Appendix 2、Consolidated Financial Statements audited by accountant during the most recent fiscal year

Catcher Technology Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2011 and 2010 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Catcher Technology Co., Ltd.

We have audited the accompanying consolidated balance sheets of Catcher Technology Co., Ltd. (the "Company") and its subsidiaries (the "Group") as of December 31, 2011 and 2010 and the related consolidated statements of income, changes in stockholders' equity and cash flows for the years then ended, all expressed in New Taiwan dollars. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. However, we did not audit the financial statements as of and for the years ended December 31, 2011 and 2010 of certain investees accounted for by the equity method. These financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts for these investees was based solely on the reports of the other auditors. The carrying values of the investment were NT$413,283 thousand and NT$327,584 thousand, or 0.46% and 0.56% of the consolidated total assets as of December 31, 2011 and 2010, respectively. Investment income recognized under the equity method was NT$57,109 thousand and NT$73,878 thousand, or 0.42% and 1.42% of the consolidated income before income tax for the years ended December 31, 2011 and 2010, respectively.

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

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

March 7, 2012

Notice to Readers

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

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

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2011 AND 2010
(In Thousands of New Taiwan Dollars, Except Par Value)

	2011		2010	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 2 and 4)	$ 40,197,831	45	$ 17,247,112	30
Financial assets at fair value through profit or loss - current (Notes 2 and 5)	117,765	-	124,626	-
Available-for-sale financial assets - current (Notes 2 and 6)	1,343,321	2	524,310	1
Accounts receivable (Notes 2 and 7)	12,322,837	14	9,501,910	16
Other receivable	167,411	-	57,972	-
Inventories (Notes 2 and 8)	2,537,880	3	2,136,168	4
Deferred income tax assets - current (Notes 2 and 17)	103,972	-	87,505	-
Restricted assets - current (Note 22)	-	-	4,080,299	7
Other current assets	1,203,798	1	700,661	1
Total current assets	57,994,815	65	34,460,563	59
INVESTMENTS				
Investments accounted for by the equity method (Notes 2 and 10)	1,356,340	2	922,147	2
Available-for-sale financial assets - noncurrent (Notes 2 and 6)	68,230	-	173,379	-
Total investments	1,424,570	2	1,095,526	2
PROPERTY, PLANT AND EQUIPMENT (Notes 2, 11 and 22)				
Cost				
Land	1,245,156	2	-	-
Buildings	7,099,927	8	5,962,903	10
Machinery and equipment	26,714,711	30	18,767,640	32
Transportation equipment	66,456	-	70,559	-
Furniture and fixtures	731,270	1	580,526	1
Rental assets	314,974	-	314,806	1
Leasehold improvement	8,991	-	6,186	-
Miscellaneous equipment	338,139	-	287,950	1
Total cost	36,519,624	41	25,990,570	45
Revaluation increment - land of rental assets	43,615	-	43,615	-
Cost and revaluation increment	36,563,239	41	26,034,185	45
Less: Accumulated depreciation	9,477,309	11	7,102,277	12
	27,085,930	30	18,931,908	33
Construction in progress and prepayments for equipment	1,322,310	2	1,998,942	3
Total property, plant and equipment	28,408,240	32	20,930,850	36
INTANGIBLE ASSETS				
Land use rights (Notes 2 and 11)	429,991	-	406,422	1
OTHER ASSETS				
Refundable deposits	18,341	-	16,497	-
Deferred income tax assets - noncurrent (Notes 2 and 17)	4,004	-	3,684	-
Restricted assets - noncurrent (Note 22)	244,698	-	445,241	1
Other assets - other (Notes 2, 11 and 15)	753,648	1	734,771	1
Total other assets	1,020,691	1	1,200,193	2
TOTAL	$ 89,278,307	100	$ 58,093,554	100

	2011		2010	
LIABILITIES AND STOCKHOLDERS' EQUITY	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES				
Short-term loans (Notes 12 and 22)	$ 17,040,191	19	$ 11,784,041	20
Financial liabilities at fair value through profit or loss - current (Notes 2, 5 and 14)	49,508	-	16,700	-
Notes payable	136,454	-	535,600	1
Accounts payable	3,085,509	4	2,663,075	5
Accounts payable - related parties (Note 21)	35,971	-	-	-
Income tax payable	1,119,544	1	379,258	1
Accrued expenses	2,464,325	3	1,481,201	2
Current portion of bonds payable (Notes 2 and 14)	-	-	4,711,766	8
Current portion of long-term debt (Notes 13 and 22)	953,255	1	1,777,740	3
Deferred income tax liabilities - current (Notes 2 and 17)	38,544	-	23,043	-
Other current liabilities	827,610	1	486,165	1
Total current liabilities	25,750,911	29	23,858,589	41
LONG-TERM LIABILITIES				
Bonds payable (Notes 2 and 14)	3,441,822	4	-	-
Long-term debt (Notes 13 and 22)	3,970,752	4	1,306,667	2
Total long-term liabilities	7,412,574	8	1,306,667	2
RESERVE FOR LAND VALUE INCREMENT TAX (Note 11)	12,596	-	12,596	-
OTHER LIABILITIES				
Guarantee deposit received	31,485	-	10,354	-
Deferred income tax liabilities - noncurrent (Notes 2 and 17)	65,906	-	51,471	-
Total other liabilities	97,391	-	61,825	-
Total liabilities	33,273,472	37	25,239,677	43
STOCKHOLDERS' EQUITY OF PARENT COMPANY (Notes 14 and 16)				
Capital stock - common stock, NT$10 par value				
Authorized - 2011 and 2010: 1,000,000 thousand shares (including 23,000 thousand shares for employee stock option)				
Issued - 2011: 750,639.4 thousand shares and 2010: 664,908.5 thousand shares	7,506,394	8	6,649,085	11
Capital surplus (Notes 2, 10, 14 and 16)				
Additional paid-in capital	7,457,347	9	1,583,179	3
Bond conversion premium	9,239,097	10	3,909,701	7
Long-term investments	12,092	-	4,151	-
Stock options	216,136	-	290,909	-
Total capital surplus	16,924,672	19	5,787,940	10
Retained earnings (Note 16)				
Legal reserve	3,384,703	4	2,941,719	5
Special reserve	858,793	1	-	-
Unappropriated earnings	24,770,699	28	18,156,426	31
Total retained earnings	29,014,195	33	21,098,145	36
Other equity (Notes 2, 11 and 16)				
Cumulative translation adjustments	2,366,883	3	(810,625)	(1)
Unrealized loss on financial instruments	(11,644)	-	(59,187)	-
Unrealized revaluation increments on properties	11,019	-	11,019	-
Total other equity	2,366,258	3	(858,793)	(1)
Total stockholders' equity of parent company	55,811,519	63	32,676,377	56
MINORITY INTEREST	193,316	-	177,500	1
Total stockholders' equity	56,004,835	63	32,853,877	57
TOTAL	$ 89,278,307	100	$ 58,093,554	100

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

(With Deloitte & Touche audit report dated March 7, 2012)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2011 AND 2010
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2011		2010	
	Amount	**%**	**Amount**	**%**
NET SALES (Notes 2 and 11)	$ 35,913,842	100	$ 21,844,638	100
COST OF SALES (Notes 8, 18 and 21)	19,023,016	53	14,091,875	65
GROSS PROFIT	16,890,826	47	7,752,763	35
OPERATING EXPENSES (Note 18)				
Research and development	780,842	2	701,143	3
Marketing	287,866	1	259,295	1
General and administrative	2,608,841	7	1,704,972	8
Total operating expenses	3,677,549	10	2,665,410	12
OPERATING INCOME	13,213,277	37	5,087,353	23
NON-OPERATING INCOME AND GAINS				
Interest income	380,149	1	226,371	1
Investment income recognized under the equity method, net (Notes 2 and 10)	122,104	-	90,063	1
Gain on disposal of property, plant and equipment (Note 2)	5,343	-	1,372	-
Gain on sale of investments, net (Notes 2, 9 and 10)	23,359	-	10,615	-
Exchange gain, net (Note 2)	26,087	-	-	-
Gain on reversal of allowance for doubtful accounts (Notes 2 and 7)	-	-	26,416	-
Valuation gain on financial assets (Notes 2 and 5)	262,602	1	185,707	1
Valuation gain on financial liabilities (Notes 2 and 14)	21,801	-	52,350	-
Others	240,711	1	166,698	1
Total non-operating income and gains	1,082,156	3	759,592	4
NON-OPERATING EXPENSES AND LOSS				
Interest expense (Notes 2 and 11)	253,857	1	206,385	1
Loss on disposal of property, plant and equipment (Note 2)	48,852	-	740	-
Exchange loss, net (Note 2)	-	-	432,133	2
Impairment loss (Notes 2, 6, 10 and 11)	262,634	1	6,172	-
Valuation loss on financial liabilities (Notes 2 and 5)	4,199	-	1,829	-
Others	20,743	-	12,570	-
Total non-operating expenses and loss	590,285	2	659,829	3

(Continued)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2011 AND 2010
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2011		2010	
	Amount	**%**	**Amount**	**%**
INCOME BEFORE INCOME TAX	$ 13,705,148	38	$ 5,187,116	24
INCOME TAX (Notes 2 and 17)	3,040,364	8	739,919	4
CONSOLIDATED NET INCOME	$ 10,664,784	30	$ 4,447,197	20
ATTRIBUTABLE TO:				
Stockholders of parent company	$ 10,677,233		$ 4,429,844	
Minority interest	(12,449)		17,353	
	$ 10,664,784		$ 4,447,197	

	2011		2010	
	Before Income Tax	**After Income Tax**	**Before Income Tax**	**After Income Tax**
CONSOLIDATED EARNINGS PER SHARE (Note 19)				
Basic	$ 19.17	$ 14.93	$ 7.77	$ 6.66
Diluted	$ 18.21	$ 14.20	$ 7.26	$ 6.23

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

(With Deloitte & Touche audit report dated March 7, 2012) (Concluded)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2011 AND 2010
(In Thousands of New Taiwan Dollars)

		Capital Surplus				Retained Earnings							
	Capital Stock	Capital in Excess of Par Value	Bond Conversion Premium	Long-term Investments	Stock Options	Legal Reserve	Special Reserve	Unappropriated Earnings	Cumulative Translation Adjustments	Unrealized Gain (Loss) on Financial Instruments	Unrealized Revaluation Increment on Properties	Minority Interest	Total Stockholders' Equity
BALANCE, JANUARY 1, 2010	$ 6,649,085	$ 1,583,179	$ 3,909,701	$ 661	$ 290,909	$ 2,609,711	$ -	$ 15,388,407	$ 1,515,397	$ 601	$ 11,019	$ 108,485	$ 32,067,155
Appropriation of the 2009 earnings (Note 16):													
Legal reserve	-	-	-	-	-	332,008	-	(332,008)	-	-	-	-	-
Cash dividends - 20%	-	-	-	-	-	-	-	(1,329,817)	-	-	-	-	(1,329,817)
Change in unrealized loss on available-for-sale financial assets (Note 16)	-	-	-	-	-	-	-	-	-	(59,788)	-	-	(59,788)
Consolidated net income in 2010	-	-	-	-	-	-	-	4,429,844	-	-	-	17,353	4,447,197
Adjustment arising from change in percentage of ownership in investees (Note 10)	-	-	-	3,490	-	-	-	-	-	-	-	-	3,490
Change in translation adjustments	-	-	-	-	-	-	-	-	(2,314,783)	-	-	(8,500)	(2,323,283)
Cash dividends distributed to minority interest	-	-	-	-	-	-	-	-	-	-	-	(15,324)	(15,324)
Increase in minority interest	-	-	-	-	-	-	-	-	-	-	-	75,486	75,486
Change in translation adjustments from investees accounted for by the equity method	-	-	-	-	-	-	-	-	(11,239)	-	-	-	(11,239)
BALANCE, DECEMBER 31, 2010	6,649,085	1,583,179	3,909,701	4,151	290,909	2,941,719	-	18,156,426	(810,625)	(59,187)	11,019	177,500	32,853,877
Issuance of capital stock for GDRs - June 7, 2011 (Note 16)	335,000	5,874,168	-	-	-	-	-	-	-	-	-	-	6,209,168
Appropriation of the 2010 earnings (Note 16):													
Legal reserve	-	-	-	-	-	442,984	-	(442,984)	-	-	-	-	-
Special reserve	-	-	-	-	-	-	858,793	(858,793)	-	-	-	-	-
Cash dividends - 36.8%	-	-	-	-	-	-	-	(2,761,183)	-	-	-	-	(2,761,183)
Change in unrealized gain on available-for-sale financial assets (Note 16)	-	-	-	-	-	-	-	-	-	47,543	-	-	47,543
Consolidated net income in 2011	-	-	-	-	-	-	-	10,677,233	-	-	-	(12,449)	10,664,784
Equity component of convertible bonds (Note 14)	-	-	-	-	264,756	-	-	-	-	-	-	-	264,756
Conversion of convertible bonds (Note 14)	522,309	-	5,329,396	-	(339,529)	-	-	-	-	-	-	-	5,512,176
Adjustment arising from change in percentage of ownership in investees (Note 10)	-	-	-	7,941	-	-	-	-	-	-	-	-	7,941
Change in translation adjustments	-	-	-	-	-	-	-	-	3,170,864	-	-	11,731	3,182,595
Increase in minority interest	-	-	-	-	-	-	-	-	-	-	-	16,534	16,534
Change in translation adjustment from investees accounted for by the equity method	-	-	-	-	-	-	-	-	6,644	-	-	-	6,644
BALANCE, DECEMBER 31, 2011	$ 7,506,394	$ 7,457,347	$ 9,239,097	$ 12,092	$ 216,136	$ 3,384,703	$ 858,793	$ 24,770,699	$ 2,366,883	$ (11,644)	$ 11,019	$ 193,316	$ 56,004,835

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

(With Deloitte & Touche audit report dated March 7, 2012)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	$ 10,664,784	$ 4,447,197
Adjustments to reconcile consolidated net income to net cash provided by operating activities		
Depreciation	2,466,070	1,945,482
Amortization	98,213	89,118
Reversal of allowance for doubtful accounts	-	(26,416)
Provision (reversal of allowance) for sales returns	43,340	(1,740)
Amortization of discount on bonds payable	65,129	70,589
Over contribution on pension cost	(2,020)	(1,662)
Provision for loss on inventories	27,065	260,741
Loss on physical inventory, net	25,954	11,822
Investment income recognized under the equity method, net	(122,104)	(90,063)
Cash dividends received from equity-method investees	22,734	6,930
Loss (gain) on disposal of property, plant and equipment, net	43,509	(632)
Gain on sale of investment, net	(23,359)	(10,615)
Impairment loss	262,634	6,172
Deferred income tax	13,149	34,916
Net changes in operating assets and liabilities		
Financial assets held for trading	(16,716)	(124,626)
Accounts receivable	(2,864,382)	(3,227,621)
Other receivable	(109,439)	(8,257)
Inventories	(478,658)	(198,445)
Other current assets	(503,137)	(500,050)
Financial liabilities held for trading	(20,333)	(52,350)
Notes payable	(399,146)	37,673
Accounts payable	422,434	1,132,694
Accounts payable - related parties	35,971	-
Income tax payable	740,286	44,282
Accrued expenses	990,674	488,910
Other current liabilities	110,850	138,576
Net cash provided by operating activities	11,493,502	4,472,625
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	(3,261,967)	(3,018,002)
Proceeds from disposal of available-for-sale financial assets	2,474,496	5,674,398
Proceeds from settlement of financial assets carried at cost	3,188	-
Acquisition of investments accounted for by the equity method	(288,890)	(565,598)
Proceeds from disposal of investments accounted for by the equity method	27,421	5,659
Acquisition of property, plant and equipment	(8,056,794)	(5,219,270)
Proceeds from disposal of property, plant and equipment	25,645	27,186
Increase in refundable deposits	(656)	(2,108)
Decrease in restricted assets	4,280,842	3,671,803

(Continued)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	2011	2010
Increase in land use rights	$ -	$ (42,195)
Increase in other assets	(95,816)	(94,512)
Net cash provided by (used in) investing activities	(4,892,531)	437,361
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term bank loans	5,256,150	2,573,085
Issuance of convertible bonds	4,495,000	-
Proceeds from long-term debt	2,348,291	1,166,090
Repayment of long-term debt	(778,644)	(2,277,000)
Increase (decrease) in guarantee deposits received	20,247	(534)
Payment of cash dividends	(2,761,183)	(1,329,817)
Issuance of capital stock for GDRs	6,209,168	-
Increase in minority interest	16,534	75,486
Cash dividends received by minority interest	-	(15,324)
Net cash provided by financing activities	14,805,563	191,986
EFFECTS OF EXCHANGE RATE CHANGES	1,544,185	(1,578,608)
NET INCREASE IN CASH AND CASH EQUIVALENTS	22,950,719	3,523,364
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	17,247,112	13,723,748
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 40,197,831	$ 17,247,112
SUPPLEMENTAL INFORMATION		
Interest paid (excluding capitalized interest)	$ 184,081	$ 129,544
Income tax paid	2,319,148	652,627
NON-CASH FINANCING ACTIVITIES		
Long-term debt - current portion	$ 953,255	$ 1,777,740
Bonds payable - current portion	-	4,711,166
Conversion of convertible bonds	5,826,300	-
CASH PAID FOR ACQUISITION OF PROPERTIES		
Acquisition of property, plant and equipment	$ 8,287,389	$ 5,386,175
Increase in payable for property, plant and equipment	(230,595)	(184,633)
Decrease in notes payable	-	17,728
Cash paid	$ 8,056,794	$ 5,219,270

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

(With Deloitte & Touche audit report dated March 7, 2012) (Concluded)

1. ORGANIZATION AND OPERATIONS

Catcher Technology Co., Ltd. (the "Company") was incorporated in November 1984 under the laws of the Republic of China (ROC). The Company mainly manufactures and sells aluminum and magnesium die casting products and molds. It also provides lease services.

The Company's shares were listed and traded on the Taiwan GreTai Securities Market from November 1999 until September 2001 when the Company listed its shares on the Taiwan Stock Exchange (TSE) under stock number "2474" and ceased to be OTC traded.

The Company issued unsecured convertible bonds which are traded on the Taiwan GreTai Securities Market since December 2009 and April 2011.

The Company increased its capital by listing its shares in the form of GDRs on the Luxembourg Stock Exchange (EuroMTF) in June 2011.

The subsidiaries were as follows:

a. In April 2000, the Company incorporated Castmate International Co., Ltd. ("Castmate") for indirect investments in Catcher Technology (Suzhou) Co., Ltd. ("Catcher Suzhou"). Catcher Suzhou mainly manufactures and sells aluminum and magnesium die casting products and molds. In March 2006, Castmate incorporated Meeca Technology (Suzhou Industrial Park) Co., Ltd. ("Meeca Suzhou"). For the group reorganization purpose, in the beginning of 2002, the Company's investment in Castmate was transferred to Nanomag International Co., Ltd. ("Nanomag", incorporated in July 2001). Nanomag incorporated Stella International Co., Ltd. ("Stella") in November 2003, Aquila International Co., Ltd. ("Aquila") in March 2005, and Gemini International Co., Ltd. ("Gemini") in April 2005 for indirect investments in Topo Technology (Suzhou) Co., Ltd. ("Topo Suzhou") and Aquila Technology (Suzhou) Co., Ltd. ("Aquila Suzhou"). In December 2007, Nanomag, Castmate, Stella and Aquila incorporated Uranus International Co., Ltd. ("Uranus"), Cygnus International Co., Ltd. ("Cygnus"), Lyra International Co., Ltd. ("Lyra") and Cepheus International Co., Ltd. ("Cepheus"), respectively, for indirect investments in Catcher Suzhou, Meeca Suzhou, Topo Suzhou and Aquila Suzhou. Except for Aquila, which is 90% indirectly owned by the Company at its date of incorporation, all aforesaid subsidiaries are 100% directly and indirectly owned by the Company.

