Stock code 3130

104 Corporation

2018 Annual Shareholders' Meeting Handbook

Time：09:00 a.m., May 30, 2018.

Location：104 Corporation Headquarters.

(3F, No.119 BaoZhong Rd., Xindian Dist., New Taipei City, Taiwan, (R.O.C.)

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Meeting Agenda

104 Corporation
2018 Annual Shareholders' Meeting Agenda

Time：9:00 a.m., May 30, 2018

Place：104 Corporation Headquarters

(3F, No.119 BaoZhong Rd., Xindian Dist., New Taipei City, Taiwan, (R.O.C.))

I. Call Meeting to Order

II. Chairman’s Address

III. Matters for Report

1. 2017 Business Report.
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1. Adoption of the 2017 Business Report and Financial Statements.
2. Adoption of the Proposal for Distribution of 2017 Earnings.

V. Matters for Election

1. Election of Directors and Supervisors.

VI. Matters for Discussion

1. Release of the Newly Elected Directors from Non-Competition Restrictions.

VII. Extemporary Motions

VIII. Adjournment

I. Matters for Report

1. **2017 Business Report.**
   Explanatory Notes：
   For the Company's 2017 Business Report, please refer to attachment 1 on Pages 8 to 11.

2. **Supervisor's Review Report on the 2017 Financial Statements.**
   Explanatory Notes：
   For the Supervisor's Review Report, please refer to attachment 2 on Page 12.

3. **The Report of the 2017 Employees, Directors and Supervisors' Compensation.**
   Explanatory Notes：
   (1) Pursuant to Article 26 of the Company's Articles of Incorporation.
   (2) Income before tax excluding employees, directors and Supervisors' compensation in 2017 is NT$417,755,878. Based on the resolution of the Board of Directors, cash will be distributed to the employees, directors and supervisors' compensation are NT$34,464,860 and NT$8,355,118, respectively. There is no difference between the above resolution and those recognized in the financial statements.

4. **Execution of Issuance of 2014 Restricted Employee Stocks.**
   Explanatory Notes：
   (1) A resolution was passed during the shareholders' meeting held on June 19, 2014, for the issuance of 230,000 new restricted employee shares. The restricted shares were registered with and approved by the Financial Supervisory Commission No.1030029878 on August 8, 2014 and issued in installments.
   (2) The total of 142,000 shares were issued and the issue price was free. The execution of issuance is as follow：

	Issued Shares	**Unvested Shares (include Resigned Shares)**	**Vested Shares**
Batch 1	130,000	15,000	115,000
Batch 2	12,000	1,500	10,500
Total	142,000	16,500	125,500

The unvested shares listed above have expired before the vesting date and been cancelled. The other 88,000 unissued shares are ineffective because the issue period has expired.

II. Matters for Ratification

1. **Adoption of the 2017 Business Report and Financial Statements. (Proposed by the Board of Directors)**
   Explanatory Notes：
   (1) The Company's 2017 financial statements have been approved by the Board of Directors and audited by KPMG.
   (2) Please refer to attachment 1 on Pages 8 to 11 and attachment 3 on Pages 13 to 28.

   Resolution：

2. **Adoption of the Proposal for Distribution of 2017 Earnings. (Proposed by the Board of Directors)**
   Explanatory Notes：
   (1) The Company's net income after tax in 2017 is NT$318,123,392. For the Earnings Distribution Proposal, please refer to attachment 4 on Page 29.
   (2) Articles 66-6 and 66-9 of the Income Tax Act are applicable to the calculation of the earnings

distribution proposal mentioned in the preceding paragraph. The 2017 earnings will be distributed first. If such earnings are insufficient, the earnings for the past years will be distributed in sequence.

(3) The proposal is to distribute a cash dividend of NT$9.6 per share, totaling NT$318,649,920. After the proposal is approved by the annual shareholder's meeting, the Board of Directors authorized to determine the ex-dividend date. Cash dividends shall be based on the distribution ratio and rounded down to the integer. Fractional dividend amounts that are less than NT$1 shall be summed up and recognized as other income of the Company. In case the number of the Company's outstanding shares is affected from changes to the laws, adjustments by the competent authority, repurchase or cancellation of the Company's treasury shares, or other possible situations which may lead to the changes in the shareholder dividend ratio, it is proposed to the shareholder's meeting to authorize the Board of Directors to adjust it.

Resolution：

III. Matters for Election

1. Election of Directors and Supervisors. (Proposed by the Board of Directors)

Explanatory Notes：

(1) The term of current Directors and Supervisors of the Company will expire on June 23, 2018. According to the Articles of Incorporation, new Directors and Supervisors shall be elected at the annual shareholders' meeting of 2018.

(2) Six Directors (including two Independent Directors) and two Supervisors shall be elected. The term of the new Directors and Supervisors is three years from May 30, 2018 to May 29, 2021.

(3) A candidate nomination system is adopted for election of the Company's Directors and Supervisors. The roster of Director and Supervisor candidates has been approved at the second Board Meeting of 2018. For the roster of Director and Supervisor candidates, please refer to attachment 5 on Pages 30 to 32.

Election results：

IV. Matters for Discussion

1. Release of the Newly Elected Directors from Non-Competition Restrictions. (Proposed by the Board of Directors)

Explanatory Notes：

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

(2) In line with the business needs, it is proposed to release the newly elected Directors from Non-Competition restrictions under the precondition of no conflicts of the Company's interests. For the related information, please refer to attachment 6 on Page 33.

Resolution：

V. Extemporary Motions

VI. Adjournment

Attachment

Attachment 1: 2017 Business Report

104 Corporation
Business Report

I. 2017 Business Report

1. Achievements of the implementation of the operational plan

In order to implement the three major missions of management, i.e. "commitment to career matchmaking, commitment to the elderly, and commitment to children", 104 continued to develop its service models in 2017, including:

(1) Career Mission

1.**Mobile Job-Seeking Service:** In response to the job applicants using mobile phones as the key way for job seeking, 104 continued to improve user experience of mobile phone service. In 2017, mobile version of job encyclopedia service was newly added, whilst APP, PC webpage and mobile webpage for job search had subsequently completed revisions of search services, and more accurate job referrals based on user behavior preferences were introduced.

2.**Enterprise Talent-Seeking Service:** With the rising trend of mobile application, 104 continued to optimize the mobile talent-seeking service. In 2017, 104 Talent Search APP completed the revision of resume and the addition of contact information push notification services etc. The introduction page of recruiting company also launched a mobile version, allowing a smoother experience across various devices. We aim to help companies manage their brands, enhance their attractiveness for job seekers, assist corporate clients in managing employer brands, create exclusive overall recruitment solutions, and find talented individuals for the company.

3.**Career Social Platform:** 104 hopes to help job seekers "not just find a job, but also find a direction for you". Members in the career community can share their profession and experience, build their personal brand names, and through the objective affirmation of others, it can help the members explore their own direction and attract the attention of benefactors and talent-seeking companies.

4.**Human Resource Management Platform:** 104eHRMS integrates the needs of benchmark enterprises in various industries, and meets the complex personnel leave and payroll calculation requirements of the enterprises with flexible parameter settings and continues to optimize the platform. In addition, 104 also provides human resources of small and medium business the "HR Portal", a cloud management platform, helping companies easily manage people and affairs and assisting HR managers to improve professionalism, staff collaboration and communication, management decisions, and effectively improving work efficiency.

5.**Be A Giver Platform:** Managers publish professional articles on the Be A Giver Community Platform and provide on-line consultation service in the Career Clinics, and participate in on-site lecture activities, allowing them to fully demonstrate their personal professionalism.

(2) Elderly Mission

1. **Senior Care Bank Matchmaking Platform:** A note-taking process that combines the eight major health care professionals (physicians, nurses, dietitians, pharmacists, physiotherapists, functional therapists, social workers, and fitness experts), with nurses at home care centers acting as consultants to promote health issues. This platform develops and launches health promotion proposals based on the concept of health promotion and prevention, formulates

health promotion recommendations and housekeeper service plans according to individual needs of the elderly, tests the needs of children and elderly in the senior citizens market, and completes the supply and demand test in the two largest areas (Taipei City and New Taipei City).

2.Senior Platform: A platform that takes the value of healthy elders as its mission. Retired people can provide paid services for demanders to sign up and participate on the platform. This platform went online in November 2017. The first stage focuses on retirees providing guided tour services, and will subsequently launch cooking and consultations.

(3) Children Mission

World of Work and Kids Platform: Implement 104's "commitment to children" mission, assist the teachers through the Kids Platform, and explore talents with children. Use the World of Work Platform to help students find suitable subjects and explore future work. Since the Kids Platform was launched, there have been 12,044 works and talent exploration records. World of Work Platform also has 945 career volunteers to answer 3,865 career issues.

