

參與股份受讓之公司，除其他法律另有規定或有特殊因素事先報經金管會同意者外，應於同一天召開董事會。

本公司參與合併、分割、收購或股份受讓，應將下列資料作成完整書面紀錄，並保存五年，備供查核：

(一)人員基本資料：包括消息公開前所有參與合併、分割、收購或股份受讓計畫或計畫執行之人，其職稱、姓名、身分證字號（如為外國人則為護照號碼）。

(二)重要事項日期：包括簽訂意向書或備忘錄、委託財務或法律顧問、簽訂契約及董事會等日期。

(三)重要書件及議事錄：包括合併、分割、收購或股份受讓計畫，意向書或備忘錄、重要契約及董事會議事錄等書件。

本公司參與合併、分割、收購或股份受讓，應於董事會決議通過之日起算二日內，將前款第一目及第二目資料，依規定格式以網際網路資訊系統申報金管會備查。

參與合併、分割、收購或股份受讓之公司有非屬上市或股票在證券商營業處所買賣之公司者，本公司應與其簽訂協議，並依第三款及第四款規定辦理。

第十九條 公告申報程序

本公司取得或處分資產，有下列情形者，應按性質依規定格式，於事實發生之日起二日內將相關資訊於金管會指定網站辦理公告申報：

- 一、向關係人取得不動產。
- 二、從事大陸地區投資。
- 三、進行合併、分割、收購或股份受讓。
- 四、從事衍生性商品交易損失達所訂處理程序規定之全部或個別契約損失上限金額。
- 五、除前四款以外之資產交易或金融機構處分債權，其交易金額達公司實收資本額百分之二十或新臺幣三億元以上者。但下列情形不在此限：
 - (一) 買賣公債。
 - (二) 以投資為專業者，於海內外證券交易所或證券商營業處所為之有價證券買賣。
 - (三) 買賣附買回、賣回條件之債券。
 - (四) 取得或處分之資產種類屬供營業使用之機器設備且其交易對象非為關係人，交易金額未達新臺幣五億元以上。
 - (五) 以自地委建、合建分屋、合建分成、合建分售方式取得不動產，本公司預計投入之交易金額未達新臺幣五億元以上。

前項交易金額依下列方式計算之：

- 一、每筆交易金額。
- 二、一年內累積與同一相對人取得或處分同一性質標的交易之金額。

第十九條 公告申報程序

本公司取得或處分資產，有下列情形者，應按性質依規定格式，於事實發生之即日起算二日內將相關資訊於金管會指定網站辦理公告申報：

- 一、向關係人取得或處分不動產，或與關係人為取得或處分不動產外之其他資產且交易金額達公司實收資本額百分之二十、總資產百分之十或新臺幣三億元以上。但買賣公債或附買回、賣回條件之債券，不在此限。
- 二、進行合併、分割、收購或股份受讓。
- 三、從事衍生性商品交易損失達所訂處理程序規定之全部或個別契約損失上限金額。
- 四、除前三款以外之資產交易、金融機構處分債權或從事大陸地區投資，其交易金額達公司實收資本額百分之二十或新臺幣三億元以上者。但下列情形不在此限：
 - (一) 買賣公債。
 - (二) 以投資為專業，於海內外證券交易所或證券商營業處所為之有價證券買賣。
 - (三) 買賣附買回、賣回條件之債券。
 - (四) 取得或處分之資產種類屬供營業使用之機器設備且其交易對象非為關係人，交易金額未達新臺幣五億元以上。
 - (五) 以自地委建、租地委建、合建分屋、合建分成、合建分售方式取得不動產，本公司預計投入之交易金額未達新臺幣五億元以上。

