Table 23

(1) Financial Analysis

Item (Note 3) \ Fiscal year (Note 1)		Financial Information for the Most Recent 5 Years					As of _______ (date) of the current fiscal year (Note 2)
		Year	Year	Year	Year	Year	
Financial structure (%)	Debt to assets ratio						
	Ratio of long-term capital to property, plant and equipment						
Solvency (%)	Current ratio						
	Quick ratio						
	Times interest earned						
Operating performance	Accounts receivable turnover (times)						
	Average collection days						
	Inventory turnover (times)						
	Accounts payable turnover (times)						
	Average days in sales						
	Property, plant and equipment turnover (times)						
	Total asset turnover (times)						
Profitability	Return on total assets (%)						
	Return on equity (%)						
	Ratio of income before tax to paid-in capital (%) (Note 7)						
	Net profit margin (%)						
	Earnings per share (NT$)						
Cash flow	Cash flow ratio (%)						
	Cash flow adequacy ratio (%)						
	Cash reinvestment ratio (%)						
Leverage	Operating leverage						
	Financial leverage						
Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)							

*A company that has compiled parent company only financial statements shall also compile parent company only financial ratio analysis.

*A Company that has adopted the International Financial Reporting Standards for its financial information for less than 5 fiscal years shall additionally prepare Table (2) below presenting its financial information under the Enterprise Accounting Standards of the R.O.C.

Note 1: If the information for any fiscal year has not been audited and attested by a CPA, this fact shall be noted.

Note 2: If, up to the date of publication of the annual report for a TWSE or TPEx listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

Note 3: The following formulas for the calculation of the financial ratios shall be listed below this table in the annual report:

1. Financial structure
   (1) Debt to assets ratio = total liabilities / total assets.
   (2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.
2. Solvency
   (1) Current ratio = current assets / current liabilities.
   (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
   (3) Times interest earned = earnings before tax and interest expenses / current interest expenses.
3. Operating performance
   (1) Accounts receivable (including accounts receivable and notes receivable arising from business activities) turnover = net sales / average accounts receivable balance (including accounts receivable and notes receivable arising from business activities).
   (2) Average collection days = 365 / accounts receivable turnover.
   (3) Inventory turnover = cost of goods sold / average inventory.
   (4) Accounts payable (including accounts payable and notes payable arising from business activities) turnover = cost of goods sold / average accounts payable balance (including accounts payable and notes payable arising from business activities).
   (5) Average days in sales = 365 / inventory turnover.
   (6) Property, plant and equipment turnover = net sales / average net property, plant and equipment.
   (7) Total asset turnover = net sales / average total assets.
4. Profitability
   (1) Return on total assets = (net income + interest expenses * (1 - effective tax rate)) / average total assets.
   (2) Return on equity = net income after tax / average total equity.
   (3) Net profit margin = net income after tax / net sales.
   (4) Earnings per share = (income attributable to owners of parent - preferred stock dividends) / weighted average number of shares outstanding. (Note 4)
5. Cash flow
   (1) Cash flow ratio = net cash flows from operating activities / current liabilities.
   (2) Net cash flow adequacy ratio = 5-year sum of net cash flow from operating activities / 5-year sum of (capital expenditures + increases in inventory + cash dividends).
   (3) Cash reinvestment ratio = (cash from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other non-current assets + working capital). (Note 5)
6. Leverage:
   (1) Operating leverage = (net operating revenue – variable operating costs and expenses) / operating income (Note 6).
   (2) Financial leverage = operating income / (operating income – interest expenses).

Note 4: Special attention should be paid to the following when calculating earnings per share by the above equation:

1. The weighted average quantity of outstanding common shares shall be taken as the standard, not the quantity of outstanding shares at the end of the year.
2. If there is any cash capital increase or treasury stock transaction, take the circulation periods into account when calculating the weighted average quantity of outstanding shares.
3. If there is any capitalization of retained earnings or capital surplus, the annual and semi-annual earnings per share of past years shall be retrospectively adjusted pro rata to the size

of the capital increase, without considering the issuance period of the capital increase.

4. If the preferred shares are non-convertible cumulative preferred shares, the dividend for the fiscal year (whether it has been distributed or not) shall be deducted from the net income after tax or added to the net loss after tax. If the preferred shares are non-cumulative, the dividend shall be deducted from the net income after tax if there is net income after tax and no adjustment is required in case there is loss.