   The investment of US$1,400 thousand in Aquila was in accordance with a joint-venture agreement in which the joint venture partner preferentially obtained a 10% initial equity interest in Aquila at a consideration of US$70 thousand. In July 2006, Nanomag disposed of 210 thousand shares (US$210 thousand) in Aquila and its interest in Aquila decreased from 90% to 75%.

   In September 2009, Nanomag incorporated Grus International Co., Ltd. ("Grus") and Draco International Co., Ltd. ("Draco"). In February 2010, Nanomag incorporated Neat International Co., Ltd. ("Neat"). In December 2009, Grus and Gemini incorporated Sagitta International Co., Ltd. ("Sagitta", a 93% owned subsidiary) and Cetus International Co., Ltd. ("Cetus", a 70% owned subsidiary), respectively, for overseas investments.

   In November 2008, Castmate, Stella and Aquila incorporated Castmate International Pte. Ltd. ("Castmate Pte."), Norma International Pte. Ltd. ("Norma Pte.") and Saturn International Pte. Ltd. ("Saturn Pte."), respectively, for investing activities. Except Cetus and Sagitta, all aforesaid subsidiaries are 100% directly and indirectly owned by the Company.

In January 2009, Uranus incorporated Catcher Technology (Suqian) Co., Ltd. ("Catcher Suqian", a 100% owned subsidiary) which mainly manufactures and sells aluminum and magnesium die casting products and molds. In February 2010, Cetus incorporated WIT Technology (Taizhou) Co., Ltd. ("WIT Taizhou", a 100% owned subsidiary) which mainly researches, developes and manufactures mini calculator's mobile communication system phone and components of communication electron products.

b. In November 2000, Castmate incorporated Catcher Technology Phils., Inc. ("Catcher Phils", a 100% owned subsidiary), which mainly processes and sells aluminum and magnesium die casting products. For the group reorganization purpose, the Company transferred its investment in Catcher Phils to Artery Co., Ltd. ("Artery"), incorporated in November 2001 and 100% owned by Nanomag. The Company terminated the operation of Catcher Phils in 2006.

c. In April 2002, the Company incorporated Gigamag Co., Ltd. ("Gigamag", a 100% owned subsidiary) for indirect investment in Hoppi Co., Ltd. ("Hoppi"), Avatar Co., Ltd. ("Avatar"), Leo Co., Ltd. ("Leo") and Orion Co., Ltd. ("Orion"), all 100% owned subsidiaries and engaged in international trade.

d. In May 2007, the Company, Bothhand Enterprise Inc. and other investors incorporated Kryokey Co., Ltd. ("Kryokey", a 30% owned subsidiary) which mainly engages in research and development. However, in their casual meeting, the stockholders decided to dissolve Kryokey and estimated no material expenditure will be incurred in the liquidation in December 2011.

e. In June 2007, the Company incorporated Amity Capital Inc. ("Amity", a 100% owned subsidiary) which mainly engages in investing.

f. In September 2007, the Company and other investors incorporated I-Catcher Optoelectronics Corp. ("I-Catcher", a 99.8% owned subsidiary) which mainly engages in manufacturing and selling electron components.

As of December 31, 2011 and 2010, the Company and its subsidiaries ("the Group") had 34,530 and 33,573 employees, respectively.

Movements of all subsidiaries included in the consolidated financial statements for the years ended December 31, 2011 and 2010 were as follows:

			% of Ownership	
			December 31	
Name of Investor	**Name of Investee**	**Main Businesses**	**2011**	**2010**
Catcher Technology Co., Ltd.	Nanomag International Co., Ltd.	Investing activities	100.0	100.0
	Gigamag Co., Ltd.	Investing activities	100.0	100.0
	Kryokey Co., Ltd.	Research and development	30.0	30.0
	Amity Capital Inc.	Investing activities	100.0	100.0
	I-Catcher Optoelectronics Corp.	Manufacturing and selling molds and electronic parts	99.8	99.8
Nanomag International Co., Ltd.	Castmate International Co., Ltd.	Investing activities	100.0	100.0
	Gemini International Co., Ltd.	Investing activities	100.0	100.0
	Stella International Co., Ltd.	Investing activities	100.0	100.0
	Uranus International Co., Ltd.	Investing activities	100.0	100.0
	Artery Co., Ltd.	Investing activities	100.0	100.0
	Aquila International Co., Ltd.	Investing activities	75.0	75.0
	Grus International Co., Ltd.	Investing activities	100.0	100.0
	Draco International Co., Ltd.	Investing activities	100.0	100.0
	Neat International Co., Ltd.	Investing activities	100.0	100.0

(Continued)

Name of Investor	Name of Investee	Main Businesses	% of Ownership December 31 2011	2010
Castmate International Co., Ltd.	Castmate International Pte. Ltd.	Investing activities	100.0	100.0
	Cygnus International Co., Ltd.	Investing activities	100.0	100.0
Cygnus International Co., Ltd.	Catcher Technology (Suzhou) Co., Ltd.	Manufacturing and selling aluminum and magnesium die casting products and molds	100.0	100.0
	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Manufacturing and selling aluminum and magnesium die casting products and molds	100.0	100.0
Gemini International Co., Ltd.	Cetus International Co., Ltd.	Investing activities	70.0	70.0
Cetus International Co., Ltd.	WIT Technology (Taizhou) Co., Ltd.	Researching, developing and manufacturing mini calculator's mobile communication system phone and components of communication electron products	100.0	100.0
Stella International Co., Ltd.	Norma International Pte. Ltd.	Investing activities	100.0	100.0
	Lyra International Co., Ltd.	Investing activities	100.0	100.0
Lyra International Co., Ltd.	Topo Technology (Suzhou) Co., Ltd.	Manufacturing and selling aluminum and magnesium die casting products and molds	100.0	100.0
Uranus International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Manufacturing and selling aluminum and magnesium die casting products and molds	100.0	100.0
Artery Co., Ltd.	Catcher Technology Phils Inc.	Manufacturing and selling aluminum and magnesium die casting products and molds	100.0	100.0
Aquila International Co., Ltd.	Saturn International Pte. Ltd.	Investing activities	100.0	100.0
	Cepheus International Co., Ltd.	Investing activities	100.0	100.0
Cepheus International Co., Ltd.	Aquila Technology (Suzhou) Co., Ltd.	Manufacturing and selling molds and electronic parts	100.0	100.0
Grus International Co., Ltd.	Sagitta International Co., Ltd.	Investing activities	93.0	93.0
Gigamag Co., Ltd.	Hoppi Co., Ltd.	International trade	100.0	100.0
	Avatar Co., Ltd.	International trade	100.0	100.0
	Leo Co., Ltd.	International trade	100.0	100.0
	Orion Co., Ltd.	International trade	100.0	100.0

(Concluded)

The chairman of Kryokey is also the chairman of the Company and the Company has effective control over financing, operating and personnel matters of Kryokey; therefore, Kryokey became a consolidated entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China (ROC).

For readers' convenience, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If inconsistencies arise between the English version and the Chinese version or if differences arise in the interpretations between the two versions, the Chinese version of the financial statements shall prevail.

Significant accounting policies are summarized as follows:

Basis of Consolidated Financial Statements

As stated in Note 1, the consolidated financial statements include the financial statements of the Company and all of the above subsidiaries. All significant intercompany transactions and balances are eliminated on consolidation.

Foreign-currency Transactions

The entities in the Group use their functional currency are reporting currency.

Non-derivative foreign-currency transactions are recorded in functional currency at the rates of exchange in effect when the transactions occur. Exchange differences arising from settlement of foreign-currency assets and liabilities are recognized in profit or loss.

At the balance sheet date, foreign-currency monetary assets and liabilities are revalued using prevailing exchange rates and the exchange differences are recognized in profit or loss.

The financial statements of foreign operations are translated into New Taiwan dollars at the following exchange rates:

a. Assets and liabilities - at exchange rates prevailing on the balance sheet date;
b. Shareholders' equity - at historical exchange rates;
c. Income and expenses - at average exchange rates for the year.

Exchange differences arising from the translation of the financial statements of foreign operations are recognized as a separate component of shareholders' equity. Such exchange differences are recognized in profit or loss in the year in which the foreign operations are disposed of.

Accounting Estimates

Under above guidelines and principles, certain estimates and assumptions have been used for the allowance for doubtful accounts, allowance for sales return, allowance for loss on inventories, depreciation of property, plant and equipment, tax, pension cost, bonuses to employees, directors and supervisors, etc. Actual results may differ from these estimates.

Current and Noncurrent Assets and Liabilities

Current assets include cash and cash equivalents, and those assets held primarily for trading purposes or to be realized, sold or consumed within twelve months from the balance sheet date. All other assets such as property, plant and equipment and intangible assets are classified as noncurrent. Current liabilities are obligations incurred for trading purpose or to be settled within twelve months from the balance sheet date. All other liabilities are classified as noncurrent.

Cash Equivalents

Cash equivalents are repurchase agreements collateralized by bonds. They are highly liquid financial instruments with maturities of three months or less when acquired and with carrying amounts that approximate their fair values.

Financial Assets and Liabilities at Fair Value Through Profit or Loss

Financial instruments classified as financial assets or financial liabilities at fair value through profit or loss ("FVTPL") include financial assets or financial liabilities held for trading and those designated as at FVTPL on initial recognition. The Group recognizes a financial asset or a financial liability on its balance sheet when the Group becomes a party to the contractual provisions of the financial instrument. A financial asset is derecognized when the Group has lost control of its contractual rights over the financial asset. A financial liability is derecognized when the obligation specified in the relevant contract is discharged, cancelled or expired.

Financial instruments at FVTPL are initially measured at fair value plus transaction costs. At each balance sheet date subsequent to initial recognition, financial assets or financial liabilities at FVTPL are remeasured at fair value, with changes in fair value recognized directly in profit or loss in the year in which they arise. On derecognition of a financial asset or a financial liability, the difference between its carrying amount and the sum of the consideration received and receivable or consideration paid and payable is recognized in profit or loss. All regular way purchases or sales of financial assets are recognized and derecognized on a settlement date basis.

A derivative that does not meet the criteria for hedge accounting is classified as a financial asset or a financial liability held for trading. If the fair value of the derivative is positive, the derivative is recognized as a financial asset; otherwise, the derivative is recognized as a financial liability.

Fair values of financial assets and financial liabilities at the balance sheet date are determined as follows: Convertible bonds and Forward exchange contracts which are financial assets and financial liabilities without quoted prices in an active market - at values determined using valuation techniques.

Available-for-sale Financial Assets

Available-for-sale financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are remeasured at fair value, with changes in fair value recognized in equity until the financial assets are disposed of, at which time, the cumulative gain or loss previously recognized in equity is included in profit or loss for the year. All regular way purchases or sales of financial assets are recognized and derecognized on a settlement date basis.

The recognition, derecognition and the fair value bases of available-for-sale financial assets are the same with those of financial assets at FVTPL.

Fair values of available-for-sale financial assets at the balance sheet date are determined as follows: Publicly traded convertible bonds - at closing prices; funds - at net asset values; private-placement domestic shares - at values determined using valuation techniques.

Cash dividends are recognized on the ex-dividend date, except for dividends distributed from the pre-acquisition profit, which are treated as a reduction of investment cost. Stock dividends are not recognized as investment income but are recorded as an increase in the number of shares. The total number of shares subsequent to the increase is used for recalculation of cost per share.

An impairment loss is recognized when there is objective evidence that the financial asset is impaired. Any subsequent decrease in impairment loss for an equity instrument classified as available-for-sale is recognized directly in equity.

Financial Assets Carried at Cost

Investments in equity instruments with no quoted prices in an active market and with fair values that cannot be reliably measured, such as non-publicly traded stocks and stocks traded in the Emerging Stock Market, are measured at their original cost. The accounting treatment for dividends on financial assets carried at cost is the same with that for dividends on available-for-sale financial assets. An impairment loss is recognized when there is objective evidence that the asset is impaired. A reversal of this impairment loss is disallowed.

Impairment of Accounts Receivable

An allowance for doubtful accounts is provided on the basis of a review of the collectibility of accounts receivable. The Group assesses the probability of collections of accounts receivable by examining the aging analysis of the outstanding receivables.

As discussed in Note 3 to the consolidated financial statements, on January 1, 2011, the Group adopted the third-time revised Statement of Financial Accounting Standards (SFAS) No. 34, "Financial Instruments: Recognition and Measurement." One of the main revisions is that impairment of receivables originated by the Group should be covered by SFAS No. 34. Accounts receivable are assessed for impairment at the end of each reporting period and considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the accounts receivable, the estimated future cash flows of the asset have been affected. Objective evidence of impairment could include:

- Significant financial difficulty of the debtor;
- Accounts receivable becoming overdue; or
- It is becoming probable that the debtor will enter bankruptcy or financial re-organization.

Accounts receivable that are assessed as not impaired individually are further assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of accounts receivable could include the Group's past experience in the collection of payments, an increase in the number of delayed payments, as well as observable changes in national or local economic conditions that correlate with defaults on receivables.

The amount of the impairment loss recognized is the difference between the asset carrying amount and the present value of estimated future cash flows, after taking into account the related collateral and guarantees, discounted at the receivable's original effective interest rate.

The carrying amount of the accounts receivable is reduced through the use of an allowance account. When accounts receivable are considered uncollectible, they are written off against the allowance account. Recoveries of amounts previously written off are credited to the allowance account. Changes in the carrying amount of the allowance account are recognized as bad debt in profit or loss.

Impairment of Assets

If the recoverable amount of an asset (mainly property, plant and equipment, land use rights, investments accounted for by the equity method, and other assets - other) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is charged to earnings unless the asset is carried at a revalued amount, in which case the impairment loss is first treated as a deduction to the unrealized revaluation increment and any remaining loss is charged to earnings.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased accordingly, but the increased carrying amount may not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized in earnings, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is first recognized as gain to the extent that an impairment loss on the same revalued asset was previously charged to earnings. Any excess amount is treated as an increase in the unrealized revaluation increment. A reversal of an impairment loss on goodwill is disallowed.

For long-term equity investments in which the Group has significant influence but with no control, the carrying amount (including goodwill) of each investment is compared with its own recoverable amount for the purpose of impairment testing.

Allowance for Sales Returns

Allowance for sales returns is generally recorded in the year the related revenue is recognized on the basis of past experience, management's judgment, and relevant factors.

Inventories

Inventories consist of raw materials, supplies, merchandise, finished goods and work-in-process. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made item by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost.

Investments Accounted for by the Equity Method

Investments in which the Company holds 20 percent or more of the investees' voting shares or exercises significant influence over the investees' operating and financial policy decisions are accounted for by the equity method.

The cost of investment is allocated to the assets and liabilities of the investee (proportionate to the percentage of ownership) on the basis of their fair values at the date of investment, and the investment cost in excess of the fair value of the identifiable net assets is recognized as goodwill. Goodwill is not amortized. The fair value of the net identifiable assets of the investee in excess of the investment cost is used to reduce the fair value of each of the noncurrent assets of the investee (except for financial assets other than investments accounted for by the equity method, noncurrent assets held for sale, deferred income tax assets, prepaid pension or other postretirement benefit) in proportion to the respective fair values of the noncurrent assets, with any excess recognized as an extraordinary gain.

When the Group subscribes for its investee's newly issued shares at a percentage different from its percentage of ownership in the investee, the Group records the change in its equity in the investee's net assets as an adjustment to investments, with a corresponding amount credited or charged to capital surplus. When the adjustment should be debited to capital surplus, but the capital surplus from long-term investments is insufficient, the shortage is debited to retained earnings.

Property, Plant and Equipment

Land (including rental assets) is stated at cost or cost plus revaluation increment.

Property, plant and equipment except land, are stated at cost less accumulated depreciation and accumulated impairment losses. Borrowing costs directly attributable to the acquisition or construction of property, plant and equipment are capitalized as part of the cost of those assets. Major additions and improvements to property, plant and equipment are capitalized, while costs of repairs and maintenance are expensed currently.

Depreciation is provided on a straight-line basis over estimated useful lives as follows: Buildings - 5 to 50 years; machinery and equipment - 2 to 10 years; transportation equipment - 5 to 6 years; furniture and fixtures - 2 to 5 years; rental assets (except land) - 5 to 35 years; leasehold improvements - 4 to 5 years and miscellaneous equipment - 2 to 10 years. Property, plant and equipment still in use beyond their original estimated useful lives are further depreciated over their new estimated useful lives.

The related cost (including revaluation increment), accumulated depreciation and any unrealized revaluation increment of an item of property, plant and equipment are derecognized from the balance sheet upon its disposal. Any gain or loss on disposal of the asset is included in nonoperating gains or losses in the year of disposal.

Intangible Assets

Intangible assets acquired are initially recorded at cost and are amortized on a straight-line basis over their estimated useful lives. Patents are amortized over 8 years. Prepaid lease payments to Taiwan Sugar Corporation for land use rights are amortized over 20 years. Prepaid lease payments to Catcher Suzhou, Topo Suzhou, Meeca Suzhou and Catcher Suqian for land use rights are amortized over 50 years.

Deferred Expenses

Deferred expenses comprise molds and others which are amortized on a straight-line basis over estimated useful lives.

Capitalized and Current Expenditures

Expenditure which exceeds a certain amount and which benefits a period longer than one year is capitalized as assets, otherwise presented as expenses or losses.

Convertible Bonds

For convertible bonds issued on or after January 1, 2006, the Company first determines the carrying amount of the liability component by measuring the fair value of a similar liability that does not have an associated equity component, then determines the carrying amount of the equity component, representing the equity conversion option, by deducting the fair value of the liability component from the fair value of the convertible bonds as a whole. The liability component (excluding embedded derivatives) is measured at amortized cost using the effective interest method, while the embedded non-equity derivatives are measured at fair value. Upon conversion, the Company uses the aggregate carrying amount of the liability and equity components of the bonds at the time of conversion as a basis to record the common shares issued.

Pursuant to a newly released SFAS, transaction costs of bonds issued on or after January 1, 2006, net of related income tax benefit, are allocated in proportion to the liability and equity components of the bonds.

Pension Costs

Pension cost under a defined benefit plan is determined by actuarial valuations. Contributions made under a defined contribution plan are recognized as pension cost during the year in which employees render services.

Income Tax

The Group applies the inter-year allocation method to its income tax, whereby deferred income tax assets and liabilities are recognized for the tax effects of temporary differences. Valuation allowance is provided to the extent, if any, that it is more likely than not that deferred income tax assets will not be realized. A deferred tax asset or liability is classified as current or noncurrent in accordance with the classification of its related asset or liability. However, if a deferred income tax asset or liability does not relate to an asset or liability in the financial statements, then it is classified as either current or noncurrent based on the expected length of time before it is realized or settled.

If the Company can control the timing of the reversal of a temporary difference between the book value and the tax basis of a long-term equity investment in a foreign subsidiary or joint venture and if the temporary difference is not expected to reverse in the foreseeable future and will, in effect, exist indefinitely, then a deferred tax liability or asset is not recognized.

Tax credits for purchases of machinery, equipment and technology, and research and development expenditures are recognized using the flow-through method.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the stockholders approve to retain the earnings.

Revenue Recognition

Revenue from sales of goods is recognized when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods, primarily upon shipment, acceptance by customers or delivery to customers, because the earnings process has been completed and the economic benefits associated with the transaction have been realized or are realizable. The Group does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of risks and rewards of materials ownership.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts agreed between the Group and the customers for goods sold in the normal course of business, net of sales discounts and volume rebates. For trade receivables due within one year from the balance sheet date, as the nominal value of the consideration to be received approximates its fair value and transactions are frequent, fair value of the consideration is not determined by discounting all future receipts using an imputed rate of interest.