前項交易金額依下列方式計算之：

- 一、每筆交易金額。
- 二、一年內累積與同一相對人取得或處分同一性質標的交易之

依據「公開發行公司取得或處分資產處理準則」及公司營運需要

<p>三、一年內累積取得或處分（取得、處分分別累積）同一開發計畫不動產之金額。</p> <p>四、一年內累積取得或處分（取得、處分分別累積）同一有價證券之金額。</p> <p>第二項所稱一年內係以本次交易事實發生之日為基準，往前追溯推算一年，已依本準則規定公告部分免再計入。</p> <p>本公司應按月將本公司及其非屬國內本公司之子公司截至上月底止從事衍生性商品交易之情形依規定格式，於每月十日前輸入金管會指定之資訊申報網站。</p> <p>本公司依規定應公告項目如於公告時有錯誤或缺漏而應予補正時，應將全部項目重行公告申報。</p> <p>本公司取得或處分資產，應將相關契約、議事錄、備查簿、估價報告、會計師、律師或證券承銷商之意見書備置於本公司，除其他法律另有規定者外，至少保存五年。</p>	<p>金額。</p> <p>三、一年內累積取得或處分（取得、處分分別累積）同一開發計畫不動產之金額。</p> <p>四、一年內累積取得或處分（取得、處分分別累積）同一有價證券之金額。</p> <p>前項所稱一年內係以本次交易事實發生之日為基準，往前追溯推算一年，已依<u>處理</u>準則規定公告部分免再計入。</p> <p>本公司應按月將本公司及其非屬國內<u>公開發行公司</u>之子公司截至上月底止從事衍生性商品交易之情形依規定格式，於每月十日前輸入金管會指定之資訊申報網站。</p> <p>本公司依規定應公告項目如於公告時有錯誤或缺漏而應予補正時，應將全部項目重行公告申報。</p> <p>本公司取得或處分資產，應將相關契約、議事錄、備查簿、估價報告、會計師、律師或證券承銷商之意見書備置於本公司，除其他法律另有規定者外，至少保存五年。</p>	
<p>第二十條 其他重要事項</p> <p>本公司依前條規定公告申報之交易後，有下列情形之一者，應於事實發生之日起二日內將相關資訊於金管會指定網站辦理公告申報：</p> <p>一、原交易簽訂之相關契約有變更、終止或解除情事。</p> <p>二、合併、分割、收購或股份受讓未依契約預定日程完成。</p>	<p>第二十條 其他重要事項</p> <p>本公司依前條規定公告申報之交易後，有下列情形之一者，應於事實發生之<u>即</u>日起<u>算</u>二日內將相關資訊於金管會指定網站辦理公告申報：</p> <p>一、原交易簽訂之相關契約有變更、終止或解除情事。</p> <p>二、合併、分割、收購或股份受讓未依契約預定日程完成。</p> <p><u>三、原公告申報內容有變更。</u></p>	<p>依據「公開發行公司取得或處分資產處理準則」及公司營運需要</p>
<p>第廿一條 罰則</p> <p>本公司董事、監察人及經理人違反證期局頒佈之「公開發行公司取得或處分資產處理準則」或本程序之規定，致使本公司受有重大損害者，應予以解任。</p>	<p>第廿一條 罰則</p> <p>本公司董事、監察人及經理人違反<u>金管會</u>頒佈之<u>處理準則</u>或本程序之規定，致使本公司受有重大損害者，應予以解任。</p>	<p>依據「公開發行公司取得或處分資產處理準則」及公司營運需要</p>

本公司相關執行人員違反前述處理準則或本程序規定時，依本公司員工管理辦法處理。	本公司相關執行人員違反處理準則或本程序規定時，依本公司員工管理辦法處理。	
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【The amendment comparison table for the Articles of the “Procedure of Engaging in Derivatives Trading”】

原條文	修正後條文	修正原因
<p>第一條 制定目的</p> <p>為保障投資，落實資訊公開，並加強本公司建立衍生性商品交易之風險管理制度，茲依據行政院金融監督管理委員會證券期貨局(以下簡稱證期局)規定之「公開發行公司取得或處份資產處理程序」訂定本程序。</p>	<p>第一條 制定目的</p> <p>為保障投資，落實資訊公開，並加強本公司建立衍生性商品交易之風險管理制度，茲依據行政院金融監督管理委員會(以下簡稱金管會)規定之「公開發行公司取得或處分資產處理<u>準則</u>」(以下簡稱處理準則)訂定本程序。</p>	酌修文字
<p>第二條 交易原則與方針</p> <p>一、得從事衍生性商品交易之種類：</p> <p>(一) 本程序所稱之衍生性商品，指其價值由資產、利率、匯率、指數或其他利益等商品所衍生之遠期契約、選擇權契約、期貨契約、槓桿保證金契約、交換契約及上述商品組合而成之複式契約。</p> <p>(二) 本程序所稱之遠期契約，並不包含保險契約、履約契約、售後服務保證契約、長期租賃契約及長期進(銷)貨合約。</p> <p>(三) 有關債券保證金交易之相關事宜，應比照本處理程序之相關規定辦理。</p> <p>二、經營或避險策略：</p>	<p>第二條 交易原則與方針</p> <p>一、得從事衍生性商品交易之種類：</p> <p>(一) 本程序所稱之衍生性商品，指其價值由資產、利率、匯率、指數或其他利益等商品所衍生之遠期契約、選擇權契約、期貨契約、槓桿保證金契約、交換契約，<u>及上述商品組合而成之複合式契約等</u>。</p> <p>(二) 本程序所稱之遠期契約，不含保險契約、履約契約、售後服務契約、長期租賃契約及長期進(銷)貨合約。</p> <p>(三) 有關債券保證金交易之相關事宜，應比照本程序之相關規定辦理。</p> <p>二、經營或避險策略：</p>	酌修文字

