

CATCHER TECHNOLOGY CO., LTD
2014 ANNUAL SHAREHOLDERS' MEETING Minutes
(Translation)

DISCLAIMER:

For the convenience of readers, the procedure, agenda, attachments, resolutions, meeting minutes and appendix of CATCHER's Annual Shareholders' meeting have been translated into English from the original Chinese version prepared and used in Taiwan, 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 version shall prevail.

Time: 9:00 a.m., June 12, 2014

Place: The Auditorium in the Labor Activity Center, Tainan.(No.261, Nanmen Rd., Tainan City)

Total outstanding Catcher shares: 752,053,131 shares

Total shares represented by shareholders present in person or by proxy: 632,343,647 shares (including votes casted electronically of 400,057,929 shares)

Percentage of shares held by shareholders present in person or by proxy: 84.08%

Chairman: Allen Hung, the Chairman of the Board of Directors

Recorder: Doreen Su

Participants: Shui-Sung Hung, Director

I-Shiung Chuang, Independent Director

Lih-Chyun Shu, Independent Director

Mon-Huan Lei, Independent Director

James Wu, Vice President

Hung Ju Liao, Independent Auditor

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

A. Chairman's Address (omitted)

B. Report Items

- I. To report the business of 2013. (see Attachment I)
(The shareholder with shareholder No. 19526 inquired. The said inquiring was supplemented and explained by the Chairman.)
- II. Audit Committee's review report of 2013. (see Attachment II)
(The shareholder with shareholder No. 19526 inquired. The said inquiring was supplemented and explained by the Chairman.)
- III. To report the status of indirect investment in mainland China
Explanatory Notes: The status of the Company's indirect investments in China as of December 31, 2013:

Name of China Subsidiary	Catcher Technology (Suzhou)	TOPO Technology (Suzhou)	MECCA Technology (Suzhou)	Aquila Technology (Suzhou)	Catcher Technology (Suqian)	WIT Technology (Taizhou)	Catcher Technology (Jiangsu)	Chaohu Yunhai Magnesium Industry	VITO Technology (Suqian)	TOPO Technology (Taizhou)
Approval Numbers	MOEA Investment Committee ,#90007476 ,#90018517 ,#09101265 5;#9100410 6;#0920097 78;#092027 980;#09203 7201;#0930 23530;#096 00430040;# 096005290 10;#100001 70380	MOEA Investment Committee ,#09203720 1;#0930146 98;#093030 839;#09401 1128;#0940 31212;#095 00142130;# 096000645 00;#096004 30040;#096 00529010;# 097001342 90;#100001 00554940	MOEA Investment Committee ,#09400819 4;#0950000 2660;#0940 040150;#09 500212560; #09600313 630;#09690 0430040;#0 7840;#1000 0187510	MOEA Investment Committee ,#09400133 4;#0940070 58;#095004 23430;#096 00430040;# 096005290 10	MOEA Investment Committee ,# 09700312590; #0980032091 0;#098003497 60;#09900387 740;#0990049 3490	MOEA Investment Committee ,#09800407 010;#09900 430290;#10 100143070	MOEA Investment Committee ,#09800345 830;#09900 387760;#10 100143070	MOEA Investment Committee ,#0980034 5820;#0990 0196920;#0 990038770 0;#1000047 3840	MOEA Investment Committee ,#10000612 900	MOEA Investment Committee #10100130 660;#10200 127580
Approved Investment Amount	USD 50.01M	USD 110.310M	USD 122.67M	USD 1.12M	USD 100M	USD 2.94M	USD 0M	USD 45M	USD 99M	USD 65.979M RMB 829.779M

(The shareholder with shareholder No. 19526 inquired. The said inquiring was supplemented and explained by the Chairman.)

C. Proposed Resolutions

- I. To accept 2013 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanatory Notes:

(1) CATCHER's 2013 Financial Statements, including Balance Sheets, Income Statements, Statements of Changes in Shareholders' Equity, and Cash Flow Statements, were approved by board of directors. The Financial Statements were audited by independent auditors, Mr. Hung Ju Liao and Ms Chi Chen Lee, of Deloitte & Touche and also reviewed by Audit Committee. The aforementioned Financial Statements and Auditors' report are attached hereto as Attachments III.