3. ACCOUNTING CHANGE

Financial Instruments

On January 1, 2011, the Group adopted the newly revised Statement of Financial Accounting Standards (SFAS) No. 34, "Financial Instruments: Recognition and Measurement." The main revisions include (1) finance lease receivables are now covered by SFAS No. 34; (2) the scope of the applicability of SFAS No. 34 to insurance contracts is amended; (3) loans and receivables originated by the Group are now covered by SFAS No. 34; (4) additional guidelines on impairment testing of financial assets carried at amortized cost when a debtor has financial difficulties and the terms of obligations have been modified; and (5) accounting treatment by a debtor for modifications in the terms of obligations. This accounting change did not have significant effect on the Group's consolidated financial statements as of and for the year ended December 31, 2011.

Operating Segments

On January 1, 2011, the Group adopted the newly issued SFAS No. 41 - "Operating Segments." The requirements of the statement are based on the information about the components of the Company that management uses to make operating decisions. SFAS No. 41 requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance. This statement supersedes SFAS No. 20, "Segment Reporting." This accounting change did not have significant effect on the Group's reported segment information.

4. CASH AND CASH EQUIVALENTS

	December 31	
	2011	**2010**
Cash on hand	$ 3,186	$ 3,313
Checking and savings accounts in the banks	9,576,745	3,119,244
Time deposits: Interest at 0.10%-4.51% in 2011 and 0.10%-3.75% in 2010	29,953,350	13,785,946
Repurchase agreements - maturity in January to March 2011 and January 2010; interest at 1.30%-1.50% in 2011 and 1.55% in 2010	661,586	338,609
Travel check	2,964	-
	$ 40,197,831	$ 17,247,112

On December 31, 2011 and 2010, overseas deposits were as follows:

	December 31	
	2011	**2010**
United States of America - New York (US$62 thousand and US$52 thousand on December 31, 2011 and 2010)	$ 1,875	$ 1,504

5. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	December 31	
	2011	**2010**
Financial assets at FVTPL		
Forward exchange contracts	$ 117,765	$ 124,626
Financial liabilities at FVTPL		
Put and call option for bonds payable	$ 48,040	$ 16,700
Forward exchange contracts	1,468	-
	$ 49,508	$ 16,700

a. Forward exchange contracts

The Group entered into derivative contracts to manage exposures to market price and cash flow risks. For the years ended December 31, 2011 and 2010, the Group's forward exchange contracts, which were entered to manage exposures to exchange rate changes, resulted in net gain of NT$258,403 thousand (valuation gain on financial assets NT$262,602 thousand and valuation loss on financial liabilities NT$4,199 thousand) and net gain of NT$183,878 thousand (valuation gain on financial assets NT$185,707 thousand and valuation loss on financial liabilities NT$1,829 thousand), respectively. The financial instruments did not meet the criteria of hedge accounting; thus, the instruments were categorized as financial assets held for trading.

Outstanding forward exchange contracts as of December 31, 2011 were as follows:

	Currency	Maturity Date	Contract Amount (In Thousands)	Currency Rate
The Company				
Sell	US$/NT$	January - March 2012	US$20,000/NT$604,542	30.019-30.41
Topo Suzhou				
Sell	US$/RMB	January - March 2012	US$27,000/RMB172,820	6.3765-6.4217
Sell	US$/RMB	April - June 2012	US$39,500/RMB252,038	6.3625-6.3987
Sell	US$/RMB	July 2012	US$15,000/RMB95,473	6.3584-6.3778
Catcher Suzhou				
Sell	US$/RMB	January - March 2012	US$22,000/RMB140,811	6.3765-6.4217
Sell	US$/RMB	April - June 2012	US$30,000/RMB191,498	6.3625-6.3987
Sell	US$/RMB	July 2012	US$10,000/RMB63,778	6.3778
Meeca Suzhou				
Sell	US$/RMB	January - March 2012	US$51,000/RMB326,483	6.3765-6.4217
Sell	US$/RMB	April - June 2012	US$50,500/RMB322,101	6.3625-6.3915
Sell	US$/RMB	July 2012	US$10,000/RMB63,584	6.3584

Outstanding forward exchange contracts as of December 31, 2010 were as follows:

	Currency	Maturity Date	Contract Amount (In Thousands)	Currency Rate
Topo Suzhou				
Sell	US$/RMB	January - March 2011	US$34,500/RMB232,243	6.7205-6.7415
Sell	US$/RMB	April - June 2011	US$26,000/RMB174,663	6.7139-6.7351
Catcher Suzhou				
Sell	US$/RMB	January - March 2011	US$15,000/RMB100,952	6.7205-6.7415
Sell	US$/RMB	April - June 2011	US$12,000/RMB80,617	6.7139-6.7351
Meeca Suzhou				
Sell	US$/RMB	January - March 2011	US$41,500/RMB279,293	6.7205-6.7415
Sell	US$/RMB	April - June 2011	US$33,000/RMB221,686	6.7139-6.7351

b. Put and call option for bonds payable: Refer to Note 14.

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT AND NONCURRENT

	December 31	
	2011	2010
Current		
Mutual funds	$ 1,285,178	$ 519,796
Domestic quoted stocks	-	4,514
Bonds payable	58,143	-
	$ 1,343,321	$ 524,310
Noncurrent		
Private-placement domestic listed shares	$ 68,230	$ 173,379

Because of the significant decline in stock price of Giantplus Technology Co., Ltd., the Company evaluated and recognized an impairment loss on the investment in Giantplus of NT$140,030 thousand in the third quarter of 2011 on the basis of valuation report.

7. ACCOUNTS RECEIVABLE

	December 31	
	2011	2010
Accounts receivable	$ 12,375,716	$ 9,529,636
Less: Allowance for doubtful accounts (Note 2)	8,438	8,438
Allowance for sales returns (Note 2)	44,441	19,288
	$ 12,322,837	$ 9,501,910

Movements of the allowance for doubtful accounts were as follows:

	Year Ended December 31	
	2011	2010
Balance, beginning of year	$ 8,438	$ 35,021
Deduct: Reversal of provision for doubtful accounts	-	(26,416)
Effects of exchange rate changes	-	(167)
Balance, end of year	$ 8,438	$ 8,438

Movements of the allowance for sales returns were as follows:

	Year Ended December 31	
	2011	2010
Balance, beginning of year	$ 19,288	$ 21,196
Add (deduct): Provision (reversal of provision) for sales returns	43,340	(1,740)
Deduct: Amounts write-off	(18,302)	(125)
Effects of exchange rate changes	115	(43)
Balance, end of year	$ 44,441	$ 19,288

8. INVENTORIES

	December 31	
	2011	2010
Merchandise	$ 11,148	$ 22,957
Finished goods	837,556	534,609
Work in process	1,282,307	1,122,530
Raw materials	221,604	242,103
Supplies	185,265	213,969
	$ 2,537,880	$ 2,136,168

As of December 31, 2011 and 2010, the allowance for inventory devaluation was NT$307,808 thousand and NT$295,430 thousand, respectively.

The cost of inventories recognized as cost of sales for the years ended December 31, 2011 and 2010 was as follows:

	Year Ended December 31	
	2011	2010
Cost of goods sold	$ 18,458,406	$ 13,836,153
Loss on work stoppages	587,546	-
Unallocated overheads	3,437	8,200
Provision for loss on inventories	27,065	260,741
Loss on physical inventory, net	25,954	11,822
Scrap income	(89,057)	(32,966)
	$ 19,013,351	$ 14,083,950

Loss on work stoppages resulted from the suspension of operations of certain subsidiaries in China's Suzhou Industrial Park because of complaints from people living near the factories about loud noise and bad odor. On October 16, 2011, the local authority required the subsidiaries to suspend production and make the necessary rectification. The subsidiaries have done partial rectification in late October 2011 and adopted multi-level testing method. The rectification is ongoing and normal operation will resume upon its completion and approval by the authority.

9. FINANCIAL ASSETS CARRIED AT COST - NONCURRENT

	December 31			
	2011		2010	
	Amount	% of Owner-ship	Amount	% of Owner-ship
Domestic unquoted common stocks				
Light Tek Co., Ltd.	$ -	1	$ -	1
Asia Pacific Telecom Co., Ltd.	-	-	-	-
Overseas unquoted common stocks				
Digital Value Investment Ltd.	-	-	-	4
North America Venture Fund II, L.P.	-	-	-	2
	$ -		$ -	

The above equity investments, which had no quoted prices in an active market and of which fair values could not be reliably measured, were carried at cost.

Asia Pacific Telecom Co., Ltd., Light Tek Co., Ltd., Digital Value Investment Ltd., and North America Venture Fund II, L.P. had continuing operating losses. Thus, the Group recognized permanent investment losses in prior years.

The Group received NT$3,225 thousand (US$110 thousand) as distribution of proceeds from liquidation of Digital Value Investment Ltd. and North America Venture Fund II, L.P., and recognized as gain on sale of investment in the consolidated statements of income for the year ended December 31, 2011.

10. INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

	December 31			
	2011		2010	
	Amount	% of Owner-ship	Amount	% of Owner-ship
Epileds Technology Inc. ("Epileds")	$ 140,478	7.3	$ 121,550	8.3
Sinher Technology Co., Ltd. ("Sinher")	360,204	27.3	327,584	28.4
Chaohu Yunhai Magnesium Co., Ltd. ("Chaohu Yunhai")	801,523	49.0	471,066	49.0
Yue-Kang Heath Control Technology Inc. ("Yue-Kang")	1,056	40.0	1,947	30.0
Kon-Cheng Accuracy Co., Ltd. (Kon-Cheng)	53,079	40.0	-	-
	$ 1,356,340		$ 922,147	

In October 2007, the Company invested NT$111,000 thousand and acquired 30% equity of Sinher Technology Co., Ltd. which is engaged in manufacturing electron components.

The Group's investment in Epileds was previously classified as financial assets carried at cost - noncurrent. In June 2009, the Group can exercise significant influence over Epileds's operating and financial policy decision because the chairman of the Group was elected as the chairman of Epileds. Therefore, the Group accounted for the investment by the equity method. The carrying amount of the investment as of January 1, 2009 was its deemed cost for the purpose of applying the equity method. The difference of NT$1,981 thousand between the cost and the Group's share in the investee's net assets is amortized over 5 years. As of December 31, 2011, the unamortized amount was NT$792 thousand.

In 2010, the Group increased investments in Epileds by NT$45,722 thousand and in Sinher by NT$20,502 thousand, and because the Company subscribed newly issued shares at a percentage different from current percentage of ownership in the investee and employee's bonus was transferred to capital of Shiner, the Group recorded the change in its equity in the investee's net assets as an adjustment to investments, with a corresponding amount credited to capital surplus; the amount was NT$3,490 thousand. The Company sold 172 thousand shares of Epileds for NT$5,659 thousand in 2010. The gain on this disposal was NT$2,965 thousand. In 2011, because of employee stock options and the valuation of employee stock option of Epileds, and employee's bonus transferred to capital and disposal of stocks of Sinher, the Group recorded the change in its equity in the investees' net assets as an adjustment to investments, with a corresponding amount credited to capital surplus; the amount was NT$8,279 thousand. The Company sold 278 thousand shares of Sinher for NT$24,391 thousand in May 2011, and 101 thousand shares of Epileds for NT$3,030 thousand in November 2011. The gains on these disposals were NT$13,563 thousand and NT$1,231 thousand, respectively.

In December 2009, the Company invested NT$3,000 thousand and acquired 30% equity of Yue-Kang Health Control Technology Inc. which is engaged in health and medical treatment consultancy services. In 2011, the Company invested NT$2,000 thousand and purchased 100 thousand shares for NT$1,000 thousand. Therefore, the ownership increased from 30% to 40%. Because the Company subscribed newly issued shares at a percentage differently from percentage of ownership in the investee, the Company recorded the change in its equity in the investee's net assets as an adjustment to investments, with a corresponding amount debited to capital surplus; the amount was NT$338 thousand.

In 2010, Sagitta invested US$16,035 thousand and acquired 49% equity of Chaohu Yunhai Magnesium Co., Ltd. which is engaged in manufacturing and selling dolomite, aluminum, magnesium alloy and other alkaline-earth metal. The difference of NT$3,134 thousand between that cost and the Group's share in the investee's net assets was goodwill. But the Group recognized impairment loss because of the uncertainty of future profit. In 2011, the Group increased investment by NT$235,890 thousand (US$7,765 thousand) with the same percentage of ownership in the investee.

In July 2011, the Company invested NT$50,000 thousand and acquired 40% equity of Kon-Cheng which is engaged in manufacturing and selling of plastic products. The difference of NT$4,170 thousand between the cost and the Company's share in the investee's net assets is amortized over 5 years. As of December 31, 2011, the unamortized amount was NT$3,753 thousand.

Investment income (loss) recognized under the equity method was as follows:

	Year Ended December 31	
	2011	**2010**
Epileds	$ 17,956	$ 19,174
Sinher	54,030	73,878
Chaohu Yunhai	50,592	(1,936)
Yue-Kang	(3,553)	(1,053)
Kon-Cheng	3,079	-
	$ 122,104	$ 90,063

11. PROPERTY, PLANT AND EQUIPMENT, LAND USE RIGHTS AND OTHER ASSETS - OTHER

a. Property, plant and equipment

Accumulated depreciation was as follows:

	December 31	
	2011	**2010**
Buildings	$ 1,697,020	$ 1,225,967
Machinery and equipment	7,064,900	5,306,857
Transportation equipment	41,252	45,937
Furniture and fixtures	417,283	303,923
Rental assets	87,513	81,815
Leasehold improvement	6,964	5,647
Miscellaneous equipment	162,377	132,131
	$ 9,477,309	$ 7,102,277

Information about capitalized interest was as follows:

	Year Ended December 31, 2011
Amount of interest	$ 263,257
Capitalized interest	9,400
Interest expense	$ 253,857
Capitalization rates	0.867%-1.97%

Aquila Suzhou leases building from Hwa-Sheng Technology (Suzhou) Co., Ltd. For the related information please see Note 23.

The Group has leased out a portion of factory buildings and land (included in rental assets) to other companies since 2002. The net book values of these properties were as follows:

	December 31	
	2011	2010
Land	$ 159,748	$ 159,748
Buildings	155,226	155,058
	314,974	314,806
Revaluation increment	43,615	43,615
	358,589	358,421
Less: Accumulated depreciation	87,513	81,815
	$ 271,076	$ 276,606

The Company revalued its land in July 1993 and September 1995 resulting in a revaluation increment of NT$43,615 thousand. The net revaluation increment of NT$20,714 thousand, less reserve for land value increment tax of NT$22,901 thousand, was credited to equity as unrealized revaluation increment; of which NT$20,000 thousand was subsequently transferred to capital.

The ROC government revised the Land Tax Act, resulting in the permanent reduction of the land value increment tax from February 1, 2005. Thus, the Company reduced its reserve for land value increment tax by NT$10,305 thousand and increased as unrealized revaluation increment account in equity by the same amount in 2005.

The lease agreements on the above rental properties will expire in February 2017. The Group recognized rental income of NT$19,316 thousand and NT$15,066 thousand for the years ended December 31, 2011 and 2010, respectively. Estimated minimum rental income in future years is as follows:

Year	**NT$**
2012	$ 16,754
2013	14,640
2014	14,220
2015	7,400
2016 and later	8,400

For future capacity expansion and operating plan, the Board of Directors' meeting approved to authorize the chairman to enter an auction held by court in April 2008. The Company acquired land, buildings and machinery amounting to NT$742,542 thousand which are located at Bentian Rd., Tainan City, ROC from the auction. Because the acquired machinery cannot be used for the Company's industry, the Company sold the acquired machinery to third party amounting to NT$160,000 thousand (sales tax excluded). The remainder, including land and buildings, amounting to NT$582,542 thousand were accounted for as construction in progress and prepayments for equipment. On July 31, 2010, the buyer had removed the machinery and pays the rent amounting to NT$340 thousand every month (before March 31, 2010, rent was NT$535 thousand every month). The machinery was removed, but buildings were under reconstruction, so the properties were not yet ready for use and presented as construction in progress and prepayments for equipment as of December 31, 2011.

For future capacity expansion, the Company acquired land amounting to NT$1,120,804 thousand which is located at Yung-Kang Technology Industrial Park in February 2011, and acquired land amounting to NT$124,352 thousand which is located at Tainan Technology Industrial Park in March 2011. The ownership transfer and registration process of the land had been completed.

Because of the uncertain operation of WIT Technology (Taizhan) Co., Ltd., the Group recognized impairment loss of NT$122,604 thousand in the fourth quarter of 2011.

b. Land use rights

In April 2000, the Company obtained the usage right of the land on which its buildings are situated under an agreement with Taiwan Sugar Corporation which will expire in 2050. The annual rental is 10% of the government appraised price of the land. The Company is required to pay for the land use right every twenty years, as determined by the government. The Company had paid the cost of NT$21,140 thousand as of December 31, 2011, and the unamortized balance was NT$9,009 thousand and NT$10,090 thousand as of December 31, 2011 and 2010, respectively.

At the expiration of the rights are over, the Company should remove all the ground objects and return the land to Taiwan Sugar Corporation.

Catcher Suzhou, Topo Suzhou and Meeca Suzhou obtained the usage rights on the land on which their buildings stand under agreements with the Suzhou Industrial Park and Catcher Suqian obtained the usage rights on the land on which their buildings stand under agreements with the Suzhou Suqian Industrial Park which will expire in 2059. The rights were paid in the year the agreement was signed. As of December 31, 2011 and 2010, Catcher Suzhou, Topo Suzhou Meeca Suzhou, and Catcher Suqian had paid RMB101,207 thousand, the unamortized balance was NT$420,982 thousand (RMB87,616 thousand) and NT$396,332 thousand (RMB89,657 thousand), respectively, presented as land use rights.

c. Other assets - other

For the construction of operating headquarters and center for research and development, the Company acquired land located in Neihu District, Taipei City, ROC for NT$507,106 thousand in November 2009. The land is recorded as other assets, because the development and construction have not yet started.

12. SHORT-TERM LOANS

	December 31 2011	December 31 2010
Secured loans: Interest at 0.5544%-1.25% in 2011 and 0.35344%-1.3247% in 2010	$ 5,026,302	$ 6,458,529
Unsecured loans: Interest at 0.888%-2.41% in 2011 and 0.8019%-2.686% in 2010	6,357,750	4,098,623
Usance letters of credit: Interest at 0.5893%-1.35% in 2011 and 0.601%-0.72% in 2010	5,656,139	1,226,889
	$ 17,040,191	$ 11,784,041

13. LONG-TERM DEBT

	December 31 2011	December 31 2010
Unsecured loans: Repayable in May 2014, interest rate at 0.53844%-0.9975%	$ 2,545,870	$ -
Secured loans: Repayable in April 2014, interest rate at 1.244%	1,000,000	-
Secured loans: Repayable in 48 equal monthly installments starting September 2009 to August 2013, interest rate at 1.055% in 2011 and 0.821% in 2010	406,667	656,667
Secured loans: Repayable in 48 equal monthly installments starting January 2010 to December 2013, interest rate at 1.061% in 2011 and 0.824% in 2010	900,000	1,350,000
Secured loans: Repayable in May 2011, interest rate at 0.655%	-	1,077,740
Unsecured loans: Repayable in February 2012, interest rate at 0.73906%	71,470	-
	4,924,007	3,084,407
Less: Current portion due within one year	953,255	1,777,740
	$ 3,970,752	$ 1,306,667

14. BONDS PAYABLE

First Domestic Unsecured Bond

In December 2009, the Company issued five-year (maturity date of December 8, 2014) domestic unsecured convertible bonds at par value of NT$5,000,000 thousand, zero coupon rate and effective interest at 1.5%. Upon maturity, the Company should redeem the remaining bonds at their face value. The bonds were deemed as compound financial instruments. The compound financial instruments were separated and presented as follows:

	December 31 2011	December 31 2010
Liability component		
Unsecured bonds payable	$ 6,500	$ 5,000,000
Deduct: Discount of bonds payable (1.5% effective rate)	282	288,234
	$ 6,218	$ 4,711,766
Financial liabilities held for trading: Call and put option	$ -	$ 16,700

(Continued)

	December 31	
	2011	2010
Equity component		
Capital surplus - stock option of convertible bonds	$ 378	$ 290,909

(Concluded)

Except as provided below, the bondholders are entitled to convert the convertible bonds into common stocks of the Company from next month after the issuance date to ten days before the maturity date. The conversion price was NT$106.73 per share.