<p>從事衍生性商品交易，應以規避風險為目標。交易商品應選擇能規避公司業務經營所產生之風險為主，另外，交易對象亦應儘可能選擇平時與公司業務往來之金融機構，以避免產生信用風險。</p> <p>三、權責劃分： 財務部：負責外匯管理系統，如收集外匯市場資訊，判斷趨勢及風險、熟悉金融商品及操作技巧等。並接受財務主管之指示，授權管理外匯部位，依據公司政策規避風險。 會計部：負責交易之確認、交割及登錄明細。 稽核：衡量、監督與控制財務部門交易之風險，並於有重大缺失時向董事會報告。</p> <p>四、績效評估要領： 凡操作衍生性金融商品，按日將操作明細記錄於交易明細表上，以掌握損益狀況；另按月、季、半年、年結算匯兌損益。</p> <p>五、契約總額及損失上限： (1) 財務部門應掌握公司整體部位，以規避交易風險；有關遠期外匯操作之契約總額不得超過公司實際外幣需求總額。 (2) 衍生性商品之合約損失上限，個別契約以不超過交易合約金額百分之十五為損失上限，全部契約損失不超過交易合約金額百分之十為損失上限，惟當匯率有重大不利影響時，公司應隨時召集相關人員討論開會因應之。</p>	<p>從事衍生性商品交易，應以規避風險為目標。交易商品應選擇能規避公司業務經營所產生之風險為主，另外，交易對象亦應儘可能選擇平時與公司業務往來之金融機構，以避免產生信用風險。</p> <p>三、權責劃分： 財務部：負責外匯管理系統，如收集外匯市場資訊，判斷趨勢及風險、熟悉金融商品及操作技巧等。並接受財務主管之指示，授權管理外匯部位，依據公司政策規避風險。 會計部：負責交易之確認、交割及登錄明細。</p> <p>四、績效評估要領： 凡操作衍生性商品，按日將操作明細記錄於交易明細表上，以掌握損益狀況；另按月、季、半年、年結算匯兌損益。</p> <p>五、契約總額及損失上限： (一) 財務部門應掌握公司整體部位，以規避交易風險；有關遠期外匯操作之契約總額不得超過公司實際外幣需求總額。 (二) 衍生性商品之合約損失上限，個別契約以不超過交易合約金額百分之十五為損失上限，全部契約損失不超過交易合約金額百分之十為損失上限，惟當匯率有重大不利影響時，公司應隨時召集相關人員討論開會因應之。</p>	
<p>第三條 作業程序 一、授權額度：</p>	<p>第三條 作業程序 一、授權額度：</p>	<p>酌修文字</p>

本公司從事衍生性商品交易，依下列之授權金額進行操作：

(一) 遠期外匯交易：

交易授權額度（每月累積金額）

契約總額	核決權限
0-1,000 萬（含）美元	董事長
1,000 萬（不含）美元以上	董事會

(二) 外幣選擇權買賣合約：

授權董事長全權代表本公司與銀行簽訂合約之額度，以不超過本公司未來六個月之預估外幣淨需求或淨支出之金額為限，且累計有效合約淨額以不超過美金 500 萬元為限，以規避匯率波動。

(三) 其他有關之衍生性金融商品：需經董事會決議，始得交易。

(四) 本辦法所規定由董事會決議者，應有三分之二以上董事之出席，出席成員過半數之同意行之。

二、執行單位及交易流程：

(一) 執行交易：由財務部門交易人員，依授權額度規範內向金融機構進行交易，若超過本辦法第三條第一項授權金額時，需依據上述條款事先取得書面核准。每筆交易完成後，根據金融機構成交回報立即填製交易單，註明內容，經權責主管簽核，並統計部位及將交易單副本送交

本公司從事衍生性商品交易，依下列之授權金額進行操作：

(一) 遠期外匯交易：

交易授權額度（每月累積金額）

契約總額	核決權限
0-1,000 萬（含）美元	董事長
1,000 萬（不含）美元以上	董事會

(二) 外幣選擇權買賣合約：

授權董事長全權代表本公司與銀行簽訂合約之額度，以不超過本公司未來六個月之預估外幣淨需求或淨支出之金額為限，且累計有效合約淨額以不超過美金 500 萬元為限，以規避匯率波動。