(2) Please accept the 2013 Business Report, Financial Statements, and Consolidated Financial Statements.

Voting Results: Shares present at the time of voting: 632,343,647

Voting Results*	% of the total represented share present
Votes for: 474,967,238 votes (289,347,564 votes)	75.11%
Votes against: 252 votes (252 votes)	0.00%
Votes invalid or abstained: 157,376,157 votes (110,710,113 votes)	24.89%

*including votes casted electronically (number in brackets)

RESOLVED, that the 2013 Business Report, Financial Statements and Consolidated Financial Statements be and hereby were accepted as submitted.

- II. To accept the proposal for distribution of 2013 profits (Proposed by the Board of Directors)

Explanatory Notes:

(1) The proposed profits distribution is allocated from Retained Earnings in 2013 Available for Distribution. Please accept the proposal for profits distribution as below, which was approved by Board of Directors in accordance with Articles of Incorporation.

(2) The total proposed cash dividend amounts are NTD 3,760,265,655, equivalent to NTD 5 per share based on 752,053,131 outstanding shares as of April 28, 2014. The total amount of common shares outstanding may change and the ultimate cash dividend to be distributed to each common share may need to be adjusted accordingly.

(3) It is proposed that the Board of Directors of CATCHER should be authorized to adjust the cash dividend to be distributed to each common share based on the total amount of profits resolved to be distributed and the number of actual common shares outstanding on the record date for distribution.

CATCHER Technology
Profits Distribution for 2013

Unit: NTD

Retained Earnings at the beginning of this period	\$26,105,489,847
Plus: IFRS adjustment	2,766,546,525
Minus: Special reserve for adopting IFRS	<u>(2,377,901,252)</u>
Retained Earnings at the beginning after adjustment	26,494,135,120
Change in adjustment	<u>2,072,790</u>
Retained Earnings after adjustment	26,496,207,910
Profits for current year	13,801,184,072
Minus: Legal Reserve	<u>(1,380,118,407)</u>
Retained Earnings Available for Distribution	38,917,273,575
Dividends- Cash (NTD 5 per share)	<u>(3,760,265,655)</u>
Retained Earnings at the end of this period	<u>\$35,157,007,920</u>

Remark:

Employees Cash Bonus	\$124,210,657
Compensation for Directors	12,240,001

- (1) The dividends distributed come from 2013 profits
- (2) The compensation for directors and bonus for employees were approved by Compensation Committee held on 2014/4/29.

Voting Results: Shares present at the time of voting: 632,343,647

Voting Results*	% of the total represented share present
Votes for: 473,320,238 votes (287,700,564 votes)	74.85%
Votes against: 2,523,252 votes (2,523,252 votes)	0.40%
Votes invalid or abstained: 156,500,157 votes (109,834,113 votes)	24.75%

*including votes casted electronically (number in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.
(The shareholder with shareholder No. 19526 inquired. The said inquiring was supplemented and explained by the Chairman.)

D. Discussion Items

- I. To approve the issuance of new common shares for cash and/or issuance of overseas or domestic convertible bonds. (Proposed by the Board of Directors)

Explanatory Notes:

In order to expand capacity in the future, enrich working capital, meet the other funding needs for long-term development, or get more diversified and flexible funding sources, it is hereby proposed that the shareholders meeting to authorize the Board of Directors ("Board") to raise fund, depending on the market conditions and the Company's capital needs, to choose appropriate timing and fund raising method(s), to issue new commons shares for cash to sponsor DR Offering and/or issue new common shares for cash in public offering and/or issue overseas /domestic CBs, in accordance with the applicable laws and regulations and the following fund raising method principles.