2. Financial Performance

The consolidated revenue for 2017 was NT$1,539,995 thousand, up 6% from the consolidated revenue of NT$1,454,753 thousand for 2016. The consolidated net income for 2017 was NT$358,159 thousand up 6% from the consolidated operating income of NT$338,955 thousand for 2016. The consolidated net income for 2017 was NT$318,663 thousand, down 20% from the consolidated net income of NT$398,304 thousand for 2016. The decrease was mainly caused by the recognition of a tax income of NT$43,135 thousand and an investment income of NT$38,765 thousand (disposal of 104 Human Resources Corporation) for 2016.

Unit: NT$1,000

Consolidated Income Statement	2017	2016
Operating revenue	1,539,995	1,454,753
Operating income	358,159	338,955
Net income before tax	381,785	376,635
Income tax expense	63,122	17,096
Income from continuing operations	318,663	359,539
Income from discontinued operations (Note)	-	38,765
Net income	318,663	398,304
Return on assets (%)	14	17
Return on shareholders’ equity (%)	21	26
Pre-tax income to paid-in capital (%)	115	113
Net margin (%)	21	27
Basic EPS (after Tax) (NT$)	9.60	12.04

Note: The Company's Board of Directors resolved to dispose of the full ownership of its subsidiary, 104 Human Resources Corporation, on December 29, 2015 and completed the transaction on January 5, 2016. According to IFRS 5, the relevant gains on disposal had classified as income (loss) from discontinued operations in the consolidated statements of comprehensive income for 2016.

3. Research and Development Results

In order to provide customers with more and better services, and to enhance and optimize the experience of user interface, 104 subsequently completed various research and development projects in 2017, including:

1. Optimization of Human Resources Cloud Management Platform

The optimization of the human resources cloud management platform is divided into two major parts. In addition to the original dynamic wall, it also provides functions including tasks, meetings, voting, activities, files, and instant messaging to meet the needs of internal employees. In terms of technology, new languages and new service architectures are used on AWS. In addition to significantly improving product performance, it can dynamically adjust resource allocation to meet customer needs in line with customer usage in the future.

2.Integration of Group-Wide User Account

Provide a consistent login and logout interface, offer a consistent user experience for all services within the group, and connect each service in tandem to exert synergy to provide a more complete product value.

3.The Establishment of a Common Platform

It provides the common components needed for 104 internal products, including notification system, user profile system, and instant messaging system.

4.Semantic Analysis and User Behavior Analysis

Independently developed system can segment words and phrases, and analyze the semantics of word data. It can record the footprints of each user in the job bank service. By mastering the user's preferences and behaviors, 104 continuously optimizes its products and refer the most suitable services and content to users.

5.Cloud Big Data Integrated Storage and Processing

With the most and complete resumes, job openings, companies, and user behavior data on the market, 104 unifies and integrates content and behavior data scattered everywhere into the cloud environment. It makes use of the powerful and flexible cloud computing environment and takes full advantage of 104 database.

II. The Company's Development Strategies and Future Prospects

1. The Company's Development Strategies

In terms of the product development of the job bank, it will continue to enhance the effectiveness of matchmaking and improve user experience. We integrate projects such as storage and processing, semantic analysis and user behavior analysis through cloud big data, realize data-driven product development strategies, and convert 104's existing scale advantages of enterprise users and individual users into data scale and data-driven application service advantages, and also lay the foundation for the development of artificial intelligence (AI) applications. Through the group-wide user account integration project, the various services are put together to exert synergies, and monitor users' behaviors in each product to provide more accurate content and service referrals.

In order to assist companies in managing internal talents, with respect to consultancy service, we continued to refine talent management consultancy services and integrate them seamlessly with assessment systems. In the development of human resources systems, we continued to invest in the development of cloud and out-of-print systems to meet the needs of domestic large companies and small and medium business for their talent management.

In addition, in order to implement the three major missions of 104, we launched “Be A Giver”, a social campaign that helps people via mutual aids among various generations:

(1)We established a resume consultation room and a career consultation room. Through the experience sharing of senior workers in the workplace, the work skills and professional experience are passed on to young workers, and even social freshmen and campus students. This will eliminate the difference of communication among various generations and bridge the gap between learning and practice.

(2)Help your children start at their young age and explore the faculty and industry that suit their talents. There will be more integration with school teaching activities, and Be A Giver will call for more career workers to be partners of 104 so that school teachers can more easily use career services provided by 104 and enable Taiwan's next generation to gain better competitiveness.

(3)In order to effectively assist career development of middle and high-level executives and expand middle-and high-rank services, in addition to striving for existing talent search services, the establishment of the Be A Giver community platform allows the middle- and high-level executives to provide their expertise, at the same time connecting the service of talent search, or extending the second career for high-rank talents!

2. Future Prospects

In 104, we continued to work hard to become the leading brand of human resources in the Chinese region, and took the four key values of “social responsibility”, “innovative thinking”, “customer orientation” and “honesty and integrity” as the highest standards of conduct with the aim of sustainable development. We will do our best to fulfill our social responsibility and corporate governance, create a long-term working environment for our employees, provide more valuable services to our customers, and look forward to continuing to create maximum value for our shareholders, customers, employees and all stakeholders.

Chairman: Chi-Kuan Yang

General Manager: Chi-Kuan Yang

Chief Accountant: Fen-Ju Lin

Attachment 2: Supervisor’s Review Report

104 Corporation
Supervisor’s Review Report

The Board of Directors has prepared the 2017 Business Report, Financial Statements, and Earnings Distribution Proposal. Of which, the financial statements have been audited by CPAs Chun-Hsiu Kuang and Lily Lu of KPMG, and an audit report with unqualified opinion was issued. The aforementioned statements have been reviewed and determined to be correct and accurate by the supervisors. The Report is submitted in accordance with Article 219 of the Company Act.

To

2018 annual shareholder’s meeting of 104 Corporation

Supervisor: Askforce Corporation

Representative: Mei-Fang Hsu

Supervisor: Zan-Syong Cai

March 14, 2018

Attachment 3: Independent Auditors’ Report and Financial Statements

Independent Auditors' Report

To the Board of Directors of 104 Corporation:

Opinion

We have audited the financial statements of 104 Corporation ("the Company"), which comprise the balance sheets as of December 31, 2017 and 2016, and the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2017 and 2016, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgement, the key audit matters that should be disclosed in this audit report are as follows:

Revenue recognition

Please refer to note 4(12) for accounting policy related to revenue recognition, and note 6(13) for the disclosure related to revenue and deferred revenue of the financial statements.

Description of key audit matter:

The Company's operating revenues mainly derive from providing online advertising and consulting services, wherein they are recognized in the following different ways: For services rendered with specified quantity over a fixed period of time or for services with undefined quantity, revenue is recognized in accordance with the timing of services being rendered or the quantity of the service, respectively, as well as the amounts which are designated in the online advertising contract. The revenue for consulting service mainly derived from selling software and providing consultation service. Revenue is only recognized after certain task, which are designated in the contracts, are completed. After the Company identified the main items of each completed tasks, revenue is recognized on the percentage of services performed to date to total services to be performed. Additionally, the Company often received its payments in advance after the contracts are signed; therefore, the amount is deferred according to the Company's policy and recognized as revenue once the service is performed. The aforementioned matter is the basis for the Company's management to determine the amount of revenue that can be recognized, therefore, revenue recognition was considered to be one of the key audit matters in our audit.

How the matter was addressed in our audit:

Our audit procedures included:

- Assessing and testing the design, as well as the effectiveness of the operating on the control over sales and collection cycle. Selecting appropriate samples and comparing them to relevant documents such as customer order and confirmation of completion order signed by customer to assess whether revenue and deferred revenue have been appropriately recognized.

- Performing comparison analysis on operating revenue of the current period to last period and the latest quarter to assess the existence of any significant exceptions, and further identify and analyze the reasons, if there is any significant exception.

- Performing test-of-detail on operating revenue to assess the assertions of existence and accuracy, as well as the appropriateness of recognition.