(三) 其他有關之衍生性商品：需經董事會決議，始得交易。

(四) 本辦法所規定由董事會決議者，應有三分之二以上董事之出席，出席成員過半數之同意行之。

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<p>會計部門。</p> <p>(二) 交易確認：交割與登錄之會計部門應根據交易單位製作之交易單副本進行交易確認，後依交易確認之數字進行交割及登錄明細，財務部門每月製作彙整報表送交會計部門做為會計評價之依據。</p>	<p>會計部門。</p> <p>(二) 交易確認：交割與登錄之會計部門應根據交易單位製作之交易單副本進行交易確認，後依交易確認之數字進行交割及登錄明細，財務部門每月製作彙整報表送交會計部門做為會計評價之依據。</p>	
<p>第四條 風險管理措施</p> <p>一、風險管理範圍：</p> <p>(一) 信用風險管理：交易的對象限定與公司有業務往來之銀行。交易後登錄人員應即登錄額度控管表，並定期與往來銀行對帳。</p> <p>(二) 市場價格風險管理：登錄人員應隨時核對交易總額是否符合本程序規定限額。會計部門應隨時進行市價評估，並注意未來市場價格波動對所持部位可能之損益影響。</p> <p>(三) 流動性風險管理：為確保市場流動性，交易之金融機構必須有充足的設備、資訊及交易能力，並能在任何市場進行交易。</p> <p>(四) 現金流量風險管理：衍生性商品交易以實質交易為基礎，以確保交割義務履行能力。交易人員並應隨時注意公司之現金流量，以確保交割時有足夠之現金支付。</p> <p>(五) 作業風險管理：必須確實遵守授權額度及作業流程。</p> <p>(六) 法律風險管理：任何與銀行簽署的文件必須經過法務相關人員的檢視後始得簽署。</p> <p>二、從事衍生性商品之交易人員及確認、交割作業人員不得互相兼任。</p> <p>三、風險之衡量、監督與控制人員應與前款人員分屬</p>	<p>第四條 風險管理措施</p> <p>一、風險管理範圍：</p> <p>(一) 信用風險管理：交易的對象限定與公司有業務往來之銀行。交易後登錄人員應即登錄額度控管表，並定期與往來銀行對帳。</p> <p>(二) 市場價格風險管理：登錄人員應隨時核對交易總額是否符合本程序規定限額。會計部門應隨時進行市價評估，並注意未來市場價格波動對所持部位可能之損益影響。</p> <p>(三) 流動性風險管理：為確保市場流動性，交易之金融機構必須有充足的設備、資訊及交易能力，並能在任何市場進行交易。</p> <p>(四) 現金流量風險管理：衍生性商品交易以實質交易為基礎，以確保交割義務履行能力。交易人員並應隨時注意公司之現金流量，以確保交割時有足夠之現金支付。</p> <p>(五) 作業風險管理：必須確實遵守授權額度及作業流程。</p> <p>(六) 法律風險管理：任何與銀行簽署的文件必須經過法務相關人員的檢視後始得簽署。</p> <p>二、從事衍生性商品之交易人員及確認、交割<u>等</u>作業人員不得互相兼任。</p> <p>三、風險之衡量、監督與控制人員應與前款人員分屬</p>	<p>酌修文字</p>

<p>不同部門，並應向董事會或向不負責交易或部分決策責任之高階主管人員報告。</p> <p>四、衍生性商品交易所持有之部位至少每週應評估一次，惟若為業務需要辦理之避險性交易至少每月應評估二次，其評估報告應呈送董事會授權之高階主管人員。</p> <p>五、其他重要風險管理措施</p>	<p>不同部門，並應向董事會或向不負責交易或部分決策責任之高階主管人員報告。</p> <p>四、衍生性商品交易所持有之部位至少每週應評估一次，惟若為業務需要辦理之避險性交易至少每月應評估二次，其評估報告應呈送董事會授權之高階主管人員。</p> <p>五、其他重要風險管理措施</p>	
<p>第五條 內部稽核制度</p> <p>內部稽核人員應定期瞭解衍生性商品交易內部控制制度之允當性，並按月稽核交易部門對從事衍生性商品交易處理程序之遵循情形作成稽核報告，如發現重大違規情事，應以書面通知監察人。</p>	<p>第五條 內部稽核制度</p> <p>內部稽核人員應定期瞭解衍生性商品交易內部控制制度之允當性，並按月稽核交易部門對從事衍生性商品交易處理程序之遵循情形，作成稽核報告，如發現重大違規情事，應以書面通知各監察人。</p>	酌修文字
<p>第六條 定期評估方式及異常情形處理</p> <p>本公司從事衍生性商品交易，董事會應依下列原則確實監督管理：</p> <p>一、指定總經理（須擇定高階主管人員）應隨時注意衍生性商品交易風險之監督與控制。</p> <p>二、每年定期評估從事衍生性商品交易之績效是否符合既定之經營策略及承擔之風險是否在公司容許承受之範圍。</p> <p>董事會授權總經理（須擇定高階主管人員）依下列原則管理衍生性商品之交易：</p> <p>一、依第四條第四款規定定期評估目前使用之風險管理措施是否適當，並確實依證期局頒佈之「<u>公開發行公司取得或處分資產處理準則</u>」或本程序之規定辦理。</p> <p>二、監督交易及損益情形，發現有異常情事時，應採取必要之因應措施，並立即向董事會報告，設置獨立董事後，董事會應有獨立董事出席並表示意見。</p>	<p>第六條 定期評估方式及異常情形處理</p> <p>本公司從事衍生性商品交易，董事會應依下列原則確實監督管理：</p> <p>一、指定總經理<u>或董事長</u>應隨時注意衍生性商品交易風險之監督與控制。</p> <p>二、定期評估從事衍生性商品交易之績效是否符合既定之經營策略及承擔之風險是否在公司容許承受之範圍。</p> <p>董事會授權總經理<u>或董事長應</u>依下列原則管理衍生性商品之交易：</p> <p>一、定期評估目前使用之風險管理措施是否適當，並確實依<u>處理準則</u>及本程序之規定辦理。</p> <p>二、監督交易及損益情形，發現有異常情事時，應採取必要之因應措施，並立即向董事會報告，設置獨立董事後，董事會應有獨立董事出席並表示意見。</p> <p>本公司從事衍生性商品交易，依本程序規定授權相關</p>	配合公司營運需要修訂