Periods restricted for conversion:

a. Period from at least fifteen trading days prior to the non-transferring declaration date of stock dividends, cash dividends or capital increase by cash contribution to the granted date of the distribution of dividends;

b. Period from the granted date of capital reduction to one trading day prior to replacement of old share certificates by new ones;

c. Other stipulated non-transferring periods.

After issuing the bonds, conversion prices should be adjusted if the Company increases capital by contributing cash, stock dividends, capital surplus, employees' bonus, consolidation or acquisition, stock split and issuing of GDR, etc., except stock issued from exercise of conversion option of bonds. The conversion price was adjusted to NT$102.06 per share because of cash dividends for 2011 and 2010.

The bondholders can request the Company to redeem at 101.0025% of par value (0.5% effective rate) on December 8, 2011 (the day after two years from issuance date). In accordance with Accounting Research and Development Foundation guidance No. 290 issued on December 8, 2006, the bondholders can exercise put option within one year; therefore the Company reclassified bonds payable as current liability as of December 31, 2010. However, the bondholders had not exercised put option on that day; thus, the Company reclassified bonds payable as noncurrent as of December 31, 2011.

The convertible bonds may be redeemed at par value under the following conditions:

a. Between June 9, 2010 and October 29, 2014, the outstanding balance is lower than 10% of the original issuance amounts.

b. Between June 9, 2010 and October 29, 2014, if the closing price of the Company's stock reaches 130% of the conversion price for 30 consecutive trading days.

The Company recognized the related valuation gain of NT$15,402 and NT$52,350 thousand as valuation gain on financial liabilities as of December 31, 2011 and 2010, respectively.

As of December 31, 2011, bonds with aggregate face value of NT$4,993,500 thousand had been converted into the Company's common shares as follows:

	Year Ended December 31, 2011
The total amount of bonds converted	$ 4,993,500
Less: Common shares at conversion price of NT$103.81	477,085
Less: Common shares at conversion price of NT$102.06	3,997
Premium on conversion	4,512,418
Add: Capital surplus - stock option of convertible bonds	290,531
Financial liabilities at FVTPL	1,298
Less: Discount of bonds payable	261,335
The portion of issued common stock recognized as capital surplus - bond conversion premium	$ 4,542,912

As of December 31, 2011, the above 48,108 thousand common shares were issued to the bondholders and recorded as common stock amounting to NT$481,082 thousand. The registration process of the above common shares with the government had been completed in February 2012.

Second Domestic Unsecured Bond

On April 27, 2011, the Company issued five-year (maturity date of April 27, 2016) domestic unsecured convertible bonds at par value of NT$4,500,000 thousand, zero coupon rate and effective interest at 1.2%. Upon maturity, the Company should redeem the remaining bonds at their face value. The bonds were deemed as compound financial instruments. The compound financial instruments were separated and presented as follows:

	December 31, 2011
Liability component	
Unsecured bonds payable	$ 3,667,200
Deduct: Discount of bonds payable (1.2% effective rate)	231,596
	$ 3,435,604
Financial liabilities held for trading: Call and put option	$ 48,040
Equity component	
Capital surplus - stock option of convertible bonds	$ 215,758

Except as provided below, the bondholders are entitled to convert the convertible bonds into common stocks of the Company from next month after the issuance date to ten days before the maturity date. The original conversion price was NT$202 per share.

Periods restricted for conversion:

a. Period from at least fifteen trading days prior to the non-transferring declaration date of stock dividends, cash dividends or capital increase by cash contribution to the granted date of the distribution of dividends;

b. Period from the granted date of capital reduction to one trading day prior to replacement of old share certificates by new ones;

c. Other stipulated non-transferring periods.

After issuing the bonds, conversion prices should be adjusted if the Company increases capital by contributing cash, stock dividends, capital surplus, employees' bonus, consolidation or acquisition, stock split and issuing of GDR, etc., except stock issued from exercise of conversion option of bonds. The conversion price was adjusted to NT$198.59 per share because of cash dividends for 2011.

The bondholders can request the Company to redeem at 101.5056% of par value (0.75% effective rate) and 102.2669% on April 27, 2013 (the day after two years from issuance date) and 2014 (the day after three years from issuance date), respectively.

The convertible bonds may be redeemed at par value under the following conditions:

a. Between October 28, 2011 and March 18, 2016, the outstanding balance is lower than 10% of the original issuance amounts.

b. Between October 28, 2011 and March 18, 2016, if the closing price of the Company's stock reaches 130% of the conversion price for 30 consecutive trading days.

In accordance with SFAS No. 36, the Company has bifurcated the bonds into a liability component and an equity component.

In the second quarter of 2011, the Company recognized NT$264,756 thousand as capital surplus - stock option of convertible bonds.

The Company recognized the related valuation gain of NT$6,399 thousand as valuation gain on financial liabilities as of December 31, 2011.

As of December 31, 2011, bonds with aggregate face value of NT$832,800 thousand had been converted into the Company's common shares as follows:

	Year Ended December 31, 2011
The total amount of bonds converted	$ 832,800
Less: Common shares at conversion price of NT$202	41,227
Premium on conversion	791,573
Add: Capital surplus - stock option of convertible bonds	48,998
Financial liabilities at FVTPL	3,097
Less: Discount of bonds payable	57,184
The portion of issued common stock recognized as capital surplus - bond conversion premium	$ 786,484

As of December 31, 2011, the above 4,123 thousand common shares were issued to the bondholders and recorded as common stock amounting to NT$41,227 thousand. The registration process of the above common shares with the government had been completed.

15. PENSION PLAN

The pension plan under the Labor Pension Act (the "LPA") is a defined contribution plan. Based on the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Such pension costs were NT$34,204 thousand and NT$20,285 thousand for the years ended December 31, 2011 and 2010, respectively.

Catcher Suzhou, Topo Suzhou, Meeca Suzhou, Aquila Suzhou and Catcher Suqian contribute a definite percentage of employees' basic salary to a government pension fund. The pensions are paid to retired employees directly on the basis of basic monthly salaries and length of service. The Group recognized pension costs of NT$287,008 thousand and NT$133,197 thousand for the years ended December 31, 2011 and 2010, respectively.

Based on the defined benefit plan under the LSL, pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. The pension fund is deposited in the Bank of Taiwan in the committee's name. The Company recognized pension gain of NT$65 thousand (recognized as non-operating income and gains) and cost of NT$1,067 thousand for the years ended December 31, 2011 and 2010, respectively.

Information about the defined benefit pension was as follows:

a. Components of net periodic pension cost

	Year Ended December 31	
	2011	**2010**
Service cost	$ 386	$ 367
Interest cost	1,011	1,434
Projected return on pension assets	(1,362)	(1,282)
Amortization	(100)	548
Net periodic pension cost (gain)	$ (65)	$ 1,067

b. Reconciliation of the funded status of the plan and accrued pension cost

	December 31	
	2011	**2010**
Benefit obligation		
Vested benefits obligation	$ 2,814	$ -
Non-vested benefits obligation	38,049	42,434
Accumulated benefit obligation	40,863	42,434
Additional benefits based on future salaries	12,832	8,111
Projected benefit obligation	53,695	50,545
Fair value of plan assets	(65,908)	(66,897)
Funded status	(12,213)	(16,352)
Unrecognized net transition obligation	-	(230)
Unrecognized net gain	6,550	12,939
Prepaid pension cost (recognized as other assets - other)	$ (5,663)	$ (3,643)
Vested benefits	$ 3,568	$ -

c. Actuarial assumptions

	December 31	
	2011	**2010**
Discount rate used in determining present values	2.00%	2.00%
Future salary increase rate	2.00%	1.25%
Expected rate of return on plan assets	2.00%	2.00%

	Year Ended December 31	
	2011	**2010**
d. Contributions to the fund	$ 1,955	$ 2,729
e. Payments from the fund	$ 3,748	$ -

16. STOCKHOLDERS' EQUITY

Issuance of Global Depositary Receipts (GDRs)

In June 2011, the Company increased its capital by listing its shares in the form of Global Depositary Receipts ("GDRs"). Each GDR was issued at US$32.84 and represented 5 common shares. The issued units of GDRs were 6,700 thousand units representing 33,500 thousand common shares. The registration process had been completed.

Capital Surplus

Under the Company Law, capital surplus can only be used to offset a deficit. However, the capital surplus from share issued in excess of par (additional paid-in capital from issuance of common shares and conversion of bonds and bonus to employees - stock) may be capitalized, which however is limited to a certain percentage of the Company's paid-in capital. Under the revised company Law issued on January 4, 2012, the aforementioned capital surplus also may be distributed in cash. The capital surplus from long-term investments may not be used for any purpose.

Appropriation of Earnings and Dividend Policy

The Company's Articles of Incorporation provide that the annual net income should be appropriated as follows:

a. Offset against deficit, if any;

b. 10% of the remainder as legal reserve, until the accumulated amount equals paid-in capital;

c. Special reserve may be appropriated as required;

d. The remainder, no more than 1% as remuneration to directors and supervisors; not less than 1% as bonus to employees. The Company may issue stock bonuses to employees of an affiliated company meeting the conditions set by the management and the balance shall be distributed to stockholders as proposed by the board of directors.

The Company is still in the growing stage and is continuing to expand its operation scale considering the viability of economic situation. The board of directors shall focus on the stable and growing dividends in proposing the appropriation of annual earnings. However, the cash dividends shall not be less than 10% of the dividends and the cash dividends shall not be distributed if the dividend per share is less than NT$0.50.

For the years ended December 31, 2011 and 2010, the bonus to employees was NT$106,772 thousand and NT$44,298 thousand representing 1% of net income (net of the bonus to employees and bonus to directors and supervisors). The bonus to directors and supervisors was NT$3,085 thousand and NT$3,400 thousand estimated based on the actual amounts of prior year appropriation. If the actual amounts subsequently resolved by the stockholders differ from the proposed amounts, the differences are recorded in the year of stockholders' resolution as a change in accounting estimate. If a share bonus is resolved to be distributed to employees, the number of shares is determined by dividing the amount of the share bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day immediately preceding the stockholders' meeting.

Based on a directive issued by the Securities and Futures Bureau, an amount equal to the net debit balance of certain stockholders' equity accounts (including unrealized revaluation increment, unrealized gain or loss on financial instruments, net loss not recognized as pension cost, cumulative translation adjustments) shall be transferred from unappropriated earnings to a special reserve. Any special reserve appropriated may be reversed to the extent of the decrease in the net debit balance.

Legal reserve shall be appropriated until it has reached the Company's paid-in capital. This reserve may be used to offset a deficit. Under the revised Company Law issued on January 4, 2012, when the legal reserve has exceeded 25% of the company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Except for non-ROC resident stockholders, all stockholders receiving dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Company.

The appropriations of earnings for 2010 and 2009 had been approved in the stockholders' meetings on June 24, 2011 and June 25, 2010, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		**Dividends Per Share**	
	2010	**2009**	**2010**	**2009**
Legal reserve	$ 442,984	$ 332,008		
Special reserve	858,793	-		
Cash dividends	2,761,183	1,329,817	$ 3.68	$ 2.00
	$ 4,062,960	$ 1,661,825		

The bonus to employees and the remuneration to directors and supervisors for 2010 and 2009 approved in the stockholders' meetings on June 24, 2011 and June 25, 2010, respectively, were as follows:

	Year Ended December 31			
	2010		**2009**	
	Cash	**Stock**	**Cash**	**Stock**
Bonus to employees	$ 44,298	$ -	$ 33,201	$ -
Remuneration to directors and supervisors	3,085	-	3,400	-
	$ 47,383	$ -	$ 36,601	$ -

	Year Ended December 31			
	2010		2009	
	Bonus to Employees	Remuneration to Directors and Supervisors	Bonus to Employees	Remuneration to Directors and Supervisors
Amounts approved in shareholders' meetings	$ 44,298	$ 3,085	$ 33,201	$ 3,400
Amounts recognized in respective financial statements	44,298	3,400	33,201	3,400

The differences between the approved amounts of the bonus to employees and the remuneration to directors and supervisors and the accrual amounts reflected in the financial statements for the years ended December 31, 2010 and 2009 were primarily due to changes in estimates.

As of March 7, 2012, the board of directors had not proposed appropriations of earnings for 2011.

Information on the bonus to employees, directors and supervisors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

Unrealized Gain or Loss on Financial Instruments

For the years ended December 31, 2011 and 2010, movements of unrealized gain or loss on financial instruments were as follows:

	Available-for-sale Financial Assets	
	2011	2010
Balance, beginning of year	$ (59,187)	$ 601
Recognized in shareholders' equity	(87,147)	(52,138)
Transferred to profit or loss	134,690	(7,650)
Balance, end of year	$ (11,644)	$ (59,187)

Unrealized Revaluation Increment on Properties

Unrealized revaluation increment on properties cannot be used for any purpose, and will be transferred into profits or losses when the revalued assets were disposed of.

17. INCOME TAX

a. A reconciliation of income tax expense based on income before income tax at statutory tax rate and income tax expense was as follows:

	Year Ended December 31	
	2011	2010
Consolidated income tax based on income before income tax at statutory tax rate	$ 2,802,059	$ 626,190
Add (deduct) tax effects of:		
Temporary differences		
Depreciation	(19,571)	(6,783)
Unrealized foreign exchange loss (gain)	(24,606)	9,313

(Continued)

	Year Ended December 31	
	2011	2010
Inventory loss	$ 1,751	$ 12,181
Others	22,384	(12,619)
	(20,042)	2,092
Permanent differences		
Withholding tax on remittance of earnings	307,527	-
Impairment loss	23,805	-
Amortization of discount on bonds payable	11,072	12,000
Tax-exempt income	(12,570)	-
Valuation gain on financial instruments	(3,706)	(8,900)
Others	(898)	6,285
	325,230	9,385
Tax of 10% on undistributed earnings	36,688	165,526
Loss carryforwards used	-	(44,630)
Research and development tax credits from China	(45,824)	-
Investment tax credits	(90,496)	(39,773)
	(136,320)	(39,773)
Current income tax expense	3,007,615	718,790
Deferred income tax expense		
Temporary differences	19,916	(2,208)
Loss carryforwards	-	45,608
Effect of tax law changes on deferred income tax	(6,767)	(8,484)
Prior year's tax adjustments	13,867	(10,704)
Effects of exchange rate changes	5,733	(3,083)
	$ 3,040,364	$ 739,919

(Concluded)

The above depreciation difference resulted from using different methods in machinery and equipment depreciation, i.e., the Company used the straight-line method for financial reporting, but used the fixed-percentage on declining balance method for tax reporting.

Under Article 10 of the Statute for Industrial Innovation passed by the Legislative Yuan in April 2010, a profit-seeking enterprise may deduct up to 15% of its research and development expenditures from its income tax payable for the fiscal year in which these expenditures are incurred, but this deduction should not exceed 30% of the income tax payable for that fiscal year. This incentive took effect from January 1, 2010 and is effective till December 31, 2019.

In May 2010, the Legislative Yuan passed the amendment of Article 5 of the Income Tax Law, which reduced a profit-seeking enterprise's income tax rate from 20% to 17%, effective January 1, 2010.

Catcher Suzhou, Topo Suzhou, Meeca Suzhou and Aquila Suzhou were within the three-year partial income tax holiday. The tax rate of Catcher Suzhou is 24% and 22% in 2011 and 1010, respectively. The tax rate of Topo Suzhou is 24% and 11% in 2011 and 2010, respectively. The tax rate of Meeca Suzhou is 12% and 11% in 2011 and 2010, respectively. The tax rate of Aquila Suzhou is 25% and 12.5% in 2011 and 2010, respectively. The tax rate of Catcher Suqian and WIT Taizhou is 25%.

b. Deferred income tax assets (liabilities) as of December 31, 2011 and 2010 were as follows:

	December 31	
	2011	**2010**
Current		
Deferred income tax assets		
Provision for loss on inventories	$ 75,768	$ 60,043
Unrealized intercompany profit	1,068	942
Unrealized foreign exchange loss	-	11,293
Others	31,173	15,226
	108,009	87,504
Deferred income tax liabilities		
Unrealized valuation gain on financial assets	(29,268)	(23,042)
Unrealized foreign exchange gain	(13,313)	-
	(42,581)	(23,042)
Deferred income tax assets - current, net	65,428	64,462
Noncurrent		
Deferred income tax assets		
Unrealized intercompany profit	1,621	1,428
Others	19	66
	1,640	1,494
Deferred income tax liabilities		
Depreciation difference	(63,542)	(49,281)
Deferred income tax liabilities - noncurrent, net	(61,902)	(47,787)
Deferred income tax asset, net	$ 3,526	$ 16,675

The deferred income tax asset, net was shown in balance sheet as follows:

	December 31	
	2011	**2010**
Deferred income tax asset - current	$ 103,972	$ 87,505
Deferred income tax liabilities - current	(38,544)	(23,043)
Deferred income tax asset - noncurrent	4,004	3,684
Deferred income tax liabilities - noncurrent	(65,906)	(51,471)
	$ 3,526	$ 16,675

The Company’s management resolved that the unappropriated retained earnings of overseas investees as of December 31, 2011 would be used for permanent investment to support investees’ operating fund；this was approved by the board of directors on March 7, 2012. Therefore, no deferred income tax liabilities on the investment income were recognized.

A portion of the Company’s income from the manufacture of plastic and metal products, electronic components, computer, electronic product and optics product etc. is exempt from income tax for five years ending December 2015.

c. The Company's tax returns through 2009 had been assessed by the tax authorities.

d. Information about integrated income tax was as follows:

	December 31 2011	December 31 2010
Unappropriated earnings generated before December 31, 1997	$ 11,609	$ 11,609
Unappropriated earnings generated on and after January 1, 1998	24,759,090	18,144,817
	$ 24,770,699	$ 18,156,426

As of December 31, 2011 and 2010, the balances of the imputation credits which can be allocated to the stockholders amounted to NT$828,950 thousand and NT$865,187 thousand, respectively.

The creditable ratio for distribution of earnings of 2011 and 2010 was 5.81% (estimate) and 5.76%, respectively.

For distribution of earnings generated after January 1, 1998, the ratio for the imputation credits allocated to the stockholders of the Company is based on the balance of the ICA as of the date of dividend distribution. The expected creditable ratio for the 2011 earnings may be adjusted, depending on the ICA balance on the date of dividend distribution.

Nonresident stockholders can only be allowed a tax credit from the 10% income tax on the unappropriated earnings, which can be used as deduction of the withholding income tax on dividends paid.