- Examining relevant documents of a period before and after the balance sheets date, such as customer order, information reported back from business department, or confirmation of completion of duty executed by customer, and verify the accuracy of the amount recognized as revenue in accordance with the timing of service provided or quantity provided to determine whether the deferred revenue should not be recognized as revenue and whether operating revenue has been appropriately recognized.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditor's report are Chun-Hsiu Kuang and Lily Lu.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2018

Note to Readers

The accompanying financial statements are intended only to present the statements of financial position, financial performance and its cash flows in accordance with the 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 financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

104 CORPORATION

Balance Sheets

December 31, 2017 and 2016

(Expressed in thousands of New Taiwan dollars)

Assets	December 31, 2017 Amount	%	December 31, 2016 Amount	%
Current assets:				
Cash and cash equivalents (note 6(1))	$ 1,917,721	82	1,855,264	80
Notes receivable, net (note 6(2))	1,196	-	2,230	-
Accounts receivable, net (notes 6(2) and 7)	35,974	2	39,248	2
Other receivables (notes 6(2) and 7)	9,948	-	11,964	1
Other current assets (note 6(6))	13,461	1	7,822	-
Total current assets	1,978,300	85	1,916,528	83
Non-current assets:				
Investments accounted for using equity method (note 6(3))	117,698	6	129,060	6
Property, plant and equipment (note 6(4))	206,451	9	218,588	10
Intangible assets (note 6(5))	6,705	-	12,175	1
Deferred tax assets (note 6(9))	4,731	-	4,143	-
Refundable deposits	5,498	-	6,205	-
Other financial assets－non-current (note 8)	10,000	-	10,000	-
Total non-current assets	351,083	15	380,171	17
Total assets	$ 2,329,383	100	2,296,699	100

Liabilities and Equity	December 31, 2017 Amount	%	December 31, 2016 Amount	%
Current liabilities:				
Notes payable	$ 2	-	2	-
Accounts payable	6,920	-	7,646	-
Other payables (notes 6(14) and 7)	319,382	14	269,067	12
Current tax liabilities	41,094	2	36,218	2
Deferred revenue (note 6(13))	386,006	16	364,792	16
Other current liabilities	42,550	2	49,333	2
Total current liabilities	795,954	34	727,058	32
Non-current liabilities:				
Net defined benefit liability (note 6(8))	7,213	-	4,474	-
Total non-current liabilities	7,213	-	4,474	-
Total liabilities	803,167	34	731,532	32
Equity (notes 6(8), (9), (10) and (11))				
Common stock	332,072	14	332,417	14
Capital surplus	399,549	17	401,962	18
Retained earnings:				
Legal reserve	378,199	17	338,362	15
Unappropriated earnings	422,717	18	506,436	22
Total retained earnings	800,916	35	844,798	37
Other equity:				
Foreign currency translation differences for foreign operations	(2,941)	-	(2,320)	-
Others	(3,380)	-	(11,690)	(1)
Total other equity	(6,321)	-	(14,010)	(1)
Total equity	1,526,216	66	1,565,167	68
Total liabilities and equity	$ 2,329,383	100	2,296,699	100

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

104 CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2017 and 2016

(Expressed in thousands of New Taiwan dollars)

	2017		2016	
	Amount	**%**	**Amount**	**%**
Operating revenue (notes 6(13) and 7)	$ 1,512,766	100	1,429,014	100
Operating costs (notes 6(4), (5), (7), (8), (11), (14) and 7)	149,553	10	134,513	9
Gross profit	1,363,213	90	1,294,501	91
Operating expenses (notes 6(2), (4), (5), (7), (8), (10), (11), (14) and 7):				
Selling expenses	569,766	37	660,400	47
Administrative expenses	177,722	12	150,270	11
Research and development expenses	298,062	20	191,630	13
Total operating expenses	1,045,550	69	1,002,300	71
Operating income	317,663	21	292,201	20
Non-operating income and expenses (notes 6(3), (15), (16) and 7):				
Other income	30,171	2	39,782	3
Other gains and losses	15	-	39,527	3
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	27,087	2	41,836	3
Total non-operating income and expenses	57,273	4	121,145	9
Income before income tax	374,936	25	413,346	29
Less: income tax expenses (note 6(9))	56,813	4	14,978	1
Net income	318,123	21	398,368	28
Other comprehensive income (loss):				
Items that will not be reclassified subsequently to profit or loss (note 6(8) and (9))				
Remeasurements from defined benefit plans	(4,094)	-	1,285	-
Income tax related to items that will not be reclassified subsequently to profit or loss	696	-	(218)	-
Total items that will not be reclassified subsequently to profit or loss	(3,398)	-	1,067	-
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(621)	-	(4,261)	-
Income tax related to items that are or may be reclassified subsequently to profit or loss	-	-	-	-
Total items that may be reclassified subsequently to profit or loss	(621)	-	(4,261)	-
Other comprehensive loss	(4,019)	-	(3,194)	-
Total comprehensive income	**$ 314,104**	**21**	**395,174**	**28**
Earnings per share (expressed in New Taiwan dollars) (note 6(12))				
Basic earnings per share	**$**	**9.60**		**12.04**
Diluted earnings per share	**$**	**9.51**		**11.91**

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

104 CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2017 and 2016

(Expressed in thousands of New Taiwan dollars)

			Retained earnings			Other equity			
	Common stock	Capital surplus	Legal reserve	Unappropriated earnings	Total	Foreign currency translation differences for foreign operations	Others	Total	Total equity
Balance at January 1, 2016	$ 331,237	388,393	305,396	404,938	710,334	1,941	(3,184)	(1,243)	1,428,721
Appropriations and distributions									
Legal reserve	-	-	32,966	(32,966)	-	-	-	-	-
Cash dividends	-	-	-	(264,989)	(264,989)	-	-	-	(264,989)
Net income for the year	-	-	-	398,368	398,368	-	-	-	398,368
Other comprehensive income (loss) for the year	-	-	-	1,067	1,067	(4,261)	-	(4,261)	(3,194)
Total comprehensive income (loss) for the year	-	-	-	399,435	399,435	(4,261)	-	(4,261)	395,174
Issuance of restricted employee shares	1,250	13,991	-	-	-	-	(15,241)	(15,241)	-
Adjustments for restricted employee shares	-	(492)	-	18	18	-	31	31	(443)
Cancellation of restricted employee shares	(70)	70	-	-	-	-	-	-	-
Compensation cost of restricted employee shares	-	-	-	-	-	-	6,704	6,704	6,704
Balance at December 31, 2016	332,417	401,962	338,362	506,436	844,798	(2,320)	(11,690)	(14,010)	1,565,167
Appropriations and distributions									
Legal reserve	-	-	39,837	(39,837)	-	-	-	-	-
Cash dividends	-	-	-	(358,838)	(358,838)	-	-	-	(358,838)
Net income for the year	-	-	-	318,123	318,123	-	-	-	318,123
Other comprehensive income (loss) for the year	-	-	-	(3,398)	(3,398)	(621)	-	(621)	(4,019)
Total comprehensive income (loss) for the year	-	-	-	314,725	314,725	(621)	-	(621)	314,104
Adjustments for restricted employee shares	-	(2,758)	-	231	231	-	1,575	1,575	(952)
Cancellation of restricted employee shares	(345)	345	-	-	-	-	-	-	-
Compensation cost of restricted employee shares	-	-	-	-	-	-	6,735	6,735	6,735
Balance at December 31, 2017	**$ 332,072**	**399,549**	**378,199**	**422,717**	**800,916**	**(2,941)**	**(3,380)**	**(6,321)**	**1,526,216**

Note: The Company's remuneration of directors and supervisors of $8,355 and $9,185 thousand and remuneration of employees' compensation $34,465 and $36,742 thousand for the years ended December 31, 2017 and 2016, had been deducted from statements of comprehensive income for the years ended December 31, 2017 and 2016, respectively.

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

104 CORPORATION

Statements of Cash Flows

For the years ended December 31, 2017 and 2016

(Expressed in thousands of New Taiwan dollars)

	2017	2016
Cash flows from (used in) operating activities:		
Income before tax	$ 374,936	413,346
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	46,378	55,964
Amortization expense	8,266	11,789
Provision (reversal of provision) on bad debt expense	804	(714)
Interest income	(11,641)	(12,858)
Compensation cost of restricted employee shares	6,735	6,704
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(27,087)	(41,836)
Gain on disposal of property, plant and equipment	(54)	(793)
Gain on disposal of investments accounted for using equity method	-	(38,765)
Adjustments for restricted employee shares	(952)	(443)
Total adjustments to reconcile profit	22,449	(20,952)
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Notes receivable	1,034	1,518
Accounts receivable	2,470	(5,424)
Other receivables	1,998	5,340
Other current assets	(5,639)	1,257
Total net changes in operating assets	(137)	2,691
Net changes in operating liabilities:		
Notes payable	-	(280)
Accounts payable	(726)	1,330
Other payables	44,258	(10,289)
Deferred revenue	21,214	29,836
Other current liabilities	(6,783)	22,912
Net defined benefit liability	(1,355)	1,120
Total net changes in operating liabilities	56,608	44,629
Total net changes in operating assets and liabilities	56,471	47,320
Total adjustments	78,920	26,368
Cash inflow generated from operations	453,856	439,714
Interest received	11,659	13,070
Dividends received	37,828	38,701
Income taxes paid	(51,829)	(70,212)
Net cash flows from operating activities	451,514	421,273
Cash flows from (used in) investing activities:		
Proceeds from disposal of investments accounted for using equity method	-	124,625
Acquisition of property, plant and equipment	(30,441)	(98,331)
Proceeds from disposal of property, plant and equipment	541	820
Decrease (increase) in refundable deposits	707	(90)
Acquisition of intangible assets	(1,026)	(10,672)
Net cash flows from (used in) investing activities	(30,219)	16,352
Cash flows used in financing activities:		
Cash dividends paid	(358,838)	(264,989)
Net cash flows used in financing activities	(358,838)	(264,989)
Net increase in cash and cash equivalents	62,457	172,636
Cash and cash equivalents at beginning of year	1,855,264	1,682,628
Cash and cash equivalents at end of year	**$ 1,917,721**	**1,855,264**

See accompanying notes to financial statements.