Note 5: Special attention shall be paid to the following when making the calculations for cash flow analysis:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures refers to the annual cash outflow used in capital investment.
3. Increase in inventory is counted only when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory has decreased at the end of the year, it is counted as zero.
4. Cash dividends include the cash dividends of common stock and preferred stock.
5. Gross property, plant and equipment refers to the total property, plant and equipment without deduction of accumulated depreciation.

Note 6: The issuer shall categorize the operating costs and operating expenses into fixed ones and variable ones in accordance with their properties. If the categorization is subject to estimation or subjective judgment, attention shall be paid to ensure that it is done rationally and consistently.

Note 7: If the Company’s shares have no par value or the par value per share is not NT$10, the paid-in capital involved in the calculation of the above ratio shall be replaced by the equity attributable to owners of the parent company on the balance sheet.

(2) Financial Analysis - Enterprise Accounting Standards of the R.O.C.

Item (Note 2) \ Fiscal year (Note 1)			Financial Information for the Most Recent 5 Years				
			Year	Year	Year	Year	Year
Financial structure (%)	Debt to assets ratio						
	Ratio of long-term capital to property, plant and equipment						
Solvency (%)	Current ratio						
	Quick ratio						
	Times interest earned						
Operating performance	Accounts receivable turnover (times)						
	Average collection days						
	Inventory turnover (times)						
	Accounts payable turnover (times)						
	Average inventory turnover (days)						
	Property, plant and equipment turnover (times)						
	Total asset turnover (times)						
Profitability	Return on total assets (%)						
	Return on equity (%)						
	Ratio to paid-in capital (%)	Operating income					
		Income before tax					
	Net profit margin (%)						
	Earnings per share (NT$)						
Cash flow	Cash flow ratio (%)						
	Cash flow adequacy ratio (%)						
	Cash reinvestment ratio (%)						
Leverage	Operating leverage						
	Financial leverage						
Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)							

Note 1: If the information for any fiscal year has not been audited and attested by a CPA, this fact shall be noted.

Note 2: The following formulas for the calculation of the financial ratios shall be listed below this table in the annual report:

1. Financial structure

(1) Debt to assets ratio = total liabilities / total assets.
(2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.

2. Solvency
(1) Current ratio = current assets / current liabilities.
(2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
(3) Times interest earned = earnings before tax and interest expenses / current interest expenses.

3.Operating performance
(1) Accounts receivable (including accounts receivable and notes receivable arising from business activities) turnover = net sales / average accounts receivable balance (including accounts receivable and notes receivable arising from business activities).
(2) Average collection days = 365 / accounts receivable turnover.
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(5) Average days in sales = 365 / inventory turnover.
(6) Property, plant and equipment turnover = net sales / average net property, plant and equipment.
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(1) Return on total assets = (net income + interest expenses * (1 - effective tax rate)) / average total assets.
(2) Return on equity = net income after tax / average net equity.
(3) Net profit margin = net income after tax / net sales.
(4) Earnings per share = (net income after tax - preferred stock dividends) / weighted average number of shares outstanding. (Note 4)

5. Cash flow
(1) Cash flow ratio = net cash flows from operating activities / current liabilities.
(2) Net cash flow adequacy ratio = 5-year sum of net cash flow from operating activities / 5-year sum of (capital expenditures + increases in inventory + cash dividends).
(3) Cash reinvestment ratio = (cash from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other non-current assets + working capital). (Note 5)

6. Leverage:
(1) Operating leverage = (net operating revenue – variable operating costs and expenses) / operating income (Note 6).
(2) Financial leverage = operating income / (operating income – interest expenses).

Note 3: Special attention should be paid to the following when calculating earnings per share by the above equation:
1. The weighted average quantity of outstanding common shares shall be taken as the standard, not the quantity of outstanding shares at the end of the year.
2. If there is any cash capital increase or treasury stock transaction, take the circulation periods into account when calculating the weighted average quantity of outstanding shares.
3. If there is any capitalization of retained earnings or capital surplus, the annual and semi-annual earnings per share of past years shall be retrospectively adjusted pro rata to the size of the capital increase, without considering the issuance period of the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend for the fiscal year (whether it has been distributed or not) shall be deducted from the net income after tax or added to the net loss after tax. If the preferred shares are non-cumulative, the

dividend shall be deducted from the net income after tax if there is net income after tax and no adjustment is required in case there is loss.

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Note 5: The issuer shall categorize the operating costs and operating expenses into fixed ones and variable ones in accordance with their properties. If the categorization is subject to estimation or subjective judgment, attention shall be paid to ensure that it is done rationally and consistently.