18. PERSONNEL, DEPRECIATION AND AMORTIZATION EXPENSES

	Year Ended December 31					
	2011			2010		
	Cost of Sales	Operating Expense	Total	Cost of Sales	Operating Expense	Total
Personnel expenditures						
Salary	$ 5,156,644	$ 1,946,497	$ 7,103,141	$ 3,909,499	$ 1,159,224	$ 5,068,723
Labor and health insurance	63,107	9,195	72,302	34,984	6,954	41,938
Pension	275,825	45,387	321,212	127,993	26,556	154,549
Others	621,876	137,882	759,758	445,324	116,100	561,424
	$ 6,117,452	$ 2,138,961	$ 8,256,413	$ 4,517,800	$ 1,308,834	$ 5,826,634
Depreciation	$ 2,269,608	$ 196,462	$ 2,466,070	$ 1,754,984	$ 190,498	$ 1,945,482
Amortization	62,397	35,816	98,213	54,834	34,284	89,118

19. EARNINGS PER SHARE (EPS)

The numerators and denominators used in calculating EPS for the years ended December 31 2011 and 2010 were as follows:

a. Numerator, net income attributable to stockholders of parent company

	Year Ended December 31			
	2011		2010	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
Consolidated net income	$ 13,709,843	$ 10,677,233	$ 5,166,419	$ 4,429,844
Effect of dilutive potential common shares - convertible bonds	43,328	43,188	18,239	18,073
Diluted earnings	$ 13,753,171	$ 10,720,421	$ 5,184,658	$ 4,447,917

b. Denominator - thousand shares

	Year Ended December 31	
	2011	2010
The weighted average number of shares outstanding at beginning of year	664,909	664,909
Add: the weighted average number of shares from convertible bonds	31,609	-
Add: the weighted average number of shares from GDRs	18,540	-
	715,058	664,909
Add: Potential dilutive common stock - bonus to employees	899	642
Effect of dilutive potential common shares - convertible bonds	39,152	48,165
	755,109	713,716

The ARDF issued Interpretation 2007-052 that requires companies to recognize bonuses paid to employees, directors and supervisors as compensation expenses beginning January 1, 2008. These bonuses were previously recorded as appropriations from earnings. If the Company may settle the bonus to employees by cash or shares, the Company should presume that the entire amount of the bonus will be settled in shares and the resulting potential shares should be included in the weighted average number of shares outstanding used in the calculation of diluted EPS, if the shares have a dilutive effect. The number of shares is estimated by dividing the entire amount of the bonus by the closing price of the shares at the balance sheet date. Such dilutive effect of the potential shares should be included in the calculation of diluted EPS until the stockholders resolve the number of shares to be distributed to employees at their meeting in the following year.

20. FINANCIAL INSTRUMENTS

a. Fair values of financial instruments

	December 31			
	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets				
Financial assets at fair value through profit or loss - current	$ 117,765	$ 117,765	$ 124,626	$ 124,626
Available-for-sale financial assets - current and noncurrent	1,411,551	1,411,551	697,689	697,689
Liabilities				
Financial liabilities at fair value through profit or loss - current	49,508	49,508	16,700	16,700
Long-term debt (including current portion)	4,924,007	4,924,007	3,084,407	3,084,407
Bonds payable (including current portion)	3,441,822	3,441,822	4,711,766	4,711,766

b. Methods and assumptions used to estimate the fair values of financial instruments were as follows:

1) The aforementioned financial instruments excluded cash and cash equivalents, accounts receivable, other receivable, refundable deposits, restricted assets - current and noncurrent, short-term loans, notes payable, accounts payable, accounts payable - related parties, accrued expenses and guarantee deposit received. The carrying amounts of these financial instruments approximate their fair values because of their short maturities.

2) Fair values of financial instruments designated as at FVTPL and available-for-sale financial assets are based on their quoted prices in an active market. For those instruments with no quoted market prices, their fair values are determined using valuation techniques incorporating estimates and assumptions consistent with those generally used by other market participants to price financial instruments.

3) Fair value of long-term debt is based on the present value of expected cash flows, which approximates the carrying amount.

4) Fair value of bonds payable is estimated using the present value of future cash flows discounted by the interest rates the Company may obtain for similar loans.

c. Fair values of financial assets and liabilities based on quoted market prices or valuation techniques were as follows:

	Quoted Market Prices December 31		Valuation Techniques December 31	
	2011	**2010**	**2011**	**2010**
Assets				
Financial assets at FVTPL - current	$ -	$ -	$ 117,765	$ 124,626
Available-for-sale financial assets - current and noncurrent	1,343,321	524,310	68,230	173,379
Liabilities				
Financial liabilities at FVTPL - current	-	-	49,508	16,700

d. Valuation gains (losses) from changes in fair value of financial instruments determined by using valuation techniques were gain of NT$13,472 thousand and gain of NT$176,976 thousand for the years ended December 31, 2011 and 2010, respectively.

e. As of December 31, 2011 and 2010, financial assets exposed to fair value interest rate risk amounted to NT$30,859,634 thousand and NT$17,242,883 thousand, respectively, financial liabilities exposed to fair value interest rate risk amounted to NT$3,441,822 thousand and NT$4,711,766 thousand, respectively, financial assets exposed to cash flow interest rate risk amounted to NT$9,576,745 thousand and NT$4,526,456 thousand, respectively, and financial liabilities exposed to cash flow interest rate risk amounted to NT$21,964,198 thousand and NT$14,868,448 thousand, respectively.

f. The interest income (expense) associated with financial assets (liabilities) other than those at FVTPL was as follows:

	Year Ended December 31	
	2011	**2010**
Total interest income	$ 380,149	$ 226,371
Total interest expense (including capitalized interest)	263,257	206,385

g. Financial risk

1) Market risk

The Group invested in mutual funds and domestic convertible bonds which fair values were determined by quoted market price. Fair value of these financial assets as of December 31, 2011 will decrease by NT$13,433 thousand when their quoted market prices decrease by 1%.

2) Credit risk

Credit risk represents the potential loss that would be incurred by the Group if the counterparties breached contracts. The Group's financial instruments are affected by its credit risk concentration, component, contract amounts and other receivable. Financial instruments with positive fair values at the balance sheet date are evaluated for credit risk; as of December 31, 2011 and 2010, the maximum credit exposures and carrying value are the same.

Information on credit risk concentration as of December 31, 2011 and 2010 was as follows:

	December 31			
	2011		2010	
	Carrying Amount	Maximum Exposure to Credit Risk	Carrying Amount	Maximum Exposure to Credit Risk
A Company	$ 3,085,217	$ 3,085,217	$ 1,254,064	$ 1,254,064
B Company	2,265,861	2,265,861	3,045,902	3,045,902
C Company	1,405,174	1,405,174	-	-
D Company	964,021	964,021	422,344	422,344
Others	4,655,443	4,655,443	4,807,326	4,807,326
	$ 12,375,716	$ 12,375,716	$ 9,529,636	$ 9,529,636

The counterparties to the foregoing financial instruments are reputable business organizations. Management does not expect the Group's exposure to default by those parties to be material.

3) Liquidity risk

The Group's operating funds and bank loan credit line are deemed sufficient to meet the cash flow demand, therefore, liquidity risk is not considered to be significant.

The Group's investments in mutual funds and domestic convertible bonds are traded in active markets and can be disposed of quickly at close to their fair values. The Group's investments in other equity instruments have no active markets; therefore, the liquidity risk is expected to be high.

4) Cash flow interest rate risk.

The Group's bank deposits and short- and long-term loans are floating-rate deposits and loans. When the market interest rate increases by one percent, the Group's cash outflow will increase by NT$123,875 thousand a year.

21. RELATED PARTY TRANSACTIONS

a. Related parties and their relationships with the Group

Related Party	Relationship with the Group
Kon-Cheng Accuracy Co., Ltd. (Kon-Cheng)	Equity-method investee in July 2011- 40% shareholding

b. Significant transactions with related parties:

For the year ended December 31, 2011, the Company's purchases from Kon-Cheng amounted to NT$34,259 thousand. The purchase prices were not different from those with third parties; payment term was 120 days after monthly closing. As of December 31, 2011, the unpaid balance was NT$35,971 thousand.

c. Compensation of directors, supervisors and management personnel:

	Year Ended December 31	
	2011	2010
Salaries	$ 25,372	$ 32,405
Incentives	98,544	2,360
Special compensation	599	-
Bonus	48,413	27,099
	$ 172,928	$ 61,864

22. MORTGAGED OR PLEDGED ASSETS

The Group's assets mortgaged or pledged as collaterals for short and long-term loans were as follows:

	December 31	
	2011	2010
Land	$ 1,120,804	$ -
Rental assets, including the revaluation increment	205,994	210,498
Construction in progress and prepayments for equipment	596,813	596,813
Restricted assets - pledged time deposits (current and noncurrent)	244,698	3,118,328
Restricted assets - pledged savings accounts (current)	-	1,407,212
	$ 2,168,309	$ 5,332,851

23. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

In addition to those disclosed in Notes 5, 11 and 14, significant commitments and contingencies of the Group as of December 31, 2011 were as follows:

a. Aquila Suzhou entered into an agreement to lease building from Hwa-Sheng Technology (Suzhou) Co., Ltd. The leasing period is from November 2010 to October 2015 and the rentals are as follows:

Year	Amount	
2012	$ 10,253	(RMB2,134 thousand)
2013	10,253	(RMB2,134 thousand)
2014	10,765	(RMB2,240 thousand)
2015 and later	8,971	(RMB1,867 thousand)
	$ 40,242	

b. The unbilled amounts for purchases of properties and materials were NT$7,342,898 thousand and NT$5,184 thousand, respectively.

c. Unused letters of credit amounted to NT$144,973 thousand.

d. Guarantees for letters of credit provided by the Company to Avatar, Gigamag and Orion amounted to NT$6,612,000 thousand.

24. EXCHANGE RATE INFORMATION OF FOREIGN-CURRENCY FINANCIAL ASSETS AND LIABILITIES

The significant foreign currency financial assets and liabilities were as follows:

	December 31					
	2011			2010		
	Foreign Currency	Exchange Rate	New Taiwan Dollars	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial assets						
Monetary items						
RMB	$ 3,835,840	4.8046-4.8049	$ 18,430,452	$ 1,754,736	4.4205	$ 7,756,810
USD	1,095,975	30.225-30.275	33,164,215	789,342	29.08-29.28	23,035,365
JPY	52,629	0.3886-0.3905	20,543	23,562	0.3554-0.3562	8,381
EUR	3,702	39.05-39.98	144,592	242	38.72-38.93	9,405
Non-monetary items						
RMB	24,366	4.8049	117,073	28,193	4.4205	124,625
USD	14,433	30.275	436,949	3,992	29.13	116,291
Investments accounted for by the equity method						
RMB	166,815	4.8049	801,523	106,563	4.4205	471,066
Financial liabilities						
Monetary items						
RMB	686,246	4.8049	3,297,341	663,536	4.4205	2,993,160
USD	277,281	30.275-30.325	8,395,169	329,501	29.13-29.28	9,632,615
JPY	34,053,221	0.3897-0.3926	13,302,801	13,351,532	0.3583-0.3602	4,784,009

25. ADDITIONAL DISCLOSURES

a. The following are additional disclosures for the Company and its affiliates as required by the ROC Securities and Futures Bureau:

1) Financing provided to others for the year ended December 31, 2011: Please refer to Table 1.

2) Endorsement/Guarantee provided to others for the year ended December 31, 2011: Please refer to Table 2.

3) Securities held as of December 31, 2011: Please refer to Table 3.

4) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$100 million or 20 percent of the capital stock for the year ended December 31, 2011: Please refer to Table 4.

5) Acquisition of individual real estate with amount exceeding the lower of NT$100 million or 20 percent of the capital stock for the year ended December 31, 2011: Please refer to Table 5.

6) Disposal of individual real estate with amount exceeding the lower of NT$100 million or 20 percent of the capital stock for the year ended December 31, 2011: None.

7) Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock for the year ended December 31, 2011: Please refer to Table 6.

8) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of the capital stock as of December 31, 2011: Please refer to Table 7.

9) Names, locations and related information of investees as of December 31, 2011: Please refer to Table 8.

10) Financial instruments and derivative transactions: Please refer to Notes 5 and 14.

b. Investment in Mainland China

1) Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, percentage of ownership, investment income (loss), book value of investments, accumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Table 9.

2) Significant direct transactions and indirect transactions made through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition: Please refer to Table 10.

3) Endorsement/guarantee provided by the investee company: Please refer to Table 2.

4) Financing provided by the investee company: Please refer to Table 1.

5) Other transactions with significant influence on current period's profit or loss and financial status: None.

26. OPERATING SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, the Group's chief operating decision maker reviews operating results and financial information on a plant by plant basis with focus on the operating result of each plant. As each plant shares similar economic characteristics, produces similar products using similar production process and all products are distributed and sold to same level of customers through a central sales function, the Group's operating segments are aggregated into a single reportable segment. The Group's chief operating decision maker reviews segment information measured on the same basis as the financial statements. Information about reportable segment sales, profit or loss and assets refer to consolidated balance sheets and consolidated statements of income as of December 31, 2011 and 2010.

a. Geographical information

The Group operates in two principal geographical areas - Taiwan and China. The Group's revenue from external customers and noncurrent assets segregated by geographical location were as follows.

	Revenue from External Customers		**Noncurrent Assets**	
	Year Ended December 31		**December 31**	
	2011	**2010**	**2011**	**2010**
Taiwan	$ 8,379,987	$ 2,061,524	$ 7,212,201	$ 5,321,862
China	20,612,695	18,518,456	23,993,394	18,130,423
Mexico	2,649,335	-	-	-
Singapore	1,648,384	11,578	-	-
Hungary	1,573,622	-	-	-
United States	573,457	1,156,729	-	-
Others	476,362	96,351	-	-
	$ 35,913,842	$ 21,844,638	$ 31,205,595	$ 23,452,285

Noncurrent assets excluded those classified as financial instruments, deferred tax assets, and post-employment benefit assets.

b. Information about major customers

Customers that accounted for at least 10% of total sales were as follows:

	Year Ended December 31			
	2011		2010	
Sales to	Amount	% of Total Sales	Amount	% of Total Sales
Customer A	$ 8,067,117	22	$ 7,875,157	36
Customer B	7,752,424	22	1,755,017	8

27. PRE-DISCLOSURE FOR ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

Under Rule No. 0990004943 issued by the Financial Supervisory Commission ("FSC") on February 2, 2010, the Group's pre-disclosure information on the adoption of International Financial Reporting Standards ("IFRSs") was as follows:

a. On May 14, 2009, the FSC announced the "Framework for Adoption of International Financial Reporting Standards by Companies in the ROC." In this framework, starting 2013, companies with shares listed on the TSE or traded on the Taiwan GreTai Securities Market or Emerging Stock Market should prepare their financial statements in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, Interpretations and related guidance translated by the ARDF and issued by the FSC. To comply with this framework, the Group has set up a project team and made a plan to adopt the IFRSs. Leading the implementation of this plan is vice president for Corporate Finance. The main contents of the plan, anticipated schedule and status of execution as of December 31, 2011 were as follows:

Contents of Plan	Responsible Department	Status of Execution
Evaluation phase (from December 24, 2009 to December 31, 2011):		
1) Establish the IFRSs taskforce	Finance department	Completed
2) Set up the work plan for IFRSs adoption	Project team	Completed
3) Complete the identification of GAAP differences and impact	Project team	Completed
4) Complete the identification of consolidated entities under IFRSs	Finance department	Completed
5) Complete the impact evaluation of optional exemptions in IFRS 1 "First-time Adoption of International Financial Reporting Standard"	Project team	Completed
6) Complete the impact evaluation of the IT systems	Project team	Completed

(Continued)

Contents of Plan	Responsible Department	Status of Execution
Preparation phase (from January 1, 2011 to December 31, 2012):		
7) Determine IFRSs accounting policies	Finance department	Completed
8) Determine the selection of optional exemptions in IFRS 1 "First-time Adoption of International Financial Reporting Standard"	Finance department	Completed
9) Complete the impact to the modification of the relevant internal controls	Project team	Completed
Implementation phase (from January 1, 2012 to December 31, 2013):		
10) Complete the preparation of the opening date balance sheet under IFRSs	Finance department	In progress according to the plan
11) Prepare comparative financial information under IFRSs for 2012	Finance department	In progress according to the plan
12) Complete the modification of the relevant internal controls (including financial reporting process and related IT systems)	Project team	In progress according to the plan

(Concluded)

b. As of December 31, 2011, the material differences between the existing accounting policies and the accounting policies to be adopted under IFRSs were as follows:

Accounting Issues	Description of Differences
Deferred income tax on intercompany transactions	Under ROC GAAP, there is no mention about the tax rate to be used in the calculation of deferred income tax on intercompany unrealized gains or losses. Under IFRSs, intercompany unrealized gains or losses lead to a temporary difference that will result in taxable amounts in the future when the carrying amount of the asset is recovered or the liability is settled. Deferred income tax should be measured at the tax rates that are expected to be applied when the asset is realized or the liability is settled. The tax rate is usually the tax rate of the taxation jurisdiction of the buyer.
Employee benefit - defined benefit pension plan	1) Under ROC GAAP, it is not allowed to recognize actuarial gains and losses from defined benefit plans directly to equity; instead, actuarial gains and losses should be accounted for under the corridor approach which requires the deferral of gains and losses. When using the corridor approach, actuarial gains and losses should be amortized over the expected average remaining working lives of the participating employees. Under IFRSs, the Company will recognize actuarial gains and losses immediately in full in the period in which they occur, as other comprehensive income. Subsequent reclassification to earnings is not permitted.

(Continued)

Accounting Issues	Description of Differences
	2) Under ROC GAAP, the following factors should be considered in determining discount rate: (a) long-term average of interest rates adopted by the institution designated to have custody of and to manage the pension fund; (b) rates of return on relatively high quality fixed income investments currently available and expected to be available until maturity of the pension benefits; and (c) rates implicit in annuity contracts purchased from insurance company and used to settle pension benefits. Under IFRSs, discount rate should be determined by reference to market yields at the end of reporting period on high quality corporate bonds. In countries where there is no deep market in these bonds, the market yields (at the end of reporting period) of government bonds should be used. The currency and term of the corporate bonds or government bonds should be consistent with the currency and estimated term of the post-employment benefit obligations.
Employee benefit - short-term employee benefits	Under ROC GAAP, short-term employee benefits is not addressed and recognized as expense when actual payment. Under IFRSs, an entity should recognize the expected cost of short-term employee benefits in the form of compensated absences as follows: (a) in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and (b) in the case of non-accumulating compensated absences, when the absences occur.
Basis of property, plant and equipment	Under ROC GAAP, property, plant and equipment may be recorded at cost or at cost plus appreciation if assets are revalued in accordance with ROC government regulations. Revaluation value of land is based on the announced current value, while those of properties other than land are based on the values approved by the tax authorities. Thus, the revaluation value is different from the fair value under IAS 16. An estimated reserve for land value increment tax must be recorded as long-term liabilities. The appreciation in land value, net of the land value increment tax, is credited to equity as unrealized revaluation increment. Under IFRSs, plant and equipment are recorded using historical cost and not allowed to recognize revaluation value for land.
Valuation and classification of financial assets carried at cost	Under Guidelines Governing the Preparation of Financial Reports by Securities Issuers, investments in equity instruments with no quoted prices in an active market and with fair values that cannot be reliably measured, such as non-publicly traded stocks and stocks traded in the Emerging Stock Market, are measured at their original cost. Under IFRSs, financial assets carried at cost need to be reclassified to available-for-sale financial assets. Equity investments that do not have active markets but the fair value is reliably measurable should be measured at fair value.