KPMG

安侯建業聯合會計師事務所
KPMG
台北市11049信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 11049, Taiwan (R.O.C.)
Telephone 電話 + 886 (2) 8101 6666
Fax 傳真 + 886 (2) 8101 6667
Internet 網址 kpmg.com/tw

Independent Auditors' Report

To the Board of Directors of 104 Corporation:

Opinion

We have audited the consolidated financial statements of 104 Corporation and its subsidiaries ("the Consolidated Company"), which comprise the consolidated balance sheets as of December 31, 2017 and 2016, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2017 and 2016, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Consolidated Company as at December 31, 2017 and 2016, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Consolidated Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgement, the key audit matters that should be communicated in this audit report are as follows:

Revenue recognition

Please refer to note 4(13) for accounting policy related to revenue recognition, and note 6(12) for the disclosure related to revenue and deferred revenue of the consolidated financial statements.

Description of key audit matter:

The Consolidated Company's operating revenues mainly derive from providing online advertising and consulting services, wherein they are recognized in the following different ways: For services rendered with specified quantity over a fixed period of time or for services with undefined quantity, revenue is recognized in accordance with the timing of services being rendered or the quantity of the service, respectively, as well as the amounts which are designated in the online advertising contract. The revenue for consulting service mainly derived from selling software and providing consultation service. Revenue is only recognized after certain task, which are designated in the contracts, are completed. After the Consolidated Company identified the main items of each completed tasks, revenue is recognized on the percentage of services performed to date to total services to be performed. Additionally, the Consolidated Company often received its payments in advance after the contracts are signed; therefore, the amount is deferred according to the Consolidated Company's policy and recognized as revenue once the service is performed. The aforementioned matter is the basis for the Consolidated Company's management to determine the amount of revenue that can be recognized, therefore, revenue recognition was considered to be one of the key audit matters in our audit.

How the matter was addressed in our audit:

Our audit procedures included:

- Assessing and testing the design, as well as the effectiveness of the operating on the control over sales and collection cycle. Selecting appropriate samples and comparing them to relevant documents such as customer order and confirmation of completion order signed by customer to assess whether revenue and deferred revenue have been appropriately recognized.

- Performing comparison analysis on operating revenue of the current period to last period and the latest quarter to assess the existence of any significant exceptions, and further identify and analyze the reasons, if there is any significant exception.

- Performing test-of-detail on operating revenue to assess the assertions of existence and accuracy, as well as the appropriateness of recognition.

- Examining relevant documents of a period before and after the balance sheets date, such as customer order, information reported back from business department, or confirmation of completion of duty executed by customer, and verify the accuracy of the amount recognized as revenue in accordance with the timing of service provided or quantity provided to determine whether the deferred revenue should not be recognized as revenue and whether operating revenue has been appropriately recognized.

Other Matter

104 Corporation has prepared parent-company-only financial statements as of and for the years ended December 31, 2017 and 2016, on which we have expressed an unqualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Consolidated Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Consolidated Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Consolidated Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Consolidated Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditor's report are Chun-Hsiu Kuang and Lily Lu.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2018

Note to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statements of financial position, financial performance and its cash flows in accordance with the 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.

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

104 CORPORATION AND ITS SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2017 and 2016

(Expressed in thousands of New Taiwan dollars)

Assets	December 31, 2017 Amount	%	December 31, 2016 Amount	%
Current assets:				
Cash and cash equivalents (note 6(1))	$ 2,043,470	87	1,988,830	87
Notes receivable, net (note 6(2))	1,196	-	2,244	-
Accounts receivable, net (note 6(2))	37,040	2	41,538	2
Other receivables (note 6(2))	9,104	-	10,605	-
Other current assets	14,633	1	8,727	-
Total current assets	2,105,443	90	2,051,944	89
Non-current assets:				
Property, plant and equipment (note 6(4))	206,619	9	218,993	10
Intangible assets (note 6(5))	6,705	-	12,175	1
Deferred tax assets (note 6(8))	5,692	-	5,115	-
Refundable deposits	7,840	-	8,467	-
Other financial assets－non-current (note 8)	10,000	1	10,000	-
Total non-current assets	236,856	10	254,750	11
Total assets	$ 2,342,299	100	2,306,694	100

Liabilities and Equity	December 31, 2017 Amount	%	December 31, 2016 Amount	%
Current liabilities:				
Notes payable	$ 2	-	2	-
Accounts payable	6,920	-	7,646	-
Other payables (note 6(13))	312,516	14	264,948	12
Current tax liabilities	46,472	2	37,940	2
Deferred revenue (note 6(12))	391,760	17	369,008	16
Other current liabilities	43,721	2	50,502	2
Total current liabilities	801,391	35	730,046	32
Non-current liabilities:				
Net defined benefit liability (note 6(7))	7,213	-	4,474	-
Total non-current liabilities	7,213	-	4,474	-
Total liabilities	808,604	35	734,520	32
Equity attributable to owners of parent (notes 6(7), (8), (9) and (10))				
Common stock	332,072	14	332,417	14
Capital surplus	399,549	17	401,962	18
Retained earnings:				
Legal reserve	378,199	16	338,362	15
Unappropriated earnings	422,717	18	506,436	22
Total retained earnings	800,916	34	844,798	37
Other equity:				
Foreign currency translation differences for foreign operations	(2,941)	-	(2,320)	-
Others	(3,380)	-	(11,690)	(1)
Total other equity	(6,321)	-	(14,010)	(1)
Total equity attributable to owners of parent	1,526,216	65	1,565,167	68
Non-controlling interests	7,479	-	7,007	-
Total equity	1,533,695	65	1,572,174	68
Total liabilities and equity	$ 2,342,299	100	2,306,694	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

104 CORPORATION AND ITS SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2017 and 2016

(Expressed in thousands of New Taiwan dollars)

	2017		2016	
	Amount	**%**	**Amount**	**%**
Operating revenue (note 6(12))	$ 1,539,995	100	1,454,753	100
Operating costs (notes 6(4), (5), (6), (7), (10), (13) and 7)	150,154	10	135,815	10
Gross profit	1,389,841	90	1,318,938	90
Operating expenses (notes 6(2), (4), (5), (6), (7), (9), (10), (13) and 7):				
Selling expenses	552,749	36	632,682	43
Administrative expenses	180,871	12	155,671	11
Research and development expenses	298,062	19	191,630	13
Total operating expenses	1,031,682	67	979,983	67
Operating income	358,159	23	338,955	23
Non-operating income and expenses (notes 6(14) and (15)):				
Other income	25,632	2	34,588	2
Other gains and losses	(2,006)	-	3,092	-
Total non-operating income and expenses	23,626	2	37,680	2
Income before income tax	381,785	25	376,635	25
Less: income tax expenses (note 6(8))	63,122	4	17,096	1
Income from continuing operations	318,663	21	359,539	24
Income from discontinued operations:				
Income from discontinued operations (note 6(3))	-	-	38,765	3
Net income	318,663	21	398,304	27
Other comprehensive income (loss):				
Items that will not be reclassified subsequently to profit or loss (notes 6(7) and (8))				
Remeasurements from defined benefit plans	(4,094)	-	1,285	-
Income tax related to items that will not be reclassified subsequently to profit or loss	696	-	(218)	-
Total items that will not be reclassified subsequently to profit or loss	(3,398)	-	1,067	-
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(689)	-	(4,823)	-
Income tax related to items that are or may be reclassified subsequently to profit or loss	-	-	-	-
Total items that may be reclassified subsequently to profit or loss	(689)	-	(4,823)	-
Other comprehensive loss	(4,087)	-	(3,756)	-
Total comprehensive income	**$ 314,576**	**21**	**394,548**	**27**
Net income, attributable to:				
Shareholders of the Company	$ 318,123	21	398,368	27
Non-controlling interests	540	-	(64)	-
	$ 318,663	**21**	**398,304**	**27**
Total comprehensive income (loss) attributable to:				
Shareholders of the Company	$ 314,104	21	395,174	27
Non-controlling interests	472	-	(626)	-
	$ 314,576	**21**	**394,548**	**27**

	2017	2016
Basic earnings per share (expressed in New Taiwan dollars) (note 6(11))		
Net income from continuing operations	$ 9.60	10.87
Net income from discontinued operations	-	1.17
	$ 9.60	**12.04**
Diluted earnings per share (expressed in New Taiwan dollars) (note 6(11))		
Net income from continuing operations	$ 9.51	10.75
Net income from discontinued operations	-	1.16
	$ 9.51	**11.91**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated and Report Originally Issued in Chinese)