<p>見。 本公司從事衍生性商品交易，依本程序規定授權相關人員辦理者，事後應提報董事會。</p>	<p>人員辦理者，事後應提報董事會。</p>	
<p>第七條 資訊公開 一、從事衍生性商品交易損失達本程序規定之全部或個別契約損失上限金額時，應於事實發生日起二日內依規定格式將相關資訊於證期局指定網站辦理公告申報。 二、每月十日前，應將本公司及其非屬國內公開發行公司之子公司截至上月底止從事衍生性商品交易情形依規定格式輸入證期局指定之資訊申報網站。</p>	<p>第七條 資訊公開 一、從事衍生性商品交易損失達本程序規定之全部或個別契約損失上限金額時，應於事實發生之即日起算二日內依規定格式將相關資訊於金管會指定網站辦理公告申報。 二、每月十日前，應將本公司及其非屬國內公開發行公司之子公司截至上月底止從事衍生性商品交易之情形依規定格式輸入金管會指定之資訊申報網站。</p>	酌修文字
<p>第八條 備查簿之建立 從事衍生性商品交易，應建立備查簿，就從事衍生性商品交易之總類、金額、董事會通過日期及依第四條第一項第四款、第五條第一項第二款及第二項第一款就衍生性商品交易應定期審慎評估事項，詳細登載予備查簿備查。</p>	<p>第八條 備查簿之建立 從事衍生性商品交易，應建立備查簿，就從事衍生性商品交易之總類、金額、董事會通過日期及依第四條第四項、第六條第一項第二款及第二項第一款應審慎評估之事項，詳細登載於備查簿備查。</p>	酌修文字
<p>第九條 罰則 本公司董事、監察人及經理人違反證期局頒佈之「公開發行公司取得或處分資產處理準則」或本程序之規定，致使本公司受有重大損害者，應予以解任。 本公司相關執行人員違反前述處理準則或本程序規定時，依本公司人事管理辦法處理。</p>	<p>第九條 罰則 本公司董事、監察人及經理人違反處理準則或本程序之規定，致使本公司受有重大損害者，應予以解任。本公司相關執行人員違反處理準則或本程序規定時，依本公司員工管理辦法處理。</p>	酌修文字
<p>第十條 修訂程序 本公司依有關規定訂定本程序，經董事會通過後，應送各監察人並提報股東會同意，修正時亦同。如有董事表示異議且有紀錄或書面聲明者，公司並應將董事</p>	<p>第十條 修訂程序 本公司依有關規定訂定本程序，經董事會通過後，應送各監察人並提報股東會同意，修正時亦同。如有董事表示異議且有紀錄或書面聲明者，公司並應將董事</p>	配合公司營運需要修訂

<p>異議資料送各監察人。 本公司設置獨立董事後，依前項規定將本程序提報董事會討論時，應充分考量各獨立董事之意見，並將其同意或反對之意見與理由列入會議紀錄。</p>	<p>異議資料送各監察人。 本公司設置獨立董事後，依前項規定將本程序提報董事會討論時，應充分考量各獨立董事之意見，<u>獨立董事如有反對意見或保留意見，應於董事會議事錄載明。</u></p>	
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【APPENDIX 1】

PHISON ELECTRONICS CORP. RULES AND PROCEDURES OF SHAREHOLDERS' MEETING

1. Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures. Any matter not provided in these Rules and Procedures shall be handled in accordance with the Company Law and the Articles of Incorporation of the Company.
2. Shareholders or their representatives attending the Meeting shall wear on Certificate of Attendance. They shall also sign on the attendance book or submit the attendance card for the purpose of calculating the number of shares represented by shareholders attending the Meeting.
3. The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.
4. The Company may appoint designated counsel, CPA or other related persons to attend the Meeting. Persons handling affairs of the Meeting shall wear identification cards or badges.
5. The process of the Meeting shall be tape-recorded or videotaped and these tapes shall be preserved for at least one year.
6. Chairman shall call the Meeting to order at the time the number of shares represented by the shareholders present at the Meeting constituted the quorum. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, Chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in

the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one - third of the total outstanding shares, tentative resolutions may be made in accordance with Article 175 of the Company Law. If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, Chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Law.

7. The Agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved.

The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned. However, in the event that Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

- 7-1 The shareholders who held more than one percent (including one percent) of total outstanding shares of the Company can propose the motion of the regular shareholder meeting in written form.

The Company should announce the period and place of accepting shareholders to propose the motions before the suspension period of stock transfer before the regular shareholder meeting. And the period of accepting shareholders to propose the motions can not less than ten days.