(Continued)

Accounting Issues	Description of Differences
Period of time deposits over three months	Under ARDF issued Interpretation 1991-013, time deposits that are cancellable without any loss of principal and negotiable certificates of deposit that are readily saleable without any loss of principal are classified as cash. Under IFRSs, cash comprises cash on hand and demand deposits. Therefore, time deposits are not classified as cash. In accordance with IAS 7, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. An investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition.
Classification of rental assets and other assets	Under ROC GAAP, the rental buildings and land are accounted for as fixed assets because leasing service is a business scope of the Company. Real estates are accounted for as other assets when they are held for own use in the future, but not yet under development and construction. Under IFRSs, property held to earn rentals or for capital appreciation or both are classified as investment property. Property held for own use in the future are classified as property, plant and equipment.
Land use rights	Under ROC GAAP, land use rights are recorded as intangible assets. Under IFRSs, land use rights are classified as long-term prepayment for lease.
Impairment loss	Under ROC GAAP, impairment loss is recorded as nonoperating expenses and loss. Under IFRSs, impairment loss may be recorded as cost of sales, operating expenses or nonoperating expenses and loss according to its nature.
Classification of deferred income tax asset/liability	Under ROC GAAP, a deferred tax asset or liability is classified as current or noncurrent in accordance with the classification of its related asset or liability. However, if a deferred income tax asset or liability does not relate to an asset or liability in the financial statements, it is classified as either current or noncurrent based on the expected length of time before it is realized or settled. Under IFRSs, a deferred tax asset or liability is classified as noncurrent asset or liability.
Allowance for sales returns	Under ROC GAAP, allowance for sales returns is generally recorded in the year the related revenue is recognized on the basis of past experience, and recognized as deduction of accounts receivable. Under IFRSs, the former ones are the obligation emerged from past events, futhermore, the amount and time is full of uncertainty, lead to reclassification of reserve for liability under current liability.

(Continued)

Accounting Issues	Description of Differences
Land value increment tax	Under Guidelines Governing the Preparation of Financial Reports by Securities Issuers, reserve for land value increment tax arising from land revaluation is classified as long-term liabilities. Under IFRSs, the related reserve for land value increment tax should be reclassified as deferred tax liabilities.

(Concluded)

The differences between the existing accounting policies and IFRSs mentioned above may not have material impact at the date of transition to IFRSs since the Group may choose the optional exemptions in IFRS 1 "First-time Adoption of International Financial Reporting Standards."

c. The Group has prepared the above assessments in accordance with (a) the 2010 version of IFRSs translated by the ROC ARDF and issued by the FSC and (b) the Guidelines Governing the Preparation of Financial Reports by Securities Issuers amended and issued by the FSC on December 22, 2011. These assessments may be changed as the FSC may issue new rules governing the adoption of IFRSs, and as other laws and regulations may be amended to comply with the adoption of IFRSs. Actual results may differ from these assessments.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

FINANCINGS PROVIDED
YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands of New Taiwan Dollars)

Financier		Borrower	Financial Statement Account	Limit of Financing Amount for Individual Borrower (Note 1)	Maximum Balance for the Period	Ending Balance	Interest Rate (%)	Reason for Financing	Allowance for Doubtful Accounts	Collateral		Transaction Amount	Limit of Total Financing Amount (Note 2)
No.	Company Name									Item	Value		
1	Castmate International Co., Ltd.	Topo Technology (Suzhou) Co., Ltd.	Temporary payments	$ 22,324,608	$ 801,318	$ 795,979	1.446-1.776	For short-term financing	-	-	-	-	
		Catcher Technology (Suqian) Co., Ltd.	Ditto		654,280	454,125	1.474-1.622	Ditto	-	-	-	-	
		Leo Co., Ltd.	Ditto		998,642	756,875	-	Ditto	-	-	-	-	
		Norma International Pte. Ltd.	Ditto		64	-	-	Ditto	-	-	-	-	
		Saturn International Pte. Ltd.	Ditto		64	-	-	Ditto	-	-	-	-	
						$ 2,006,979							$ 44,649,216
2	Avatar Co., Ltd.	Stella International Co., Ltd.	Temporary payments	22,324,608	217,102	$ -	-	For short-term financing	-	-	-	-	
		Gigamag Co., Ltd.	Ditto		141,305	-	-	Ditto	-	-	-	-	
		Leo Co., Ltd.	Ditto		315,260	60,550	-	Ditto	-	-	-	-	
						$ 60,550							$ 44,649,216
3	Stella International Co., Ltd.	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Temporary payments	22,324,608	2,379,200	$ 1,513,750	1.446-1.776	For short-term financing	-	-	-	-	$ 44,649,216
		Cetus International Co., Ltd.	Payments for others	2,915,771	174	$ 173	-	Ditto	-	-	-	-	$ 5,831,542
4	Nanomag International Co., Ltd.	Cygnus International Co., Ltd.	Payments for others	22,324,608	196	$ 196	-	For short-term financing	-	-	-	-	
		Lyra International Co., Ltd.	Ditto		172	172	-	Ditto	-	-	-	-	
		Artery International Co., Ltd.	Ditto		30	30	-	Ditto	-	-	-	-	
		Gemini International Co., Ltd.	Ditto		129	129	-	Ditto	-	-	-	-	
		Uranus International Co., Ltd.	Ditto		149	149	-	Ditto	-	-	-	-	
						$ 676							$ 44,649,216
		Sagitta International Co., Ltd.	Ditto	8,817,308	37	-	-	Ditto	-	-	-	-	
		Cetus International Co., Ltd.	Ditto		165	165	-	Ditto	-	-	-	-	
		Cepheus International Co., Ltd.	Ditto		141	6	-	Ditto	-	-	-	-	
						$ 171							$ 17,634,616
5	Hoppi Co., Ltd.	Stella International Co., Ltd.	Temporary payments	22,342,608	505,580	$ -	-	For short-term financing	-	-	-	-	
		Gigamag Co., Ltd.	Ditto		304,800	-	-	Ditto	-	-	-	-	
		Nanomag International Co., Ltd.	Ditto		6,055	6,055	-	Ditto				-	
		Leo Co., Ltd.	Ditto		392,642	30,275	-	Ditto				-	
						$ 36,330			-	-	-		$ 44,649,216
6	Gigamag Co., Ltd.	Leo Co., Ltd.	Temporary payments	22,342,608	272,475	$ 272,475	-	For short-term financing	-	-	-	-	$ 44,649,216
7	Orion Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Other receivables	77,938 (Note 3)	71,245	$ -	-	Operating requirement	-	-	-	$ 77,938	$ 77,938

Note 1: The upper limit is equivalent to 20% of the net asset value of financier as of December 31, 2011, but the 100% subsidiaries held directly or indirectly by the Company were not restricted, the upper limit is equivalent to 40% of the net asset value of the Company.

Note 2: The upper limit is equivalent to 40% of the net asset value of financier as of December 31, 2011, but the 100% subsidiaries held directly or indirectly by the Company were not restricted, the upper limit is equivalent to 80% of the net assets value of the Company.

Note 3: The upper limit is equivalent to the amounts of intercompany transaction in the current year.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands of New Taiwan Dollars)

Endorsement/Guarantee Provider	Guaranteed Party		Limit on Each Guanranteed party's Endorsement/ Guarantee Amount (Note 1)	Maximum Balance for the Period	Ending Balance (Note 3)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Asset Value of Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amounts Allowable (Note 2)
	Company Name	Nature of Relationship						
Catcher Technology Co., Ltd.	Avatar Co., Ltd.	Subsidiary (indirect held 100%)	$ 27,905,760	$ 3,158,500	$ 1,550,000	$ -	2.78	
	Gigamag Co., Ltd.	Subsidiary (held 100%)		4,459,800	4,456,500	-	7.98	
	Orion Co., Ltd.	Subsidiary (indirect held 100%)		609,600	605,500	-	1.08	
					$ 6,612,000	$ -	11.84	$ 55,811,519
Castmate International Co., Ltd.	Nanomag International Co., Ltd.	Subsidiary (held 100%)	43,450,380	2,241,693	$ -	$ -	-	$ 43,450,380
Avatar Co., Ltd.	Nanomag International Co., Ltd.	Subsidiary (held 100%)	3,917,020	303,537	$ -	$ -	-	$ 3,917,020
Hoppi Co., Ltd.	Catcher Technology Co., Ltd.	Parent company	5,311,906	457,010	$ 245,749	$ 244,698	0.44	$ 5,311,906
Catcher Technology (Suzhou) Co., Ltd.	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Subsidiary (indirect held 100%)	10,548,264	678,405	$ -	$ -	-	$ 10,548,264
Topo Technology (Suzhou) Co., Ltd.	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Subsidiary (indirect held 100%)	21,301,336	497,497	$ -	$ -	-	$ 21,301,336

Note 1: The upper limit for the Company is equivalent to 50% of the net asset value of the Company as of December 31, 2011; for subsidiaries, it is equivalent to 200% of the net asset value of subsidiaries.

Note 2: The upper limit for the Company is equivalent to 100% of the net asset value of the Company as of December 31, 2011; for subsidiaries, it is equivalent to 200% of the net asset value of subsidiaries.

Note 3: The guarantees of the Company for Gigamag and Orion were NT$3,358,603 thousand and NT$111,655 thousand as of December 31, 2011, respectively.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2011
(Amounts in Thousands of New Taiwan Dollars)

Holding Company	Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2011				Note
				Units or Shares	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Catcher Technology Co., Ltd.	Jih Sun Money Market Fund		Available-for-sale financials assets - current	2,693,700	$ 38,410		$ 38,410	
	PCA Well Pool Money Market Fund		Ditto	4,596,680	60,253		60,253	
	FSITC Money Fund		Ditto	233,457	40,169		40,169	
	Yuanta Wan-tai Money Market Fund		Ditto	4,613,241	67,381		67,381	
	Mega Diamond Money		Ditto	16,653,625	200,928		200,928	
	Hua Nan Investment Grand Fund of Bond Funds		Ditto	19,004,298	187,297		187,297	
	Union Money Market Fund		Ditto	9,226,499	117,518		117,518	
	Taishin 1699 Money Market Fund		Ditto	7,601,474	99,056		99,056	
	Taishin Ta-Chong Money Market Fund		Ditto	2,718,449	37,217		37,217	
	Yi-Jinn Unsecured Convertible Bond I		Ditto	50,000	4,505		4,505	
	Mega Unsecured Convertible Bond I		Ditto	500,000	48,650		48,650	
	Sercom Unsecured Convertible Bond IV		Ditto	50,000	4,988		4,988	
					$ 906,372		$ 906,372	
	Giantplus Technology Co., Ltd.		Available-for-sale financial assets - noncurrent	10,198,783	$ 68,230	2.0	$ 68,230	
	Asia Pacific Telecom Co., Ltd.		Financial assets carried at cost - noncurrent	1,205,000	$ -	-		
	Light Tek Co., Ltd.		Ditto	611,374	-	1.0		
					$ -			
	Gigamag Co., Ltd.	100% owned subsidiary	Investments accounted for by the equity method	14,377,642	$ 3,413,873	100.0	$ 5,019,577	The difference is the adjustment to unrealized gain on downstream intercompany transactions between subsidiaries.
	Nanomag International Co., Ltd.	Ditto	Ditto	195,209,016	44,086,538	100.0	44,086,538	
	Amity Capital Inc.	Ditto	Ditto	2,900,000	9,160	100.0	9,160	
	Kryokey Co., Ltd.	30% owned subsidiary	Ditto	1,800,000	13,908	30.0	13,908	
	Yue-Kang Health Control Technology Inc.	40% equity-method investee	Ditto	600,000	1,056	40.0	1,056	
	I-Catcher Optoelectronics Corp.	99.8% owned subsidiary	Ditto	499,000	3,980	99.8	3,980	
	Sinher Technology Co., Ltd.	27.3% equity-method investee	Ditto	10,092,903	360,204	27.3	360,204	
	Epileds Technology Inc.	7.3% equity-method investee	Ditto	7,347,144	140,478	7.3	141,270	The difference is the adjustment of net equity
	Kon-Cheng Accuracy Co., Ltd.	40% equity-method investee	Ditto	5,000,000	53,079	40.0	55,208	The difference is the adjustment of net equity
					$ 48,082,276		$ 49,690,901	
Gigamag Co., Ltd.	Hoppi Co., Ltd.	100% owned subsidiary	Investments accounted for by the equity method	4,598,742	$ 2,655,953	100.0	$ 2,655,953	
	Avatar Co., Ltd.	Ditto	Ditto	6,938,100	414,792	100.0	1,958,510	The difference is the adjustment to unrealized gain on sidestream intercompany transactions between subsidiaries.
	Leo Co., Ltd.	Ditto	Ditto	15,000,000	467,352	100.0	467,352	
	Orion Co., Ltd.	Ditto	Ditto	5,000,000	49,616	100.0	237,278	The difference is the adjustment to unrealized gain on sidestream intercompany transactions between subsidiaries.
					$ 3,587,713		$ 5,319,093	

(Continued)

Holding Company	Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2011 Units or Shares	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	Note
Hoppi Co., Ltd.	JPMorgan Funds - US Aggregate Bond Fund		Available-for-sale financials assets - current	1,132,862	$ 436,949		$ 436,949	
Nanomag International Co., Ltd.	Artery Co., Ltd.	100% owned subsidiary	Investments accounted for by the equity method	632,495	$ 1,261	100.0	$ 1,261	
	Gemini International Co., Ltd.	Ditto	Ditto	2,944,500	1,789	100.0	1,789	
	Castmate International Co., Ltd.	Ditto	Ditto	34,349,591	21,686,467	100.0	21,725,190	The difference is the adjustment to unrealized gain on sidestream intercompany transactions between subsidiaries.
	Stella International Co., Ltd.	Ditto	Ditto	47,040,600	14,547,636	100.0	14,578,856	The difference is the adjustment to unrealized gain on sidestream intercompany transactions between subsidiaries.
	Aquila International Co., Ltd.	75% owned subsidiary	Ditto	1,050,000	311,857	75.0	311,857	
	Uranus International Co., Ltd.	100% owned subsidiary	Ditto	100,007,763	3,827,284	100.0	4,063,019	The difference is the adjustment to unrealized gain on sidestream intercompany transactions between subsidiaries.
	Grus International Co., Ltd.	Ditto	Ditto	22,256,215	748,429	100.0	748,429	
	Draco International Co., Ltd.	Ditto	Ditto	-	-	100.0	-	
	Neat International Co., Ltd.	Ditto	Ditto	-	-	100.0	-	
					$ 41,124,723		$ 41,430,401	
Artery Co., Ltd.	Catcher Technology Phils Inc.	100% owned subsidiary	Investments accounted for by the equity method	581,250	$ 1,737	100.0	$ 1,737	
Castmate International Co., Ltd.	Castmate International Pte. Ltd.	100% owned subsidiary	Investments accounted for by the equity method	100,000	$ 2,482	100.0	$ 2,482	
	Cygnus International Co., Ltd.	Ditto	Ditto	139,345,259	19,744,284	100.0	19,744,284	
					$ 19,746,766		$ 19,746,766	
Cygnus International Co., Ltd.	Catcher Technology (Suzhou) Co., Ltd.	100% owned subsidiary	Investments accounted for by the equity method	-	$ 5,274,132	100.0	$ 5,274,132	
	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Ditto	Ditto	-	10,767,140	100.0	10,767,140	
					$ 16,041,272		$ 16,041,272	
Stella International Co., Ltd.	Norma International Pte. Ltd.	100% owned subsidiary	Investments accounted for by the equity method	100,000	$ 2,482	100.0	$ 2,482	
	Lyra International Co., Ltd.	Ditto	Ditto	77,014,868	12,811,596	100.0	12,811,596	
					$ 12,814,078		$ 12,814,078	
Lyra International Co., Ltd.	Topo Technology (Suzhou) Co., Ltd.	100% owned subsidiary	Investments accounted for by the equity method	-	$ 10,650,668	100.0	$ 10,650,668	
Aquila International Co., Ltd.	Saturn International Pte. Ltd.	75% owned subsidiary	Investments accounted for by the equity method	100,000	$ 2,488	100.0	$ 2,488	
	Cepheus International Co., Ltd.	Ditto	Ditto	1,400,000	413,322	100.0	413,322	
					$ 415,810		$ 415,810	
Cepheus International Co., Ltd.	Aquila Technology (Suzhou) Co., Ltd.	75% owned subsidiary	Investments accounted for by the equity method	-	$ 413,278	100.0	$ 413,278	
Uranus International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	100% owned subsidiary	Investments accounted for by the equity method	-	$ 4,063,169	100.0	$ 4,063,169	
Grus International Co., Ltd.	Sagitta International Co., Ltd.	93% owned subsidiary	Investments accounted for by the equity method	22,166,345	$ 745,830	93.0	$ 745,830	

(Continued)

Holding Company	Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2011				Note
				Units or Shares	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sagitta International Co., Ltd.	Chaohu Yunhai Magnesium Co., Ltd.	46% equity-method investee	Investments accounted for by the equity method	-	$ 801,523	49.0	$ 801,523	
Gemini International Co., Ltd.	Cetus International Co., Ltd.	70% owned subsidiary	Investments accounted for by the equity method	2,940,000	$ 1,786	70.0	$ 1,786	
Cetus International Co., Ltd.	WIT Technology (Taizhou) Co., Ltd.	70% owned subsidiary	Investments accounted for by the equity method	-	$ 2,931	100.0	$ 2,931	

(Concluded)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands of New Taiwan Dollars, except USD in Dollars)

Company Name	Marketable Securities Name	Financial Statement Account	Nature of Relationship	Beginning Balance		Acquisition		Disposal			Ending Balance	
				Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Gain (Loss) of Disposal	Shares/Units	Amount
Catcher Technology Co., Ltd.	Jih Sun Money Market Fund	Available-for-sale financial assets - current	-	6,495,478	$ 92,030	30,522,066	$ 433,000	34,323,844	$ 486,763	$ 237	2,693,700	$ 38,410
	Capital Safe Income Fund	Ditto	Ditto	-	-	7,485,743	116,000	7,485,743	116,000	134	-	-
	Yuanta Wan-tai Money Market Fund	Ditto	Ditto	620,892	9,012	22,150,062	322,057	18,157,713	263,885	152	4,613,241	67,381
	Mega Diamond Money Market Fund	Ditto	Ditto	-	-	32,011,762	385,000	15,358,137	184,689	311	16,653,625	200,928
	Union Money Market Fund	Ditto	Ditto	3,954,475	50,049	35,212,678	447,000	29,940,654	379,749	350	9,226,499	117,518
	UPAMC James Bond	Ditto	Ditto	-	-	6,225,836	100,000	6,225,836	100,000	52	-	-
	Yuanta Emerging Market Fund of Bond Funds	Ditto	Ditto	-	-	10,000,400	100,000	10,000,400	100,000	2,057	-	-
	Fubon Chi-Hsiang Market Fund	Ditto	Ditto	-	-	7,954,500	120,000	7,954,500	120,000	162	-	-
	JF First Money Market Fund	Ditto	Ditto	-	-	6,848,635	100,000	6,848,635	100,000	72	-	-
	Taishin Ta-Chong Money Market Fund	Ditto	Ditto	-	-	12,825,827	175,000	10,107,379	137,904	96	2,718,449	37,217
	Nanomag International Co., Ltd.	Investments accounted for by the equity method	100% owned subsidiary	78,128,093	30,236,868	117,080,923	13,849,670 (Note 1)	-	-	-	195,209,016	44,086,538
Nanomag International Co., Ltd.	Uranus International Co., Ltd.	Investments accounted for by the equity method	100% owned subsidiary	66,687,763	2,039,457 (US$ 70,012,251.63)	33,320,000	1,787,827 (US$ 56,405,052.12) (Note 2)	-	-	-	100,007,763	3,827,284 (US$ 126,417,303.75)
	Grus International Co., Ltd.	Ditto	Ditto	15,025,793	440,712 (US$ 15,129,143.71)	7,230,422	307,717 (US$ 9,591,887.30) (Note 3)	-	-	-	22,256,215	748,429 (US$ 24,721,031.01)
Uranus International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Investments accounted for by the equity method	100% owned subsidiary	-	2,056,119 (US$ 70,584,225.99)	-	2,007,050 (US$ 63,624,492.13) (Note 4)	-	-	-	-	4,063,169 (US$ 134,208,718.12)
Grus International Co., Ltd.	Sagitta International Co., Ltd.	Investments accounted for by the equity method	93% owned subsidiary	14,935,923	438,212 (US$ 15,043,322.20)	7,230,422	307,618 (US$ 9,591,869.90) (Note 5)	-	-	-	22,166,345	745,830 (US$ 24,635,192.10)
Sagitta International Co., Ltd.	Chaohu Yunhai Magnesium Co., Ltd.	Investments accounted for by the equity method	49% equity-method investee	-	471,066 (US$ 16,171,178.78)	-	330,457 (US$ 10,303,548.05) (Note 6)	-	-	-	-	801,523 (US$ 26,474,726.83)
Hoppi Co., Ltd.	JPMorgan Funds - US Aggregate Bond Fund	Available-for-sale financial assets - current	-	324,038	116,291 (US$ 3,992,145.57)	808,824	320,658 (US$ 10,440,515.75) (Note 7)	-	-	-	1,132,862	436,949 (US$ 14,432,661.32)

(Continued)

Note 1: Including incremental investment NT$3,369,227 thousand, equity in gain of equity-method investee NT$7,440,740 thousand, and translation adjustments from variation of exchange rate gain NT$3,039,703 thousand.