- (1) Authorizing Board for the Issuance of new common shares for cash to sponsor DR Offering :
 - (i) The issuance of new shares is limit to a maximum of 50 million shares. The Board of Directors and Chairman of CATCHER are authorized to adjust the new issuance of the common shares based on the aforementioned maximum quota.
 - (ii) The issue price of the new common shares will be decided with reference to the closing price of the Company's common shares on the pricing date or the average of the closing price of the Company's common shares for 1, 3 or 5 trading days prior to the pricing date (referred to hereinafter as the "reference price"). The actual price shall not be less than 90% of the reference price. The Chairman is authorized to determine the actual issue price in accordance with market conditions or regulation requirements. The reference price and the actual price will be decided in accordance with market practice and applicable law. In addition, assuming that the Company issues 50,000,000 common shares which are approximately 6.6% of the Company's total outstanding common shares prior to the record date for the Company's 2014 annual shareholders meeting. Given that the issuance of new shares is going to enhance company's competitiveness and then increase shareholders' value, thus it is unlikely that such issuance will have a material dilutive effect on the holding of the current existing shareholders.
 - (iii) Except for 10% -15% of the new common shares shall be allocated for the employees' subscription in accordance with the applicable law, it is proposed for the shareholders meeting to approve the rights to subscribe to the remaining shares shall be waived by the shareholders and such remaining shares should be offered to the public under Article 28-1 of the Securities and Exchange Act as the underlying shares of the global depository shares to be sold in the DR Offering. Any new common shares not subscribed by employees of the Company shall be determined by the Chairman, depending on the market needs, to be allocated as underlying shares of the global depository shares or to be subscribed by the designated person(s).

- (iv) The uses of the proceeds of this issuance are for building facilities or purchasing factories, equipments, materials, or to repay bank loans, re-invest, enrich working capital, which are expect to complete in 3 years.
- (v) The Board/Chairman are authorized to determine or adjust the major terms of this new issuance , including but not limit to the issue price, issuance shares /amount, terms, uses/sources of fund, schedule, and results etc., according to the market condition or regulatory requirement.
- (vi) To complete the issuance, the board, the Chairman or the Chairman's designee is authorized, on behalf of the Company, to handle all matters relating to, and sign all agreements and documents in connection with the issuance of the new common shares to sponsor the DR Offering.
- (vii) After the approval of this offering by authorities, the board is authorized to handle or complete all the process or matters with regard to the issuance of new shares.
- (viii) The Chairman is authorized to handle all matters which are not addressed herein in accordance with the applicable laws and regulations.

II. Authorizing Board for the Issuance of new common shares for cash in public offering:

- (i) The issuance of new shares for cash in public offering is limit to a maximum of 50 million shares.
- (ii) The par value of the new common shares to be issued per share is NT\$10. It is proposed to authorize the Chairman to coordinate with the underwriter(s) of the public offering to determine the actual issue price in accordance with the relevant provisions of the Chinese Securities Association Regulations Governing Underwriters' Assistance in Offering and Issuance of Securities by Issuing Companies and the market conditions which issue price shall be reported to the regulatory authority before issuance.
- (iii) It is proposed to authorize the Board to choose either of the following methods to sell the new shares in the public offering through the underwriter(s) :
 - (a) Except for 10% to 15% of the new shares must be offered to employees in accordance with Article 267, Paragraph I of the Company Act, it is proposed for the shareholders meeting to approve the pre-emptive rights to subscribe to the remaining shares to be waived by the shareholders in accordance with Article 28-1 of the Securities and Exchange Act and such remaining shares will be offered to the public via book building. It is proposed that any new common shares not subscribed by employees of the Company will be sold to the person(s) designated by the Chairman of the Company at the issue price.
 - (b) Except for 10% to 15% of the new shares must be offered to employees in accordance with Article 267, Paragraph I of the Company Act, it is proposed that 10% of the new shares to be sold to the public through the underwriter(s) and the remaining shares will be subscribed to by the existing shareholders of the Company in accordance with their shareholding. It is proposed that any new common shares not subscribed by employees and shareholders of the Company will be sold to the person(s) designated by the Chairman of the Company at the issue price.

The Chairman is authorized to choose the method of issuance in public offering, and to handle all matters which are not addressed herein in accordance with the applicable laws and regulations.
- (ix) The rights of the new shares are equivalent to the current outstanding shares'.
- (x) The uses of the proceeds of this issuance are for building facilities or purchasing factories, equipments, materials, or to repay bank loans, re-invest, enrich working capital, which are expect to complete in 3 years.
- (xi) The Board/Chairman are authorized to determine or adjust the major terms of this new issuance , including but not limit to the issue price, shares issuance/amount, terms, uses/sources of fund, schedule, and results etc., with consideration the market condition or regulatory requirements.
- (xii) After the approval of this offering by authorities, the board is authorized to determine the matters related to the issuance, including but not limit to record date...etc.
- (xiii) The board is authorized to handle, complete, or adjust all the process or issues

- with regard to the issuance of new shares, according to any market condition or regulatory requirement.
- (xiv) The Chairman is authorized to handle all matters which are not addressed herein in accordance with the applicable laws and regulations.