The motions proposed by the shareholders need to be discussed by the board directors meeting, if there are no any concerns happened as below , the motions should be added into the meeting notice of the regular shareholders meeting:

- (1) The motion should not be discussed by the shareholders meeting.
- (2) The shareholder who proposed the motion, his/her shareholding rate of total outstanding shares of the Company did not reach one percent during the suspension period of stock transfer before the regular shareholder meeting..
- (3) The motion was proposed over the accepting period announced by the Company.
- (4) The shareholder proposed more than one motion, or the wordings (including the punctuation marks) in the motion more than 300 words, or the motion was not proposed in written form.

The Company should inform the shareholder the result of the motion proposed by this shareholder before the date of the notice of regular shareholder meeting. For the motions not added into the regular shareholder meeting, the board directors should explain the reason in the meeting agenda handbook of regular shareholder meeting, and don't need to be included in the meeting agenda and minutes.

8. Chairman of the Board of Directors shall be the Chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. In case the Chairman of the Board of Directors is on leave of absence or cannot exercise his powers and authority for any cause, the Vice Chairman shall act on his behalf. In case there is no Vice Chairman or Vice Chairman is also on leave of absence or cannot exercise his power and authority for any cause, Chairman of the Board of Directors may designate one of the managing directors or, where there are no managing directors, one of the directors, to act on his behalf. In the absence of such a designation, the managing directors or directors shall elect one from among themselves. If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the Chairman to preside at the Meeting.
9. During the Meeting, the Chairman may, at his discretion, set time for intermission.
10. Items which were not listed on the Meeting Agenda shall not be discussed or be

resolved. Chairman may announce to end or stop the discussion if Chairman deems it appropriate.

11. When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card), the name of the shareholder and the amount his shareholding. The sequence of speeches by shareholders should be decided by Chairman.
12. Unless otherwise permitted by the Chairman, each shareholder shall not speak more than two times (each time not exceeding 5 minutes). If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.
13. After the speech of a shareholder, the Chairman may respond himself/herself or appoint an appropriate person to respond.
14. In case the speech of any shareholder exceeds the limitation of time or the scope of the discussion item, Chairman may stop the speech of such shareholder. If the shareholder who do not obey Chairman's order and disturb the order of the Meeting, Chairman may stop his attendance.
15. The Chairman shall announce to go into voting if the issues had been announced to end or stop the discussion.
16. Except otherwise specified in the Company Law or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by Chairman.
17. The person(s) to check and the person(s) to record the ballots during a vote by

casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s). The result of voting shall be announced at the Meeting and placed on record.

18. If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

If the motions in written form proposed by the shareholders according to the Article 172-1 of the Company Law and were approved to add into the regular shareholders meeting were the same kind of motion proposed by the board directors, the motions will be combined and be discussed by the rule of above-mentioned item.

The chairman shall decide the sequence of discussing and voting of the motions proposed by shareholders at the extemporaneous motions period.

19. The Chairman may conduct the disciplinary officers or the security guard to assist in keeping order of the Meeting place. Such disciplinary officers or security guards shall wear badges marked "Disciplinary Officers" for identification purpose.

20. In case of air attack alarmed during the proceeding of the Meeting, the Meeting shall be suspended and the attendants shall split immediately. Chairman may resume the Meeting one hour after the alarm dismissed.

21. This "Rules and Procedures" shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

22. This "Rules and Procedures" was established on 26th March 2003. The first Amendment was on June 14, 2006.

【APPENDIX 2】

PHISON ELECTRONICS CORP. ARTICLES OF THE CORPORATION

Section I - General Provisions

1. The Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be Phison Electronics Corp.
2. The scope of business of the Corporation shall be as follows :
 - 1). CC01080 Electronic Parts and Components Manufacturing
 - 2). I301010 Software Design Services
 - 3). F218010 Retail Sale of Computer Software
 - 4). F119010 Wholesale of Electronic Materials
 - 5). F219010 Retail Sale of Electronic Materials
 - 6). CE01030 Photographic and Optical Equipment Manufacturing
 - 7). CC01120 Data Storage Media Manufacturing and Duplicating
 - 8). I501010 Product Designing
 - 9). F401010 International Trade
 - 10). ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
- 2-1. The Corporation may provide endorsement and guarantee and act as a guarantor.
- 2-2. The total amount of the Corporation 's reinvestment shall not be subject to the restriction of not more than forty percent of the Corporation 's paid-up capital as provided in Article 13 of the Company Law.
3. The Corporation shall have its head office in Hsin Chu, Taiwan, Republic of China, and shall be free to set up branch offices at various locations within and without the territory of the Republic of China upon the resolution of the Board of Directors.
4. (deleted)

Section II - Capital Stock

5. The total capital stock of the Corporation shall be in the amount of 2,300,000,000 New Taiwan Dollars, divided into 230,000,000 shares, at ten New Taiwan Dollars each, and authorize the Board of Directors to be paid-up in installments.