Note 2: Including incremental investment US$33,320,000, equity in gain of equity-method investee US$18,160,037.19, and translation adjustments from variation of exchange rate gain US$4,925,014.93.

Note 3: Including incremental investment US$7,230,422.13, equity in gain of equity-method investee US$1,597,669.8, and translation adjustments from variation of exchange rate gain US$763,795.37.

Note 4: Including incremental investment US$33,320,000 equity in gain of equity-method investee US$25,379,477.2, and translation adjustments from variation of exchange rate gain US$4,925,014.93.

Note 5: Including incremental investment US$7,230,422.13, equity in gain of equity-method investee US$1,597,652.4, and translation adjustments from variation of exchange rate gain US$763,795.37.

Note 6: Including incremental investment US$7,764,647.45, equity in gain of equity-method investee US$1,721,320.92, and translation adjustments from variation of exchange rate gain US$817,579.68.

Note 7: Including incremental investment US$10,000,000 (764,821 shares and dividends of 44,003 shares), and gain in valuation of fair value US$440,515.75.

(Concluded)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands of New Taiwan Dollars)

Company Name	Type of Property	Transaction Date	Transaction Amount (Note)	Payment Term	Counterparty	Nature of Relationship	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationship	Transfer Date	Amount			
Catcher Technology Co., Ltd.	Land	2011.02.16	$ 1,120,804	Paid	Tainan City Government	Non-related party	-	-	-	-	Contract of Purchase	Note	-
	Land	2011.03.11	124,352	Paid	Industrial Development Bureau, Ministry of Economic Affairs	Non-related party	-	-	-	-	Buying Tender	Note	-

Note: For capacity expansion, the Company acquired land which is located at Yung-Kang Technology Industrial Park and Tainan Technology Industrial Park from Tainan City Government and Industrial Development Bureau, Ministry of Economic Affairs, respectively.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Topo Technology (Suzhou) Co., Ltd.	Leo Co., Ltd.	Same parent company	Sales	$ 5,957,877	48	Net 30 days after monthly closing	Equivalent	Net 90 to 120 days after monthly closing for general customers	$ 873,978	32	
	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Ditto	Sales	117,053	1	Net 90 days after monthly closing	Equivalent	Ditto	12,093	-	
	Catcher Technology (Suqian) Co., Ltd.	Ditto	Purchases	939,781	12	Net 30 days after monthly closing	Equivalent	Net 30 to 90 days after monthly closing for general suppliers	(867,531)	(38)	
	Orion Co., Ltd.	Ditto	Purchases	561,013	7	Net 90 days after monthly closing	Equivalent	Ditto	(361,473)	(16)	
	Aquila Technology (Suzhou) Co., Ltd.	Ditto	Purchases	389,548	5	Net 90 days after monthly closing	Equivalent	Ditto	(78,327)	(3)	
Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Leo Co., Ltd.	Same parent company	Sales	676,355	7	Net 30 days after monthly closing	Equivalent	Net 30 to 120 days after monthly closing for general customers	111,892	4	
	Catcher Technology (Suzhou) Co., Ltd.	Ditto	Sales	206,841	2	Net 90 days after monthly closing	Equivalent	Ditto	66,031	2	
	Topo Technology (Suzhou) Co., Ltd.	Ditto	Sales	187,217	2	Net 90 days after monthly closing	Equivalent	Ditto	10,279	-	
	Catcher Technology (Suqian) Co., Ltd.	Ditto	Purchases	871,971	23	Net 90 days after monthly closing	Equivalent	Net 60 to 120 days after monthly closing for general suppliers	(483,213)	(46)	
Catcher Technology (Suzhou) Co., Ltd.	Leo Co., Ltd.	Same parent company	Sales	3,913,628	48	Net 30 days after monthly closing	Equivalent	Net 30 to 120 days after monthly closing for general customers	157,161	10	
	Catcher Technology (Suqian) Co., Ltd.	Ditto	Purchases	565,868	18	Net 90 days after monthly closing	Equivalent	Net 30 to 120 days after monthly closing for general suppliers	-	-	
	Topo Technology (Suzhou) Co., Ltd.	Ditto	Purchases	131,148	4	Net 90 days after monthly closing	Equivalent	Ditto	(44,243)	(5)	

(Continued)

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Catcher Technology Co., Ltd.	Orion Co., Ltd.	Subsidiary	Sales	$ 512,676	3	Net 120 days after monthly closing	No comparable prices for general customers	Net 60 to 120 days after monthly closing for general customers	$ 313,514	5	
	Leo Co., Ltd.	Subsidiary	Purchases	10,035,656	97	Net 30 days after monthly closing	No comparable prices for general suppliers	Net 60 to 120 days after monthly closing for general suppliers	(2,231,380)	(80)	
Orion Co., Ltd.	Leo Co., Ltd.	Same parent company	Purchases	203,514	22	Net 120 days after monthly closing	No comparable prices for general suppliers	Net 60 days after monthly closing for general suppliers	(209,636)	(32)	

(Concluded)

TABLE 7

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2011
(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationships	Ending Balance	Turnover Ratio	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amounts	Action Taken		
Castmate International Co., Ltd.	Topo Technology (Suzhou) Co., Ltd.	Same parent company	$ 795,979	- (Note 1)	$ -	Not applicable	$ -	$ -
	Catcher Technology (Suqian) Co., Ltd.	Ditto	454,125	- (Note 1)	-	Not applicable	-	-
	Leo Co., Ltd.	Ditto	756,875	- (Note 1)	-	Not applicable	-	-
Stella International Co., Ltd.	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Same parent company	1,513,750	- (Note 1)	-	Not applicable	-	-
Gigamag Co., Ltd.	Leo Co., Ltd.	Same parent company	272,475	- (Note 1)	-	Not applicable	-	-
Nanomag International Co., Ltd.	Castmate International Co., Ltd.	Same parent company	2,876,095	- (Note 2)	-	Not applicable	-	-
Cygnus International Co., Ltd.	Catcher Technology (Suzhou) Co., Ltd.	Same parent company	681,622	- (Note 2)	-	Not applicable	681,622	-
	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Ditto	1,163,222	- (Note 2)	-	Not applicable	1,163,222	-
Lyra International Co., Ltd.	Topo Technology (Suzhou) Co., Ltd.	Same parent company	1,065,942	- (Note 2)	-	Not applicable	1,065,942	-
Catcher Technology Co., Ltd.	Orion Co., Ltd.	Subsidiary	121,374	- (Note 3)	-	Not applicable	121,112	-
			313,514	2.75	-	-	210,251	-
Catcher Technology (Suzhou) Co., Ltd.	Leo Co., Ltd.	Same parent company	157,161	9.23	-	-	157,161	-
Topo Technology (Suzhou) Co., Ltd.	Leo Co., Ltd.	Same parent company	873,978	13.47	-	-	873,978	-
	Catcher Technology (Suqian) Co., Ltd.	Ditto	1,189,489	- (Note 3)	-	Not applicable	1,741	-
Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Leo Co., Ltd.	Same parent company	111,892	12.67	-	-	111,892	-

(Continued)

Company Name	Related Party	Nature of Relationships	Ending Balance	Turnover Ratio	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amounts	Action Taken		
Catcher Technology (Suqian) Co., Ltd.	Topo Technology (Suzhou) Co., Ltd.	Same parent company	$ 867,531	1.14	$ -	-	$ 867,531	$ -
	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Ditto	483,213	2.77	-	-	483,213	-
Leo Co., Ltd.	Catcher Technology Co., Ltd.	Parent company	2,231,380	6.42	-	-	2,231,380	-
	Orion Co., Ltd.	Same parent company	209,636	- (Note 3)	-	Not applicable	-	-
Orion Co., Ltd.	Topo Technology (Suzhou) Co., Ltd.	Same parent company	361,473	2.95	-	-	114,119	-
	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Ditto	242,360	- (Note 3)	-	Not applicable	42,688	-
	Catcher Technology (Suzhou) Co., Ltd.	Ditto	210,589	- (Note 3)	-	Not applicable	186	-

Note 1: The ending balance of financing provided is not applicable for the calculation of turnover ratio.

Note 2: The ending balance of dividend receivable is not applicable for the calculation of turnover ratio.

Note 3: The ending balance of receivable for disposal properties is not applicable for the calculation of turnover ratio.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION OF INVESTEE COMPANY
YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands of New Taiwan Dollars, Except USD in Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2011			Net Income (Losses) of Investee	Equity in the Earnings (Losses) (Note 5)	Note
				December 31, 2011	December 31, 2010	Shares	Percentage of Ownership (%)	Carrying Value			
Catcher Technology Co., Ltd.	Gigamag Co., Ltd.	Offshore Chambers, P.O. Box 217, Apia, Samoa	Investing activities	$ 484,941	$ 484,941	14,377,642	100.0	$ 3,413,873	$ 472,504	$ (273,250)	
	Nanomag International Co., Ltd.	Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands	Ditto	5,983,389	2,614,162	195,209,016	100.0	44,086,538	7,440,740	7,440,740	
	Kryokey Co., Ltd.	1F., No. 13, Aly. 91, Ln. 307, Xiaodong Rd., North Dist. Tainan City 704, Taiwan (R.O.C.)	Research and development	19,800	19,800	1,800,000	30.0	13,908	(1,424)	(428)	
	Amity Capital Inc.	1F, No. 10, Ln 138, Ren-ai St, Yong Kang Dist. Tainan City 710, Taiwan (R.O.C.)	Investing activities	29,000	29,000	2,900,000	100.0	9,160	(74)	(74)	
	I-Catcher Optoelectronics Corp.	1F, No. 10, Ln 138, Ren-ai St, Yong Kang Dist. Tainan City 710, Taiwan (R.O.C.)	(Note 1)	4,990	4,990	499,000	99.8	3,980	19	19	
	Sinher Technology Co., Ltd.	10F-1., No. 29-1, Ln. 169, Kangning St., Xizhi Dist. New Taipei City 221, Taiwan (R.O.C.)	Manufacturing electronic parts	131,502	131,502	10,092,903	27.3	360,204	194,921	54,030	
	Epileds Technology Inc.	SF, No. 2 Chuangye Rd., Xinshi Dist. Tainan City 744, Taiwan (R.O.C.)	Manufacturing and selling LED wafer and chip	102,427	103,835	7,347,144	7.3	140,478	213,209	17,956	
	Yue-Kang Health Control Technology Inc.	1F, No. 10, Ln 138, Ren-ai St, Yong Kang Dist. Tainan City 710, Taiwan (R.O.C.)	Health and medical treatment consultant	6,000	3,000	600,000	40.0	1,056	(8,849)	(3,553)	
	Kon-Cheng Accuracy Co., Ltd.	No. 113, Wugong 2nd Road, Wugu Dist., New Taipei City 248, Taiwan (R.O.C.)	Manufacturing plastic products	50,000	-	5,000,000	40.0	53,079	13,311	3,079	
Gigamag Co., Ltd.	Hoppi Co., Ltd.	Offshore Chambers, P.O. Box 217, Apia Samoa	International trading	US$ 4,598,742	US$ 4,598,742	4,598,742	100.0	2,655,953	(195,086)		
	Avatar Co., Ltd.	Offshore Chambers, P.O. Box 217, Apia Samoa	Ditto	US$ 6,938,100	US$ 6,938,100	6,938,100	100.0	414,792	(139,815)		
	Leo Co., Ltd.	Offshore Chambers, P.O. Box 217, Apia Samoa	Ditto	US$ 15,000,000	US$ 15,000,000	15,000,000	100.0	467,352	53		
	Orion Co., Ltd.	Offshore Chambers, P.O. Box 217, Apia Samoa	Ditto	US$ 5,000,000	US$ 5,000,000	5,000,000	100.0	49,616	244		
Nanomag International Co., Ltd.	Artery Co., Ltd.	Offshore Chambers, P.O. Box 217, Apia Samoa	Investing activities	US$ 632,495	US$ 632,495	632,495	100.0	1,261	(11)		
	Castmate International Co., Ltd.	P. O. Box 3443 Road Town, Tortola, British Virgin Island	Ditto	US$ 34,349,591	US$ 34,349,591	34,349,591	100.0	21,686,467	4,298,763		
	Stella International Co., Ltd.	Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands	Ditto	US$ 47,040,600	US$ 47,040,600	47,040,600	100.0	14,547,636	2,587,592		
	Aquila International Co., Ltd.	Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands	Ditto	US$ 1,120,000	US$ 1,120,000	1,050,000	75.0	311,857	89,114		
	Gemini International Co., Ltd.	Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands	Ditto	US$ 2,944,500	US$ 2,944,500	2,944,500	100.0	1,789	(86,951)		
	Uranus International Co., Ltd.	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	Ditto	US$ 100,007,763	US$ 66,687,763	100,007,763	100.0	3,827,284	745,760		

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount December 31, 2011	Original Investment Amount December 31, 2010	Balance as of December 31, 2011 Shares	Balance as of December 31, 2011 Percentage of Ownership (%)	Balance as of December 31, 2011 Carrying Value	Net Income (Losses) of Investee	Equity in the Earnings (Losses) (Note 5)	Note
Nanornag International Co., Ltd.	Grus International Co., Ltd.	Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands	Investing activities	US$ 22,256,215	US$ 15,025,793	22,256,215	100.0	$ 748,429	$ 46,957		
	Draco International Co., Ltd.	Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands	Ditto	-	-	-	100.0	-	-		
	Neat International Co., Ltd.	12th Floor, Ruttonjee House, 11 Duddell Street, Central, Hong Kong	Ditto	-	-	-	100.0	-	-		
Artery Co., Ltd.	Catcher Technology Phils Inc.	#24 Innovative Street. Subic Bay Industrial Park Phase-1, Subic Bay Freeport Zone, Philippines	(Note 2)	US$ 124,030	US$ 124,030	581,250	100.0	1,737	(11)		
Castmate International Co., Ltd.	Castmate International Pte. Ltd.	6 TEMASEK Boulevard Suntec Tower Four #09-05 Singapore 038986	Investing activities	US$ 100,000	US$ 100,000	100,000	100.0	2,482	(158)		
	Cygnus International Co., Ltd.	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	Ditto	US$ 139,345,259	US$ 139,345,259	139,345,259	100.0	19,744,284	4,262,976		
Stella International Co., Ltd.	Norma International Pte. Ltd.	6 TEMASEK Boulevard Suntec Tower Four #09-05 Singapore 038986	Investing activities	US$ 100,000	US$ 100,000	100,000	100.0	2,482	(158)		
	Lyra International Co., Ltd.	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	Ditto	US$ 77,014,868	US$ 77,014,868	77,014,868	100.0	12,811,596	2,564,500		
Aquila International Co., Ltd.	Saturn International Pte. Ltd.	6 TEMASEK Boulevard Suntec Tower Four #09-05 Singapore 038986	Investing activities	US$ 100,000	US$ 100,000	100,000	100.0	2,488	(221)		
	Cepheus International Co., Ltd.	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	Ditto	US$ 1,400,000	US$ 1,400,000	1,400,000	100.0	413,322	93,748		
Grus International Co., Ltd.	Sagitta International Co., Ltd.	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	Investing activities	US$ 22,166,345	US$ 14,935,923	22,166,345	93.0	745,830	50,491		
Gemini International Co., Ltd.	Cetus International Co., Ltd.	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	Investing activities	US$ 2,940,000	US$ 2,940,000	2,940,000	70.0	1,786	(124,216)		
Uranus International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	4F Industrial, Industrial park of Suqian, China.	(Note 2)	US$ 100,000,000	US$ 66,680,000	-	100.0	4,063,169	745,928		
Cygnus International Co., Ltd.	Catcher technology (Suzhou) Co., Ltd.	No. 201 Suhong Middle Rd., Industrial Park of Suzhou, China	(Note 2)	US$ 33,340,000	US$ 33,340,000	-	100.0	5,274,132	2,068,802		
	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	No. 107 Changyang St., Industrial Park of Suzhou, China	(Note 2)	US$ 106,000,000	US$ 106,000,000	-	100.0	10,767,140	2,371,861		
Lyra International Co., Ltd.	Topo Technology (Suzhou) Co., Ltd.	No. 111 Changyang St., Industrial Park of Suzhou, China	(Note 2)	US$ 77,010,000	US$ 77,010,000	-	100.0	10,650,668	2,666,174		
Cepheus International Co., Ltd.	Aquila Technology (Suzhou) Co., Ltd.	No. 7 Chunhui Rd., Weiting Township, Industrial Park of Suzhou, China	(Note 1)	US$ 1,400,000	US$ 1,400,000	-	100.0	413,278	93,853		
Cetus International Co., Ltd.	WIT Technology (Taizhou) Co., Ltd.	Export Processing Zone, Taizhou Economic Development Zone, Province of Jiangsu, China	(Note 3)	US$ 4,200,000	US$ 4,200,000	-	100.0	2,931	(124,124)		
Sagitta International Co., Ltd.	Chaohu Yunhai Magnesium Co., Ltd.	No. 1 Huachao Rd., Chaohu City, Province of Anhui, China	(Note 4)	US$ 23,799,994	US$ 16,035,346	-	49.0	801,523	103,248		

Note 1: Manufacturing and selling molds and electronic parts.
Note 2: Manufacturing and selling aluminum and magnesium die casting products and molds.
Note 3: Researching, developing and manufacturing mini calculator’s mobile communication system phone and components of communication electron products.
Note 4: Manufacturing and selling dolomite, aluminum, magnesium alloy and other alkaline-earth metal.
Note 5: The equity in the earnings (losses) is only reflected for the subsidiaries invested directly and the investments accounted for by the equity method.