104 CORPORATION AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2017 and 2016

(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of parent										
			Retained earnings			Other equity					
	Common stock	**Capital surplus**	**Legal reserve**	**Unappropriated earnings**	**Total**	**Foreign currency translation differences for foreign operations**	**Others**	**Total**	**Total equity attributable to owners of parent**	**Non-controlling interests**	**Total equity**
Balance at January 1, 2016	$ 331,237	388,393	305,396	404,938	710,334	1,941	(3,184)	(1,243)	1,428,721	7,633	1,436,354
Appropriations and distributions											
Legal reserve	-	-	32,966	(32,966)	-	-	-	-	-	-	-
Cash dividends	-	-	-	(264,989)	(264,989)	-	-	-	(264,989)	-	(264,989)
Net income (loss) for the year	-	-	-	398,368	398,368	-	-	-	398,368	(64)	398,304
Other comprehensive income (loss) for the year	-	-	-	1,067	1,067	(4,261)	-	(4,261)	(3,194)	(562)	(3,756)
Total comprehensive income (loss) for the year	-	-	-	399,435	399,435	(4,261)	-	(4,261)	395,174	(626)	394,548
Issuance of restricted employee shares	1,250	13,991	-	-	-	-	(15,241)	(15,241)	-	-	-
Adjustments for restricted employee shares	-	(492)	-	18	18	-	31	31	(443)	-	(443)
Cancellation of restricted employee shares	(70)	70	-	-	-	-	-	-	-	-	-
Compensation cost of restricted employee shares	-	-	-	-	-	-	6,704	6,704	6,704	-	6,704
Balance at December 31, 2016	332,417	401,962	338,362	506,436	844,798	(2,320)	(11,690)	(14,010)	1,565,167	7,007	1,572,174
Appropriations and distributions											
Legal reserve	-	-	39,837	(39,837)	-	-	-	-	-	-	-
Cash dividends	-	-	-	(358,838)	(358,838)	-	-	-	(358,838)	-	(358,838)
Net income for the year	-	-	-	318,123	318,123	-	-	-	318,123	540	318,663
Other comprehensive income (loss) for the year	-	-	-	(3,398)	(3,398)	(621)	-	(621)	(4,019)	(68)	(4,087)
Total comprehensive income (loss) for the year	-	-	-	314,725	314,725	(621)	-	(621)	314,104	472	314,576
Adjustments for restricted employee shares	-	(2,758)	-	231	231	-	1,575	1,575	(952)	-	(952)
Cancellation of restricted employee shares	(345)	345	-	-	-	-	-	-	-	-	-
Compensation cost of restricted employee shares	-	-	-	-	-	-	6,735	6,735	6,735	-	6,735
Balance at December 31, 2017	**$ 332,072**	**399,549**	**378,199**	**422,717**	**800,916**	**(2,941)**	**(3,380)**	**(6,321)**	**1,526,216**	**7,479**	**1,533,695**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

104 CORPORATION AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2017 and 2016

(Expressed in thousands of New Taiwan dollars)

	2017	2016
Cash flows from (used in) operating activities:		
Income before tax	$ 381,785	376,635
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	46,665	56,721
Amortization expense	8,266	11,789
Provision (reversal of provision) on bad debt expense	1,155	(66)
Interest income	(12,643)	(14,032)
Compensation cost of restricted employee shares	6,735	6,704
Gain on disposal of property, plant and equipment	(57)	(795)
Adjustments for restricted employee shares	(952)	(443)
Total adjustments to reconcile profit	49,169	59,878
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Notes receivable	1,048	2,156
Accounts receivable	3,345	(8,218)
Other receivables	1,658	4,540
Other current assets	(5,906)	683
Total net changes in operating assets	145	(839)
Net changes in operating liabilities:		
Notes payable	-	(280)
Accounts payable	(726)	730
Other payables	41,511	(22,937)
Deferred revenue	22,752	16,133
Other current liabilities	(6,781)	21,964
Net defined benefit liabilities	(1,355)	1,120
Total net changes in operating liabilities	55,401	16,730
Total net changes in operating assets and liabilities	55,546	15,891
Total adjustments	104,715	75,769
Cash inflow generated from operations	486,500	452,404
Interest received	12,660	14,275
Income taxes paid	(54,645)	(71,569)
Net cash flows from operating activities	444,515	395,110
Cash flows from (used in) investing activities:		
Proceeds from disposal of subsidiaries	-	124,625
Acquisition of property, plant and equipment	(30,521)	(98,346)
Proceeds from disposal of property, plant and equipment	564	822
Decrease in refundable deposits	627	122
Acquisition of intangible assets	(1,026)	(10,672)
Net cash flows from (used in) investing activities	(30,356)	16,551
Cash flows used in financing activities:		
Cash dividends paid	(358,838)	(264,989)
Net cash flows from financing activities	(358,838)	(264,989)
Effect of exchange rate changes on cash and cash equivalents	(681)	(4,784)
Net increase in cash and cash equivalents	54,640	141,888
Cash and cash equivalents at beginning of year	1,988,830	1,846,942
Cash and cash equivalents at end of year	$ 2,043,470	1,988,830

See accompanying notes to consolidated financial statements.

Attachment 4: Earnings Distribution Proposal

104 Corporation
Earnings Distribution Proposal

Unit：NT$

Items	Amount	Note
Unappropriated earnings at beginning of period	**107,762,044**	
Plus:		
Remeasurements from defined benefit plans	(3,398,415)	
Adjustments for restricted employee shares	230,947	
2017 Net income after tax	318,123,392	
Earnings available for distribution	**422,717,968**	
Less:		
Legal reserve	(2,941,383)	
Items of distribution:		
Shareholders' dividends - cash	(318,649,920)	NT$9.6 per share
Unappropriated earnings at end of period	**101,126,665**	

Chairman: Chi-Kuan Yang　　General Manager: Chi-Kuan Yang　　Chief Accountant: Fen-Ju Lin

Attachment 5: The Roster of Director and Supervisor Candidates

Type	Candidate	Shareholding (Unit：Shares)	Education	Work experience	Current Position
Director	Chi-Kuan Yang	3,773,157	• Bachelor of Foreign Languages & Literature at Cheng Kung University	• Manager of Tailami Laminex Co., Ltd. • Manager of SUNREX	• Chairman and General Manager of the Company • Chairman and General Manager of 104 Learn Corporation • Chairman and General Manager of 104 Consulting Corporation • Executive Director and Legal Redpoint Information Technology (Shanghai) Co., Ltd. • Chairman of 104 Human Resources Consultancy (Shanghai) Co., Ltd. • Chairman of 104 Hope Foundation • Chairman of Askforce Corporation • Director of Tian Mei Charity Foundation
	Hung-Wen Su	246,167	• LL.M, The University of Houston, Law Center, Texas, U.S.A	• Managing Director of Su & Yeh Law Firm • General Manager of 104 Consulting Corporation • Adjunct Instructor of Vanung University and Hwa Hsia University of Technology	• Chief Legal Officer of the Company • Director of 104 Consulting Corporation • Director of 104 Learn Corporation • Supervisor of 104 Human Resource Consultancy (Shanghai) Co., Ltd. • Director of 104 Hope Foundation
	Chien-An Juan	143,240	• M.A European Study Katholieke Universiteit Leuven, Belgium	• Business Director (China) of Digital Imaging System, Philips China • General Manager of 104 Corporation	• Supervisor of 104 Consulting Corporation • Director of 104 Hope Foundation • Marketing Consultant Convener of B Current Impact Investment Inc.
	Mun-Kee Chang	0	• Bachelor of Mechanical Engineering, University of Texas at Austin • Master of Mechanical Engineering, Massachusetts Institute of Technology	• Kendall International Regional Director of Sales and Marketing for Malaysia	• Executive Director / Chief Executive Officer–Jcbnext Berhad • Director–Greenfield Japan Kabushiki Kaisha • Independent Director, Vitrox Corp Bhd, Malaysia • Director, Innity Bhd, Malaysia • Independent Director, MOL Global

Type	Candidate	Shareholding (Unit：Shares)	Education	Work experience	Current Position
Independent Director	Chin-Li Lin	0	• Master of The Social Welfare Institute, National Chung Cheng University	• Vice President of Taiwan Home Service Strategic Alliance • President of Yunlin Elder Welfare Protection Association • Executive Director of Don-Zen Senior Citizen's Home, Yunlin County Private	• President of Taiwan Home Service Strategic Alliance • CEO of Yunlin Elder Welfare Protection Association • CEO of Chun-Tai Social Welfare Foundation, Yunlin County Private • Chairman of Don-Zen Senior Citizen's Home, Yunlin County Private • President of Taiwan Self-Reliance Care Professional Development Association • Supervisor of Formosan Association of Care and Education for the Seniors • Part-Time Lecturer of The Department of Golden-Ager Industry Management, Chaoyang University of Technology • Members of The Long Term Care Promotion Committee of Executive Yuan, Republic of China (Taiwan)
	Hsiang-I Lien	0	• Master of Science, Computer Science & Information Engineering, National Taiwan University • EMBA of International Business, College of Management, National Taiwan University	• Vice President of ShiningTech Technology • Vice President of Yam Digital Technology	• Director of gTech Velocity, APAC
Supervisor	Askforce Corporation (Representative: Mei-Fang Hsu)	2,427,344	• Department of Accounting, Ming Chuan University	• CPA of Daryar Accounting Firm	• Independent Director and Member of Remuneration Committee of MPI Corporation • CPA of Daryar Accounting Firm