The Corporation may reserve 160,000,000 New Taiwan Dollars of the total capital stock of the Corporation, divided into 16,000,000 shares, at ten New Taiwan Dollars each, to issue employee stock options in installments under resolution of the Board of Directors.

6. (deleted)
7. The share certificates of the Corporation shall all be name-bearing share certificates with signatures or stamps not less than three Directors.

The Corporation may print a consolidated share certificate in issuing new shares after going public. It may also be exempted from printing any share certificate for the shares issued. It may also be exempted from printing any share certificate for the shares issued and login at TDCC.

(Taiwan Depository & Cleaning Corp.)

8. Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular shareholder's meeting, and thirty (30) days immediately before the date of any special shareholder's meeting, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Time of previous item, starts from the date the meeting was hold or from standard date.

- 8-1. The stock affairs of the Corporation shall follow the 'Criteria Governing Handling of Stock Affairs by Public Companies'.

Section III - Shareholder's Meeting

9. Shareholders' meetings of the Corporation are of two types, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close

of each fiscal year. Special meetings shall be convened if necessary in accordance with the relevant laws.

10. If a shareholder is unable to attend a meeting, he/she may appoint a representative to attend it, and to exercise, on his/her behalf, all rights at the meeting by executing a power of attorney printed by the Corporation therein the scope of power authorized to the proxy. Excepted provided by Article 177 of the Company Law, the use of proxy shall follow 'Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies'.
11. Each share of stock shall be entitled to one vote, except the conditions regulated by the Term 3 of Article 157 and Article 179 of Company Law.
- 11-1. The shareholders' meeting shall be convened by the Board of Directors and be presided over by the Chairman of the Board of Directors of the Company. In case the Chairman of the Board of Directors is on leave of absence, the Chairman may designate one of the directors, to act on his behalf. In the absence of such a designation, the directors shall elect one from among themselves. If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the chairman to preside at the Meeting. If there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.
12. Except as provided in the Company Law, shareholders' meetings may be held if attended by shareholders in person or by proxy representing more than one half of the total issued and outstanding capital stock of the Company, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting.
- 12-1. The reasons for calling a board of directors meeting shall be notified to each director and supervisor at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The calling a board of directors meeting notice also could be by

Email or fax letters.

Section IV - Directors and Supervisors

13. The Company shall have seven Directors and three Supervisors who shall be elected by the shareholders' meeting from among the persons with disposing capacity. The tenure of them shall be three (3) years. But he /she may be eligible for re-election.

The total shares of the nominal shares of all directors and supervisors must not be less than the shareholding percentage regulation which was set by the rules and audit procedures for directors and supervisors share ownership ratio at public companies.

13-1. The Company shall have two independent Directors among the above-mentioned number of Directors. The independent Directors shall be elected by the system of nominating candidates and by the shareholders' meeting from the list of candidates of independent Directors.

14. The Board of Directors is constituted by the Directors. The Directors shall elect from among themselves a Chairman of the Board of Directors by a majority in a meeting attended by over two-thirds of the Directors. The Chairman of the Board of Directors shall have the authority to represent the Corporation.

15. In case the Chairman of the Board of Directors is on leave of absence, the affairs of chairing the board of directors' meeting shall be dealt by Article 208 of the Company Law. The board of directors' meeting shall be convened by the Chairman of the Board of Directors. The chairing of the board of directors' meeting shall in accordance with the 'Regulations Governing Procedure for Board of Directors Meetings.

Each director shall attend the meeting of the board of directors in person. In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person. In case a director appoints another director to attend a meeting of

the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. Consigned proxy is limited to one director per person only.

16. The compensation of the chairman, directors and supervisors shall be resolved by the authorized Board of directors according to their individual participated degree of business operating and the contribution value and the normal standard of the same business companies.

The Corporation may take out liability insurance for Directors and Supervisors for the legal liability in their scope of business performance within the term of office.

Section V - Managers

17. The Corporation may appoint the managements. Appointment, discharge and remuneration of the managements shall be dealt in accordance with the Article 29 of Company Law.

Section VI - Accounts

18. After the close of each fiscal year, thirty (30) days before the date of regular shareholder's meeting, the Corporation shall submit the following reports which shall be prepared by the Board of Directors, and, after being audited by the Supervisors of the Corporation, to the regular shareholders' meeting for acceptance: 1. Business Report; 2. Financial Statements; 3. Proposal Concerning Appropriation of Net Profits or Covering of Losses.
19. When allocating the profits for each fiscal year, the Corporation shall first paid its tax, offset its losses in previous years and set aside a legal capital reserve at 10% of the profits left over, and shall set aside or reverse the special surplus capital reserve according to the law and regulation of related authorities. The rest of the profits accumulated with the not yet distributed profits in previous years shall be wholly or partly to set aside as the distributable profits. The Board of Directors shall submit a proposal regarding the distribution of profits in accordance the actual operation situation of the Corporation to the Shareholders' Meeting for their approval.