(Concluded)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION OF INVESTMENT IN MAINLAND CHINA
YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands of New Taiwan Dollars, except Specified otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Note 9)	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2011 (Note 9)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2011 (Note 9)	Percentage of Ownership (%)	Equity in the Earnings (Loses) (Note 2)	Carrying Value as of December 31, 2011	Accumulated Inward Remittance of Earnings as of December 31, 2011
					Outflow	Inflow					
Catcher Technology (Suzhou) Co., Ltd.	Manufacturing and selling aluminum and magnesium die casting products and molds	$ 1,514,053 (US$ 50,010,000)	3. (Note 8)	$ 1,009,369 (US$ 33,340,000)	$ -	-	$ 1,009,369 (US$ 33,340,000)	100	$ 2,068,802 2.(1)	$ 5,274,132	-
Topo Technology (Suzhou) Co., Ltd.	Ditto	3,339,635 (US$ 110,310,000)	3. (Notes 4 and 5)	1,221,293 (US$ 40,340,000)	-	-	1,221,293 (US$ 40,340,000)	100	2,666,174 2.(1)	10,650,668	-
Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Ditto	3,713,834 (US$ 122,670,000)	3. (Note 6)	-	-	-	-	100	2,371,861 2.(1)	10,767,140	-
Catcher Technology (Suqian) Co., Ltd.	Ditto	3,027,500 (US$ 100,000,000)	3. (Note 7)	1,867,332 (US$ 61,679,000)	1,008,763 (US$ 33,320,000)	-	2,876,095 (US$ 94,999,000)	100	745,928 2.(1)	4,063,169	-
Aquila Technology (Suzhou) Co., Ltd.	Manufacturing and selling molds and electronic parts	42,385 (US$ 1,400,000)	3.	33,908 (US$ 1,120,000)	-	-	33,908 (US$ 1,120,000)	75	70,390 2.(1)	309,959	-
WIT Technology (Taizhou) Co., Ltd.	Researching, developing and manufacturing mini calculator's mobile communication system phone and components of communication electron products	127,155 (US$ 4,200,000)	3.	89,008 (US$ 2,940,000)	-	-	89,008 (US$ 2,940,000)	70	(86,887) 2.(1)	2,052	-
Chaohu Yunhai Magnesium Co., Ltd.	Manufacturing and selling dolomite, aluminum, magnesium alloy and other alkaline-earth metal	1,056,367 (RMB219,852,111)	3.	485,470 (US$ 16,035,346)	235,075 (US$ 7,764,648)	-	720,545 (US$ 23,799,994)	46	47,050 2.(1)	745,416	-

Accumulated Investment in Mainland China as of December 31, 2011 (Note 9)	Investment Amounts Authorized by Investment Commission, MOEA (Note 9)	Upper Limit on Investment (Note 3)
$5,950,218 (US$196,538,994)	$14,088,471 (US$465,350,000)	$33,486,911

Note 1: The investing methods are categorized as follows:

1: Direct investment in companies in Mainland China.
2: Investment in companies in Mainland China, which is funded through a third region.
3: Investment in companies in Mainland China, which is made by the company incorporated via a third region.
4: Indirect investment in companies in Mainland China through existing companies located in a third region.
5: Others.

Note 2: In the column:

1: This means the investee is under initial preparation and there were no gains or losses on investment.
2: The recognition of gains or losses on investment is based on:
(1) The financial statements audited by global accounting firms, which are affiliated with the accounting firms in the Republic of China.
(2) The financial statements audited by the certified public accountant of the parent company in Taiwan.
(3) The financial statements were not audit by the certified public accountant
(4) Others.

(Continued)

Note 3: The upper limit on investment in Mainland China is calculated as: $55,811,519 × 60% = $33,486,911.

Note 4: The paid-in capital of US$6,670,000, which is self-owned funding of Nanomag International Co., Ltd., is invested in Topo Technology (Suzhou) Co., Ltd. through Stella International Co., Ltd., and the paid-in capital of US$33,300,000 is earning distributed in the third quarter 2011.

Note 5: The paid-in capital of US$30,000,000 is earnings distributed from Topo Technology (Suzhou) Co., Ltd. to Stella International Co., Ltd., and then reinvested in Topo Technology (Suzhou) Co., Ltd.

Note 6: The paid-in capital of US$106,000,000 is earnings distributed from Catcher Technology (Suzhou) Co., Ltd. to Castmate International Co., Ltd., then invested in Meeca Technology (Suzhou Industrial Park) Co., Ltd., and the paid-in capital of US$16,670,000 is earning distributed in third quarter 2011.

Note 7: The paid-in capital of US$5,001,000 is earnings distributed from Catcher Technology (Suzhou) Co., Ltd. to Castmate International Co., Ltd. and then invested in Catcher Technology (Suqian) Co., Ltd.

Note 8: The paid-in capital of US$16,670,000 is earnings distributed in the third quarter 2011.

Note 9: The exchange rate is one US$ for 30.275 New Taiwan dollars.
The exchange rate is one RMB for 4.8049 New Taiwan dollars.

(Concluded)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

SIGNIFICANT DIRECT OR INDIRECT TRANSACTIONS WITH THE INVESTEES, PRICES AND TERMS OF PAYMENT, UNREALIZED GAIN OR LOSS
YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands of New Taiwan Dollars)

Investee Company	Counterparty	Nature of Relationship	Transaction Type	Amount	Transaction Detail			Notes/Accounts Payable or Receivable		Unrealized Gain (Loss)
					Price	Payment Term	Comparison with Arm's Length Transactions	Ending Balance	%	
Catcher Technology Co., Ltd.	Leo Co., Ltd.	Subsidiary	Purchase (Note)	$ 10,035,656	The purchase prices were incomparable	Net 30 days after monthly closing	The payment terms which were between 60 to 120 days were not significantly different from those of sales to third party.	$ (2,231,380)	(80)	$ 8,110

Note: The purchases from Catcher Technology (Suzhou) Co., Ltd., Topo Technology (Suzhou) Co., Ltd. and Meeca Technology (Suzhou Industrial Park) Co., Ltd. were made via Leo Co., Ltd.

TABLE 11

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
YEAR ENDED DECEMBER 31, 2011
(Amounts in Thousands of New Taiwan Dollars)

No.	Company Name	Counterparty	Nature of Relationship (Note)	Intercompany Transactions: Financial Statement Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
1	Catcher Technology Co., Ltd.	Hoppi Co., Ltd.	1.	Purchases of fixed assets	$ 5,562		0.02
				Other payables to related parties	5,418		0.01
		Orion Co., Ltd.	1.	Sales	512,676	The sales prices were not different to those from third parties, net 120 days after monthly closing	1.43
				Disposal of equipment and sale of material	3,154	The sales prices were not different to those from third parties, net 120 days after monthly closing	0.01
				Disposal of fixed assets	115,183		0.32
				Receivable from related parties	313,514		0.35
				Other receivables from related parties	121,374		0.14
		Leo Co., Ltd.	1.	Purchases	10,035,656	No comparable prices for general suppliers, net 30 days after monthly closing	27.94
				Payables to related parties	2,231,380		2.50
		Gigamag Co., Ltd.	1.	Purchases of fixed assets	291,155		0.81
		Avatar Co., Ltd.	1.	Purchases of fixed assets	299,373		0.83
2	Nanomag International Co., Ltd.	Castmate International Co., Ltd.	3.	Other receivables from related parties	2,876,095		3.22
		Cephus International Co., Ltd.	3.	Payments for others	6		-
		Cetus International Co., Ltd.	3.	Payments for others	165		-
		Cygnus International Co., Ltd.	3.	Payments for others	196		-
		Lyra International Co., Ltd.	3.	Payments for others	172		-
		Uranus International Co., Ltd.	3.	Payments for others	149		-
		Gemini International Co., Ltd.	3.	Payments for others	129		-
		Artery Co., Ltd.	3.	Payments for others	30		-
		Hoppi Co., Ltd.	3.	Temporary receipts	6,055		0.01
3	Castmate International Co., Ltd.	Leo Co., Ltd.	3.	Temporary payments	756,875		0.85
4	Stella International Co., Ltd.	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	3.	Temporary payments	1,513,750		1.70
		Cetus International Co., Ltd.	3.	Payments for others	173		-
5	Gigamag Co., Ltd.	Leo Co., Ltd.	3.	Temporary payments	272,475		0.31
6	Avatar Co., Ltd.	Leo Co., Ltd.	3.	Temporary payments	60,550		0.07
7	Hoppi Co., Ltd.	Leo Co., Ltd.	3.	Temporary payments	30,275		0.03
8	Orion Co., Ltd.	Leo Co., Ltd.	3.	Purchases	203,514	The purchase prices were not different from those to third parties, net 60 days after monthly closing	0.57
				Payables to related parties	209,636		0.02

(Continued)

No.	Company Name	Counterparty	Nature of Relationship (Note)	Intercompany Transactions			
				Financial Statement Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
9	Catcher Technology (Suzhou) Co., Ltd.	Leo Co., Ltd.	3.	Sales	$ 3,913,628	The sales prices were not different from those to third parties, net 30 days after monthly closing	10.90
				Receivable from related parties	157,161		0.18
				Purchases	209	The purchase prices were not different to those from third parties, net 90 days after monthly closing	-
				Payables to related parties	173		-
		Cygnus International Co., Ltd.	3.	Dividend payables	681,622		0.76
		Orion Co., Ltd.	3.	Purchases	1,552	The purchase prices were not different to those from third parties, net 90 days after monthly closing	-
				Purchases of fixed assets	199,353		0.56
				Payables to related parties	954		-
				Other payables to related parties	210,589		0.24
		Topo Technology (Suzhou) Co., Ltd.	3.	Sales	91,203	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.23
				Other revenues	94		-
				Receivable from related parties	14,406		0.02
				Purchases	131,148	The purchase prices were not different to those from third parties, net 90 days after monthly closing	0.37
				Payables to related parties	44,243		0.05
		Aquila Technology (Suzhou) Co., Ltd.	3.	Purchases	75,170	The purchase prices were not different to those from third parties, net 90 days after monthly closing	0.21
				Payables to related parties	34,352		0.04
				Sales	10,875	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.03
				Receivable from related parties	11,437		0.01
		Meeca Technology (Suzhou Industrial Park) Co., Ltd.	3.	Other revenues	1,850		0.01
				Receivable from related parties	946		-
				Purchases	206,841	The purchase prices were not different to those from third parties, net 90 days after monthly closing	0.58
				Payables to related parties	66,031		0.07
		Catcher Technology (Suqian) Co., Ltd.	3.	Purchases	565,868	The purchase prices were not different to those from third parties, net 90 days after monthly closing	1.58
10	Topo Technology (Suzhou) Co., Ltd.	Leo Co., Ltd.	3.	Sales	5,957,877	The sales prices were not different from those to third parties, net 30 days after monthly closing	16.59
				Other revenues	1,313		-
				Receivable from related parties	873,978		0.98
				Purchases	44,691	The purchase prices were not different to those from third parties, net 30 days after monthly closing	0.12
				Payables to related parties	32,265		0.04
		Orion Co., Ltd.	3.	Purchases	561,013	The purchase prices were not different to those from third parties, net 90 days after monthly closing	1.56
				Purchases of fixed assets	36,054		0.10
				Payables to related parties	361,473		0.40
		Aquila Technology (Suzhou) Co., Ltd.	3.	Sales	2,287	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.01
				Receivable from related parties	666		-
				Purchases	389,548	The purchase prices were not different to those from third parties, net 90 days after monthly closing	1.08
				Payables to related parties	78,327		0.09

(Continued)

No.	Company Name	Counterparty	Nature of Relationship (Note)	Intercompany Transactions			
				Financial Statement Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
10	Topo Technology (Suzhou) Co., Ltd.	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	3.	Sales	$ 117,053	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.33
				Other revenues	1,942		0.01
				Receivable from related parties	12,093		0.01
				Purchases	187,217	The purchase prices were not different to those from third parties, net 90 days after monthly closing	0.52
				Payables to related parties	10,279		0.01
		Catcher Technology (Suqian) Co., Ltd.	3.	Sales	6,561	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.02
				Other revenues	17,539		0.05
				Receivable from related parties	1,861		-
				Other receivables from related parties	1,189,489		1.33
				Disposal of fixed assets	1,007,820		2.81
				Purchases	939,781	The purchase prices were not different to those from third parties, net 30 days after monthly closing	2.62
				Payables to related parties	867,531		0.97
		Castmate International Co., Ltd.	3.	Other payables to related parties	795,979		0.89
				Accrued interests	272		-
				Interest expenses	11,492		0.03
		Lyra International Co., Ltd.	3.	Dividend payables	1,065,942		1.19
11	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Leo Co., Ltd.	3.	Sales	676,355	The sales prices were not different from those to third parties, net 30 days after monthly closing	1.88
				Other revenues	328		-
				Receivable from related parties	111,892		0.13
		Orion Co., Ltd.	3.	Purchases	10,265	The purchase prices were not different from those to third parties; net 90 days after examining.	0.03
				Purchases of fixed assets	230,999		0.64
				Payables for equipment	242,360		0.27
		Aquila Technology (Suzhou) Co., Ltd.	3.	Purchases	45,754	The purchase prices were not different to those from third parties, net 90 days after monthly closing	0.13
				Payables to related parties	13,243		0.01
				Disposal of fixed assets	41,288		0.11
		Catcher Technology (Suqian) Co., Ltd.	3.	Sales	60,556	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.17
				Other revenues	83,850		0.23
				Receivable from related parties	48,562		0.05
				Other receivables from related parties	9,945		0.01
				Purchases	871,971	The purchase prices were not different to those from third parties, net 90 days after monthly closing	2.43
				Disposal of fixed assets	8,476		0.02
				Payables to related parties	483,213		0.54
		Stella International Co., Ltd.	3.	Accrued interests	523		-
				Interest expenses	25,225		0.07
		Cygnus International Co., Ltd.	3.	Dividend payables	1,163,222		1.30

(Continued)

No.	Company Name	Counterparty	Nature of Relationship (Note)	Intercompany Transactions			
				Financial Statement Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
12	Catcher Technology (Suqian) Co., Ltd.	Castmate International Co., Ltd.	3.	Other payables to related parties	$ 454,125		0.51
				Accrued interests	1,392		-
				Interest expenses	6,513		0.02
		Orion Co., Ltd.	3.	Purchases	4,082	The purchase prices were not different to those from third parties, net 90 days after monthly closing	0.01
				Purchases of fixed assets	58,563		0.16
				Payables for equipment	61,526		0.07

Note: No. 1 represents transactions between parent company and subsidiaries.
No. 3 represents transactions among subsidiaries.

(Concluded)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
YEAR ENDED DECEMBER 31, 2010
(Amounts in Thousands of New Taiwan Dollars)

No.	Company Name	Counterparty	Nature of Relationship (Note)	Intercompany Transactions			
				Financial Statement Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
1	Catcher Technology Co., Ltd.	Avatar Co., Ltd.	1.	Purchases of fixed assets	$ 31,722		0.15
		Orion Co., Ltd.	1.	Sales	86,408	The sales prices were not different to those from third parties, net 60 to 120 days after monthly closing	0.40
				Disposal of equipment and sale of material	18,815	The sales prices were not different to those from third parties, net 120 days after monthly closing	0.09
				Receivable from related parties	58,990		0.10
				Other receivables from related parties	13,875		0.02
		Leo Co., Ltd.	1.	Purchases	941,193	The purchase prices were not different to those from third parties, net 120 days after monthly closing	4.31
				Payables to related parties	895,041		1.54
2	Nanomag International Co., Ltd.	Castmate International Co., Ltd.	3.	Other receivables from related parties	2,767,321		4.76
3	Stella International Co., Ltd.	Hoppi Co., Ltd.	3.	Temporary receipts	349,560		0.60
		Avatar Co., Ltd.	3.	Temporary receipts	212,649		0.37
4	Gigamag Co., Ltd.	Hoppi Co., Ltd.	3.	Temporary receipts	291,300		0.50
		Avatar Co., Ltd.	3.	Temporary receipts	135,047		0.23
5	Catcher Technology (Suzhou) Co., Ltd.	Leo Co., Ltd.	3.	Sales	991,362	The sales prices were not different from those to third parties, net 30 days after monthly closing	4.54
				Receivable from related parties	679,158		1.17
		Orion Co., Ltd.	3.	Purchases	27,906	The purchase prices were not different to those from third parties, net 90 days after monthly closing	0.13
				Payables to related parties	16,554		0.03
		Topo Technology (Suzhou) Co., Ltd.	3.	Sales	12,691	The sales prices were not different from those to third parties, net 90 days after monthly closing	0.06
				Receivables from related parties	1,632		-
				Purchases	70,764	The purchase prices were not different from those to third parties, net 90 days after monthly closing	0.32
				Payables to related parties	19,516		0.03
		Aquila Technology (Suzhou) Co., Ltd.	3.	Purchases	100,405	The purchase prices were not different to those from third parties, net 90 days after monthly closing	0.46
				Payables to related parties	19,123		0.03
		Meeca Technology (Suzhou Industrial Park) Co., Ltd.	3.	Sales	37,061	The sales prices were not different from those to third parties, net 90 days after monthly closing	0.17
				Purchases	55,237	The purchase prices were not different to those from third parties, net 90 days after monthly closing	0.25
				Payables to related parties	59,125		0.10
		Catcher Technology (Suqian) Co., Ltd.	3.	Purchases	149,655	The purchase prices were not different to those from third parties, net 90 days after monthly closing	0.69
				Payables to related parties	164,311		0.28
		Stella International Co., Ltd.	3.	Interest expenses	6,482		0.03

(Continued)

No.	Company Name	Counterparty	Nature of Relationship (Note)	Intercompany Transactions			
				Financial Statement Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
6	Topo Technology (Suzhou) Co., Ltd.	Leo Co., Ltd.	3.	Sales	$ 747,713	The sales prices were not different from those to third parties, net 30 days after monthly closing	3.42
				Receivables from related parties	55,778		0.10
		Orion Co., Ltd.	3.	Purchases	73,957	The purchase prices were not different from those to third parties, net 90 days after monthly closing	0.34
				Purchases of fixed asset	21,997		0.10
				Payables to related parties	36,904		0.06
				Payable for equipment	20,639		0.04
		Aquila Technology (Suzhou) Co., Ltd.	3.	Sales	3,443	The sales prices were not different from those to third parties, net 90 days after monthly closing	0.02
				Receivables from related parties	2,789		-
				Purchases	349,407	The purchase prices were not different to those from third parties, net 90 days after monthly closing.	1.60
				Payables to related parties	124,854		0.21
		Meeca Technology (Suzhou Industrial Park) Co., Ltd.	3.	Sales	116,664	The sales prices were not different from those to third parties; net 90 days after monthly closing.	0.53
				Receivables from related parties	32,294		0.06
				Purchases	40,409	The purchase prices were not different to those from third parties, net 90 days after monthly closing	0.18
				Payables to related parties	9,659		0.02
		Catcher Technology (Suqian) Co., Ltd.	3.	Sales	1,251	The sales prices were not different to those from third parties, net 90 days after monthly closing.	-
				Disposal of fixed asset	1,007		-
				Other receivables	732		-
		Castmate International Co., Ltd.	3.	Other payables	765,759		1.32
				Accrued interests	858		-
				Interest expenses	13,242		0.06
7	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Avatar Co., Ltd.	3.	Prepayment for equipment	49,896		0.09
		Leo Co., Ltd.	3.	Sales	47,303	The sales prices were not different from those to third parties; net 30 days after monthly closing.	0.22
				Receivable from related parties	853		-
		Orion Co., Ltd.	3.	Purchases	12,170	The purchase prices were not different from those to third parties; net 90 days after monthly closing.	0.06
				Purchases of fixed assets	100,448		0.46
				Payables to related parties	8,070		0.01
				Payables for equipment	7,612		0.01
		Aquila Technology (Suzhou) Co., Ltd.	3.	Purchases	41,760	The purchase prices were not different from those to third parties; net 90 days after monthly closing.	0.19
				Payables to related parties	12,773		0.02
		Catcher Technology (Suqian) Co., Ltd.	3.	Sales	109,499	The sales prices were not different from those to third parties; net 90 days after monthly closing.	0.47
				Purchases	357,503	The purchase prices were not different from those to third parties; net 90 days after monthly closing.	1.64
				Disposal of fixed asset	281,380		1.29
				Other receivables	572		-
				Payables to related parties	164,635		0.28
				Advance equipment receipts	9,428		0.02
		Stella International Co., Ltd.	3.	Other payables	1,456,500		2.51
				Accrued interest	428		-
				Interest expenses	9,976		0.05

(Continued)

No.	Company Name	Counterparty	Nature of Relationship (Note)	Intercompany Transactions			
				Financial Statement Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
8	Catcher Technology (Suqian) Co., Ltd.	Castmate International Co., Ltd.	3.	Other payables	$ 203,910		0.35
				Accrued interest	581		-
				Interest expenses	2,122		-
		Orion Co., Ltd.	3.	Purchases	2,551	The purchase prices were not different from those to third parties; net 90 days after monthly closing.	0.01
				Purchases of fixed asset	77,938		0.36
				Payables to related parties	2,389		-
				Payables for equipment	71,836		0.12

Note: No. 1 represents transactions between parent company and subsidiaries.
No. 3 represents transactions among subsidiaries.

(Concluded)