Type	Candidate	Shareholding (Unit：Shares)	Education	Work experience	Current Position
	Zan-Syong Cai	0	• Master of Law, Chinese Culture University • Bachelor of Public Finance, National Chengchi University	• Member of Fair Trade Commission • Executive Yuan, Lawmaker & Senior Consultant • Associate Professor of Economics, Chinese Culture University	• Consultant of Keelung City Government • Executive Controller of Lawmaker Association • Manager of TSS Office

Attachment 6: Information Related to Release of the Newly Elected Directors from Non-Competition Restrictions

Name	Duty at other Company
Chi-Kuan Yang	• Chairman and General Manager of 104 Learn Corporation (note 1) • Chairman and General Manager of 104 Consulting Corporation (note 1) • Executive Director and Legal Redpoint Information Technology (Shanghai) Co., Ltd. (note 1) • Chairman of 104 Human Resources Consultancy (Shanghai) Co., Ltd. (note 2) • Chairman of 104 Hope Foundation • Chairman of Askforce Corporation • Director of Tian Mei Charity Foundation
Hung-Wen Su	• Director of 104 Consulting Corporation (note 1) • Director of 104 Learn Corporation (note 1) • Supervisor of 104 Human Resource Consultancy (Shanghai) Co., Ltd. (note 2) • Director of 104 Hope Foundation
Chien-An Juan	• Supervisor of 104 Consulting Corporation (note 1) • Director of 104 Hope Foundation • Director and Marketing Consultant Convener of B Current Impact Investment Inc.
Mun-Kee Chang	• Executive Director / Chief Executive Officer–JcbNext Berhad • Director–Greenfield Japan Kabushiki Kaisha • Independent Director, Vitrox Corp Bhd, Malaysia • Director, Innity Bhd, Malaysia • Independent Director, MOL Global
Chin-Li Lin	• President of Taiwan Home Service Strategic Alliance • CEO of Yunlin Elder Welfare Protection Association • CEO of Chun-Tai Social Welfare Foundation, Yunlin County Private • Chairman of Don-Zen Senior Citizen's Home, Yunlin County Private • President of Taiwan Self-Reliance Care Professional Development Association • Supervisor of Formosan Association of Care and Education for the Seniors • Part-Time Lecturer of The Department of Golden-Ager Industry Management, Chaoyang University of Technology • Members of The Long Term Care Promotion Committee of Executive Yuan, Republic of China (Taiwan)
Hsiang-I Lien	• Director of gTech Velocity, APAC

Note 1：The 100% owned subsidiary of the Company.

Note 2：The 70% owned subsidiary of the Company.

Appendix

Appendix 1: Rules and Procedures of Shareholders' Meetings

104 Corporation

Rules and Procedures of Shareholders' Meetings

2015/06/24

Article 1： Except as otherwise provided by law or the articles of incorporation, shareholders' meetings of the Company shall be conducted in accordance with these Rules and Procedures.

Article 2： Except as otherwise provided by law, shareholders' meetings of the Company shall be convened by the board of directors.

Article 3： The reason(s) for calling a meeting shall be specified in the meeting notifications and notices, and a shareholder may be informed via electronic means upon his/her approval.

Article 4： A shareholders' meeting shall be held at the head office of the Company or at an appropriate venue convenient for shareholders to attend and shall not begin earlier than 9:30 a.m. or later than 3:00 p.m.

Article 5： Shareholders or appointed proxies (hereinafter referred to as "Shareholders") shall attend a shareholders' meeting on an attendance card, a sign-in card or other certificates of attendance. Proxy solicitors shall also present identification documents for verification.
Attending shareholders shall submit their sign-in cards in lieu of signing in.

Article 6： A shareholders' meeting convened by the board of directors shall be presided over by the chairperson of the board of directors. If the chairperson of the board of directors is on leave or, for some reason, is unable to exercise his/her authority, the vice chairperson of the board of directors shall act on his/her behalf. In the absence of a vice chairperson or in the case of the vice chairperson also being on leave or unable to carry out such a duty for some reason, the chairperson shall designate one of the managing directors to preside as chair. In the absence of managing directors, the chairperson shall appoint one of the other directors to chair the meeting. Without any such designation, managing directors or the other directors shall elect an acting chair for the meeting from among themselves.
A shareholders' meeting not called by the board of directors but by any other person entitled to convene such a meeting shall be presided over by the person convening the meeting.

Article 7： The Company may appoint its lawyers(s), accountant(s) or other relevant persons to attend a shareholder's meeting.

Article 8： The Company shall make an audiotape or videotape recording of a shareholders' meeting in its entirety, and such recording shall be retained for at least one year.

Article 9： The attendance and voting at a shareholders' meeting shall be calculated based on the number of shares.
The shares held by shareholders who are without voting rights shall be excluded from the total number of shares in the issue when voting on a resolution at a shareholders' meeting.
The number of attending shares shall be calculated according to the number of sign-in cards submitted and the number of shares voted in writing.

Article 10： The chair shall call the meeting to order at the time scheduled. However, the chair may postpone the meeting, two times at the maximum (20 minutes for the 1st postponement and 10 minutes for the 2nd postponement), if the number of shares represented by the shareholders in attendance falls short of one-half of the total number of shares in issue.

Article 11： If, after two postponements as described above, the number of shares represented by the shareholders in attendance is still short of the quorum but over one-third of all shares issued, a tentative resolution, with majority approval of voting shareholders in attendance, may be adopted in accordance with Article 175 of the Company Act. All shareholders shall be informed of the tentative resolution, and another shareholders' meeting shall be convened within one month's time.

Prior to the conclusion of the meeting, if the number of shares represented by the shareholders in attendance surpasses one-half of the total number of shares in issue, the chair may call for a re-voting of the tentative resolution by attending shareholders in accordance with Article 174 of the Company Act.

Article 12： For a shareholders' meeting convened by the board of directors, the meeting's agenda shall be set by the board of directors, and the meeting shall proceed as set by the agenda unless otherwise changed by a resolution passed in the shareholders' meeting.

The provision prescribed in the preceding paragraph shall also apply to a shareholders' meeting not called by the board of directors but by any other person entitled to convene such a meeting.

Article 13： During discussion of a motion, the chair may announce the conclusion of discussion at an appropriate time and may terminate the discussion when necessary.

Article 14： A motion concluded or terminated of discussion by the chair shall be submitted for a vote immediately.

Article 15： Before an attending shareholder makes a speech, a slip specifying the key points of the speech, the shareholder's account number (or attendance card number), and the account name must first be filled out, and any attending shareholder wishing to speak shall do so in the order determined by the chair.

An attending shareholder who has submitted the slip to speak but does not actually make a speech shall be regarded as not having spoken. The contents of the speech shall prevail over the contents of the slip if there is any inconsistency.

When an attending shareholder makes a speech, other shareholders shall not interrupt the speech without the permission of the chair and the speaking shareholder. The chair shall stop anyone committing such a violation.

Article 16： A shareholder may not speak more than twice regarding the same proposal

Article 17： A shareholder's speech may not exceed 5 minutes; however, a 3-minute extension, allowed once only, may be granted upon the chair's permission. After an attending shareholder makes his/her speech, the chair may respond personally or may appoint a relevant person to make the response.

Article 18： When a shareholder's speech exceeds the time limit or goes outside of the scope of the topic in discussion, the chair may stop his/her speech at any time.

Article 19： When a corporation attends a shareholders' meeting as the proxy, only one person may be appointed as its representative at the meeting. When a corporate shareholder appoints two persons as its representatives at a shareholders' meeting, only one person may speak on each particular motion in discussion.

Article 20： Every shareholder shall have one vote for each share held; however, shareholders who are subject to restrictions or without voting rights as provided in Paragraph 2, Article 179 of the Company Act shall be excluded. Unless otherwise provided by the Company Act and the Company's Articles of Incorporation, a motion put to a vote shall be approved by the majority of votes represented by the shareholders in attendance. For the voting, if no objection is voiced after an inquiry by the chair, a motion shall be deemed as approved with the same effect as votes cast.

Article 21： If there is an amendment or a substitute proposal to a motion in discussion, the chair shall decide on their order of vote along with the original motion. If one of them has been approved, the others shall be deemed rejected and no further voting is required.

Article 22： Persons responsible for monitoring and counting the ballots during a vote shall be

appointed by the chair; however, the person(s) monitoring the vote shall be a shareholder(s).
Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 23： The chair may direct disciplinary officers (or security guards) to help maintain order at the meeting venue. When assisting in keeping order at the venue, disciplinary officers (or security guards) shall wear arm-bands marked "Disciplinary Officer".
If the venue is equipped with sound amplification equipment, the chair may stop a shareholder from speaking when he/she speaks using an apparatus not installed by the Company.
The chair may direct disciplinary officers (or security guards) to escort any shareholder who violates these Rules and Procedures, fails to abide by the chair' correction or interferes with the progress of the meeting and fails to comply after being asked to refrain out of the meeting venue.