The profits shall be distributed by the following sequence: (1)1% for the compensation of the Directors and Supervisors, (2)12% to 25% for employees' bonus, and (3) the others for shareholders' dividends. If the employees' bonus are distributed by the share stocks, the employees who can be distributed the stock bonus may include the employees of subsidiaries who need conform to specific conditions.

It is because of the business of the Corporation is during the period of growing, and therefore the policy shall be made regarding dividend distribution shall be adjusted in accordance with the factors such as investment circumstance, cash demanding, competition inside and outside the country, and budget of the capital. The interest of shareholders, equivalent of dividends and long-term financial plan shall also be considered in making the policy. The Board of Directors shall submit the Report of Dividends Distribution to the Shareholders' Meeting annually for their approval. In paying of the shareholders' dividends, the Corporation shall distribute dividends by cash or stocks, and the cash-dividends shall take the ratio of the total amount of the shareholders' dividends not less than 10%.

Section VII - Supplementary Provisions

20. In regard to all matters not provided for in these Articles of the Corporation, the Company Law shall govern.
21. These Articles of Incorporation are agreed to and signed on October 24, 2000.

The first Amendment was approved by the shareholders' meeting on November 24, 2000, the second Amendment on September 5, 2001, the third Amendment on February 15, 2002, the fourth Amendment on April 9, 2002, the fifth Amendment on June 25, 2002, the sixth Amendment on March 26, 2003, the seventh Amendment on November 12, 2003, the eighth Amendment on June 15, 2004, the ninth Amendment on March 17, 2005, the tenth Amendment on June 16, 2005. the eleventh Amendment on June 14, 2006, the twelfth Amendment on November 1, 2006, the thirteenth

Amendment on June 13, 2007, the fourteenth Amendment on June 13, 2008, the fifteenth Amendment on May 8, 2009, the sixteenth Amendment on June 15, 2010. the seventeenth Amendment on June 15, 2011.

【APPENDIX 3】**THE EXPLAIN TABLE OF EMPLOYEES BONUS AND THE
COMPENSATION OF DIRECTORS AND SUPERVISORS**

ITEMS	BOD Meeting proposed amount(A)	Estimation Amount (B)	Difference amount (A-B)	Different Reason and processing affairs
Employees cash dividends	310,000,000	310,000,000	0	Consider to Phison Articles of the Corporation and encourage to employees, the different will be list on 2012 profit or loss.
COMPENSATION OF DIRECTORS AND SUPERVISORS	15,853,476	14,968,941	884,535	

【APPENDIX 4】

PHISON ELECTRONICS CORP. SHAREHOLDING OF ALL DIRECTORS AND SUPERVISORS

1. The mandatory ratio of shareholding for Directors and Supervisors and their shareholdings are as follows :
 - 1). The outstanding shares : 180,025,743 common shares
 - 2). The minimum required combined shareholding of all directors by law : 10,801,545 shares
 - 3). The minimum required combined shareholding of all supervisors by law : 1,080,154 shares
2. The shareholding of all Directors and Supervisors as of 8th April, 2012, the book closure date of this Regular Shareholders' Meeting, are as follows:

Book closure date : 8th April, 2012

Position	Name	Current Shareholding	Representative
Chairman	Pua Khein Shend	4,557,972	
Director	TOSHIBA CORP.	21,882,112	Hitoro Nakai
Director	Jacky Hsu	1,080,185	
Director	Aw Yong Cheek Kong	4,694,745	
Director	Kuang	1,428,736	
Independent Director	Shu-Fen Wang	0	
Independent Director	Uchida-san	0	
Total Amount of Shares Held by Directors		33,643,750	
Ratio of total Outstanding Shares		18.69%	
Supervisor	Joe Wang	171,750	
Supervisor	I.Y Yang	5,136,114	
Independent Supervisor	Yang-Bin Shen	0	
Total Amount of Shares Held by Supervisors		5,307,864	
Ratio of total Outstanding Shares		2.95%	

【APPENDIX 5】

The effect for the Company's operating performance, EPS and ROE changed in 2012 by the stock dividend distribution of 2011 which proposed to be discussed at the shareholders meeting

The Company didn't disclose the financial forecast of 2012, so we don't need to disclose the information of operating performance, EPS and ROE in 2012.

【APPENDIX 6】 OTHER EXPLANATION ITEMS

For the status of the motions proposed by the shareholders at the regular shareholders meeting:

Explanation:

1. According to the article 172-1 of Company Law, the shareholders who held more than one percent (including one percent) of total outstanding shares of the Company can propose the motion of the regular shareholder meeting in written form. And the shareholder can only propose one motion, and the wordings (including the punctuation marks) in the motion cannot be more than 300 words.
2. The period of accepting the shareholder to propose the motion for this regular shareholders meeting was March 30~April 9, 2012, and the period was also announced on the website of MOPS.
3. The Company did not receive any motions proposed by the shareholders.