Article 24： During the meeting, the chair may, at his/her discretion, set time for a recess. In case of an incident of force majeure, the chair may temporarily suspend the meeting and shall decide how and when the meeting will resume.

Article 25： All resolutions reached at a shareholders' meeting shall be compiled in the form of meeting minutes. The meeting minutes shall be signed or stamped by the chair and shall be distributed to each shareholder within 20 days of the meeting.
The company may distribute the meeting minutes to shareholders who hold less than 1,000 shares of registered stock in the form of an announcement on the Market Observation Post System (MOPS).
The date (year, month, and day) and place of the meeting, the name of the chairperson, the resolution method, the summary of proceedings, and outcomes of the meeting shall be faithfully recorded in the meeting minutes, and the meeting minutes shall be permanently retained as along as the Company exists.
Regarding the resolution method as mentioned in the preceding paragraph, "approved without objection from any attending shareholder following the chair's inquiry" shall be recorded in the meeting minutes if no objection is voiced by shareholders against a motion after the chair's asking. However, if there are any objections, the voting method as well as the number of votes in favor and the ratio of votes in favor over total votes cast shall be specified in the meeting minutes.
These Rules and Procedures shall come into force after their approval at the shareholders' meeting. The same applies when an amendment is made.

Appendix 2: Articles of Incorporation

104 Corporation

Articles of Incorporation

2017/06/08

Chapter 1: General Principles

Article 1： The corporation is incorporated under the Company Act of the Republic of China and named 104 CORPORATION (English name:104 CORPORATION)

Article 2： The lines of business operated by the corporation are as follows:

(1) CC01120 Data Storage Media Manufacturing and Duplication
(2) F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
(3) F118010 Wholesale of Computer Software
(4) F209060 Retail Sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
(5) F218010 Retail Sale of Computer Software
(6) F601010 Intellectual Property
(7) I103060 Management Consultancy
(8) I301010 Software Design Services
(9) I301020 Data Processing Services
(10) I301030 Digital Information Supply Services
(11) I401010 General Advertising Services
(12) I701011 Employment Services
(13) IZ12010 Manpower Services
(14) IZ13010 Internet Authentication Services
(15) J303010 Magazine and Periodical Publication
(16) J304010 Book Publishers
(17) JB01010 Conference and Exhibition Services
(18) IZ15010 Marketing Research and Opinion Polling
(19) J202010 Industry Innovation and Incubation Services
(20) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3： The head office shall be located in New Taipei City. If necessary it may establish branches or offices domestic and/or overseas upon passing relevant resolutions at its board meetings.

Article 4： When the corporation issues external endorsements and reinvests in other businesses to facilitate its business requirements, it shall not be subject to the restrictions of Article 13 of Company Act.

Chapter 2 : Shares

Article 5： The total capital of this bank shall be Five Hundred Million New Taiwan Dollars (NT$500,000,000), divided into Fifty Million (50,000,000) shares at Ten New Taiwan Dollars (NT$10.00) per share, and shall be issued in installments subject to the authorization of the board of directors.

Fifty Million New Taiwan Dollars (NT$50,000,000) of the aforementioned capital is retained and divided into Five Million (5,000,000) shares at Ten New Taiwan Dollars (NT$10.00) per share. The aforementioned capital shall reserve funds for issuing employee stock warrants which shall be issued in installments subject to the resolutions of the board of directors.

Article 5-1 When the price of issued employee stock warrants is lower than the closing price of the corporation common stocks as of the issuing date, an issuer is required to obtain the consent of at least two-thirds of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares.

To transfer shares to employees at less than the average actual share repurchase price, this corporation must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.

Article 6： All share certificates of the corporation shall be registered, signed or sealed and numbered by at least three directors. The share certificates shall be duly certified or authenticated by the competent authority or a certified institution appointed by the competent authority before issuance.

The corporation-issued shares are exempted from printing share certificates, and shall be registered in Taiwan Depository & Clearing Corporation.

Article 7： When the corporation issues new shares, all the shares to be printed in that issue should be printed together; moreover, issued shares are exempted from printing. The issued shares in the provisions of the preceding article shall be registered with or stored in the Taiwan Depository & Clearing Corporation; they may also be merged or reissued with large denomination securities as per the demand of Taiwan Depository & Clearing Corporation.

Article 8： When corporation shareholders process stock-related affairs including share transfers, rights pledges, loss reports, inheritance, gifts, seal loss reports and changes, or address changes, and exercise any or all within their rights, unless otherwise provided by regulations and securities laws, all other related matters shall follow the Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 9： Registration for transfer of shares shall be suspended 60 days before the date of a general meeting of shareholders, and 30 days before the date of any extraordinary meeting of shareholders, or within five days before the day on which dividends, bonus, or any other benefit is scheduled to be paid by the corporation.

Chapter 3: Shareholders’ Meetings

Article 10： Shareholders’ meetings of the corporation shall be of two types, namely general meetings and extraordinary meetings.

1. General meetings shall be convened once a year within six months after the close of each fiscal year, and a notice to convene a general meeting shall be given to the shareholders within 30 days.
2. When necessary, extraordinary meetings shall be convened and a notice to convene an extraordinary meeting shall be given to the shareholders within 15 days.

The notice in the preceding paragraph shall specify date, place and agenda of the meeting.

Unless otherwise provided by the Company Act, the shareholders’ meetings are convened by the board of directors.

Article 11： When a shareholder is unable to attend a shareholders' meeting for some reason, he or she may appoint a proxy to attend a shareholders' meeting on his or her behalf by executing a power of attorney printed by the corporation stating therein the scope of power authorized to the proxy. When a person acts as proxy for two or more shareholders, the number of votes represented by him or her shall not exceed 3% of the total number of voting shares of the corporation, otherwise, the portion of excessive voting power shall not be counted.

A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the company no later than 5 days prior to the date of the shareholders' meeting.

Unless otherwise regulated by the Company of Act, other matters in relation hereto shall follow “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies”.

Article 12： Unless otherwise regulated by the Company Act, a shareholders’ meeting shall be presided over by the chairman. In the chairman’s absence, the chairman shall designate one director to act on his or her behalf. In the absence of such designation, the directors shall elect one to act on his or her behalf. The rules of procedures for the corporation's shareholders meetings shall be as provided in the company ethical best practices regulations.

Article 13： Except for shares without voting powers or when the director is restricted from voting, as provided in Article 179 of the Company Act, each shareholder of the corporation shall be entitled to one vote for each share he/she holds.

Article 14： The voting power at a shareholders' meeting may be exercised in writing or by way of electronic transmission, A shareholder exercising voting power in writing form or by way of electronic transmission shall be deemed to have attended the meeting in person, but to have waived his/her voting power with respect to the extemporary motions and amendments to original proposals of that meeting. Electronic voting shall be conducted in accordance with to Article 177-2 of the Company Act.

Article 15： Unless otherwise provided by the Company Act, resolutions at a shareholders’ meeting shall be adopted by a majority vote (50%) of the shareholders present, who hold more than 50% of the total number of shares issued and outstanding.

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty days after the close of the meeting.

The preparation of the minutes of shareholders' meeting as required in the preceding paragraph may be effected by means of electronic transmission.

The distribution of the minutes of shareholders' meeting as required in the preceding Paragraph may be effected by means of electronic transmission.

The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the company.

The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the company for a minimum period of at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 hereof, the minutes of the shareholders' meeting involved shall be kept by the company until the legal proceedings of the foregoing lawsuit have been concluded.

Chapter 4: Director and Supervisor

Article 16： The corporation shall have six directors and two supervisors, to be elected at the shareholders' meeting.

The number of directors indicated in the preceding paragraph shall include two seats for independent directors which in turn shall be no fewer than one-fifth (1/5) of the total board size.

The directors and supervisors shall be elected in accordance with the candidate nomination process, meaning shareholders shall elect the directors and supervisors among the nominees list in the roster of director candidates.

The election of the directors shall follow Article 198 of the Company Act. The election of independent and non-independent directors shall be carried out together but their votes calculated separately. Candidates prevailing in the vote count shall be deemed independent directors and directors.

The tenure of office of the directors and the supervisors shall be three years, and they shall be eligible for re-election.

In case no election of new directors and supervisors is effected after expiration of the term of office of existing directors and supervisors, the term of office of out-going directors and supervisors shall be extended until the time new directors and supervisors have been elected and assumed their office.

Article 17： The total number of shares held by the directors and supervisors shall follow the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies” designated by the competent authority.

Article 18： To disperse director and supervisor law liability risks and thereby increase the corporation’s governance capability, the corporation shall take out Directors and Officers Liability Insurance for all directors and supervisors, and for all reinvestment corporation director and supervisor representatives throughout their term of office.

Article 19： The board of directors shall be composed of directors. The chairman of the board of directors shall be elected from among the directors by a majority vote of the directors present at a meeting attended by at least two-thirds (2/3) of the directors. The chairman shall be in charge of the entire corporation’s internal business as well as for its external representation.

Article 20： The board of directors is convened by the chairman. The meeting shall be presided by the chairman. If he is on leave or if, for any cause, he is unable to perform his duties, the chairman shall designate another director to act on his behalf. Without such a designation, the other directors shall elect one from among themselves to act for the chairman.

The board meeting may be convened by video conference. A director shall be deemed to attend the board meeting in person if he attends the video conference.

When a director is unable to attend the meeting for some reason, he or she may appoint another director as a proxy to attend the meeting in his or her behalf by executing a power of attorney.

All board directors and supervisors need to be notified seven days prior to the convening of board meetings. The board must be able to convene at any time in instances of emergencies.

The notice to convene must expressly stipulate the subject of the meeting and be sent out in the form of written notices, emails, or faxes.

Article 21： Except as otherwise provided in the Company Act, resolutions at the meetings of the board of directors shall be adopted by a majority vote at a meeting attended by majority of the directors.

Article 22： The supervisors may attend the directors' meetings and express their opinions but shall not vote at these meetings.

Article 23： When the corporation directors and supervisors execute their duties, regardless of whether the corporation business operates at a profit or loss, the corporation shall furnish their remuneration. The board is authorized to determine remuneration to directors and supervisors based on their level of participation in corporation operations and their individual contributions, using industry standards as their reference. Such deliberations will refer to industry norms and standards and not exceed standard agreements per corporation management regulations for the corporation’s highest positions.

Chapter 5: Manager

Article 24： The corporation may establish several managers with their appointments authorized by resolutions of the board of directors and decided by the chairman. If a managerial relationship position is appointed, the appointment, dismissal and remuneration shall conform with the Company Act.

Chapter 6: Accounting

Article 25： The fiscal year of the corporation shall begin on January 1 and end on December 31 of each year. Annual closing of books shall be done at the close of each fiscal year. The board of directors shall then have the following financial statements and other reports prepared in accordance with the Company Act, and shall deliver these to the supervisor for examination 30 days before the date fixed for the regular shareholders' meeting.

(1) Report on operations;
(2) Financial statements; and
(3) Proposals on distribution of profits or covering of losses.

Article 26： At the end of the fiscal year, if the corporation operates at a profit (the profit so-called is pre-tax profit before deducting remuneration for distributed employees and directors and supervisors) it shall contribute an employee bonus consisting of 8%-15% of employee salaries and bonuses to directors and supervisors consisting of no more than 3% of their salaries. However, any losses accumulated by the corporation to date shall be paid off first.

The employee bonus in the preceding paragraph shall be distributed in the form of shares or in cash and object of payment includes the employees of subsidiaries of the corporation meeting certain specific requirements. The directors and supervisors remuneration shall be distributed in the form of cash.

The items in the preceding two paragraphs shall be undertaken by resolution of the board of directors and a report shall be submitted to the shareholders' meeting.

Article 27： At the end of each fiscal year, if the corporation has net profits they shall first be used to remedy any losses and 10% of net profits will be set aside as a statutory surplus reserve. However, if the accumulation of statutory surplus reserves reaches the total capital volume, then this limitation does not apply. Whether the rest of the accumulated profit is to be distributed in the form of dividends or retained shall be decided by resolution at the shareholders' meeting.

Article 28： The corporation's dividend policy shall be based on considerations of the corporation's current industry operating environment and growth phase and shall accord with future capital demand and the long term financial planning of the corporation, and be allocated on sound principles. Currently our industry is projected to enjoy a growth phase and over the next few years, we anticipate business expansion plans and capital demand. Therefore, as regards the second part of Article 26 vis-a-vis surplus profit available for distribution, dividends shall be distributed in the form of cash or shares. The cash dividend shall not be less than 10% of the total amount of the dividend. The type and ratio of surplus profit distribution shall depend on the real profit and capital condition at the end of each fiscal year and be revised by resolution of the shareholders' meeting.

Chapter 7: Supplementary Provisions

Article 29： The Company Act shall be referred to for matters not covered in these Articles of Incorporation.

Article 30： The Articles of Incorporation was first made executed on October 1, 1993
The first amendment was made on July 31, 1998.
The second amendment was made on March 14, 2000
The third amendment was made on July 20, 2000
The fourth amendment was made on August 14, 2000
The fifth amendment was made on June 3, 2002
The sixth amendment was made on June 9, 2004
The seventh amendment was made on May 16. 2005a
The eighth amendment was made on June 12, 2006
The ninth amendment was made on June 11, 2008
The tenth amendment was made on June 10, 2009
The eleventh amendment was made on June 17, 2010
The twelfth amendment was made on June 15, 2012
The thirteenth amendment was made on June 24, 2015
The fourteenth amendment was made on June 7, 2016
The fifteenth amendment was made on June 8, 2017

Appendix 3: Directors and Supervisors Election Guidelines

104 Corporation

Directors and Supervisors Election Guidelines

2017/06/08

Article 1： Except as otherwise provided by law and regulation or by the Company's Articles of Incorporation, elections of directors and supervisors shall be conducted in accordance with the Rules.

Article 2： More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

At least one supervisor position must be held by a person having neither a spousal relationship nor a relationship within the second degree of kinship with any other supervisor or with any director.

At least one of the supervisors must be domiciled in the Republic of China (Taiwan) to be able to promptly fulfill the functions of supervisor.

Article 3： The cumulative voting method shall be used for elections of the directors and supervisors at the Company. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders. Each share will have voting rights in numbers equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates. Elections of the independent directors and non-independent directors shall be held together, with voting rights separately calculated for these two positions.

Article 4： The number of directors and supervisors will be as specified in the Company's Articles of Incorporation. Those receiving ballots representing the highest numbers of voting rights will sequentially be elected as the directors or supervisors according to their respective numbers of votes. When two or more persons receive the same number of vote, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

For any shareholder who is simultaneously elected as both director and supervisor, in accordance with the preceding paragraph, he/she shall determine whether to assume the position of the director or the supervisor, and the resulting vacancy shall be filled by the candidate who receives the second highest rights of vote originally.

Article 5： The Company shall comply with the Articles of Incorporation to adopt a candidate nomination system for the election of the directors and supervisors. For the purpose of reviewing the qualifications, academic backgrounds and experiences of director and supervisor candidates and whether they are involved in any of the actions prescribed in Article 30 of the Company Act, the Company may not arbitrarily add the documentary proof of other qualifications. In addition, it shall publicize the results of the review to the shareholders for their reference, enabling them to select the competent directors and supervisors.

Article 6： When an election begins, the chair shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel.

Article 7： The ballots are prepared by the Company with attendance card numbers and corresponding voting rights printed on the them.

A voter must enter the candidate's account name and shareholder account number or ID card number in the "candidate" column of the ballot. However, when the candidate is a juristic person shareholder, the name of the juristic person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the juristic person shareholder and the name of its representative may be entered.

Article 8： A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the Company.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. Other words or marks are entered in addition to the candidate's account name and shareholder account number or identity card number and the number of voting rights allotted.
5. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or ID card number is provided in the ballot to identify such individual.

Article 9： The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation shall be announced by the chair or a delegated master of ceremony on the site.

Article 10： The Rules, and any amendments thereto, shall be implemented after being approval at the shareholder's meeting.

Appendix 4: Shareholdings of Directors and Supervisors

104 Corporation
Shareholdings of Directors and Supervisors

Minimum shares required to be held by the entirety of the directors: 3,600,000 shares
Minimum shares required to be held by the entirety of the supervisors: 360,000 shares

April 1, 2018

Job Title	Name	Date of election	Term of office	Shares held as registered in the shareholder's roster during the book closure period	
				Number of Shares	Percentage
Chairman	Chi-Kuan Yang	June 24, 2015	3 Year	3,773,157	11.36%
Director	Hung-Wen Su	June 24, 2015	3 Year	246,167	0.74%
Director	Chien-An Juan	June 24, 2015	3 Year	143,240	0.43%
Director	Mun-Kee Chang	June 24, 2015	3 Year	0	0.00%
Independent Director	Wei-Ling Liu	June 24, 2015	3 Year	0	0.00%
Independent Director	Joseph S. Lee.	June 24, 2015	3 Year	0	0.00%
Total of all directors				4,162,564	12.53%
Supervisor	Askforce Corporation: Representative：Mei-Fang Hsu	June 24, 2015	3 Year	2,427,344	7.31%
Supervisor	Zan-Syong Cai	June 24, 2015	3 Year	0	0.00%
Total of all supervisors				2, 427,344	7.31%

Note: As of April 1, 2018, the Company has issued 33,207,200 shares.

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