III. Authorizing Board for the issuance of overseas or domestic CB:

- (i) Authorizing Board, in consideration of market condition or regulatory requirements, to determine the issuance shares for CB, which is limit to the shares yet to issue according to CATCHER's Articles of Incorporation.
- (ii) The Board/Chairman are authorized to determine or adjust the major terms of the CB , including but not limit to the issue price, issuance shares /amount, terms, uses/sources of fund, schedule, and results etc., in consideration of the market condition or regulatory requirement.
- (iii) To complete the issuance, the Chairman or the Chairman's designee is authorized, on behalf of the Company, to handle all matters relating to, and sign all agreements and documents in connection with the issuance of CB.
- (iv) The Chairman is authorized to handle all matters which are not addressed herein in accordance with the applicable laws and regulations.

Voting Results: Shares present at the time of voting: 632,343,647

Voting Results*	% of the total represented share present
Votes for: 272,564,806 votes (87,258,132 votes)	43.10%
Votes against: 201,587,799 votes (201,274,799 votes)	31.88%
Votes invalid or abstained: 158,191,042 votes (111,524,998 votes)	25.02%

*including votes casted electronically (number in brackets)

RESOLVED, that the above proposal was not approved.

(The shareholder with shareholder No. 19526 inquired. The said inquiring was supplemented and explained by the Chairman.)

II. To amend the Procedures for Acquisition or Disposal of Assets

Explanatory Notes:

- (1) To cope with the establishment of Audit Committee, please approve the revise of Procedures for Acquisition or Disposal of Assets.
- (2) The comparison tables for the aforementioned internal rules before and after revisions are attached hereto as Attachments IV.

Voting Results: Shares present at the time of voting: 632,343,647

Voting Results*	% of the total represented share present
Votes for: 471,749,378 votes (286,129,704 votes)	74.60%
Votes against: 3,112 votes (3,112 votes)	0.00%
Votes invalid or abstained: 160,591,157 votes (113,925,113 votes)	25.40%

*including votes casted electronically (number in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

(The shareholder with shareholder No. 19526 inquired. The said inquiring was supplemented and explained by the Chairman.)

E. Other Business and Special Motion

F. Meeting Adjourned (Meeting was adjourned at 10:00AM on the same day)

(The minutes of 2014 annual general shareholders' meeting recorded the key points of the meeting and only noted the voting results of each resolution or discussion item. The content and process of the meeting and the inquiries of the shareholders should refer to the records and the videos of the meeting.)

Attachment I

2013 Business Report

Dear Shareholders,

The global economy was slowly recovery in 2013. The competition between brand companies became more intense due to the lukewarm demand. The overall variation and uncertainty were still high, and IT industries especially had more impact. Catcher, in the face of a challenging environment, still remains the growth momentum. In 2013, the consolidated sales reached NT\$ 43.2 billion, up 17% compared to NTD 37 billion in the previous year. The net profit reached NT\$ 13.8 billion in 2013, a 28% growth compared to the previous year. Both sales revenues and earnings hit the record high.

In 2014, Catcher is continued to fully use its superb capabilities in different materials, secondary processing, surface-treatment and "Comprehensive Manufacturing Matrix". At the same time, Catcher is going to upgrade the internal efficiency and execution, to take the advantages of being an industry leader, and to lift the entry barriers among the metal casing industry.

In the future, Catcher still strengthens its core competence, makes vertical integration, and uses different materials, leading design, new technology of process and the economic scale to make the multi-advantage in order to maintain the growth of revenue and profit.

We did see some achievement from the use of new material, like carbon fiber and glass fiber, and expect the products will gradually increase. It proved that Catcher expanded the scale and again had another breakthrough in new materials and new manufacture process. These new material will be able to play a certain role in mobile devices. In addition, the Company will also expand the application from plastic, provide the total solution for all of the mechanical parts, and strengthen the company's leading position in the industry.

Financial performance

The consolidated revenue of the Catcher Group in 2013 was NT\$43.2billion. The consolidated gross profit ratio of the group was 42%. The consolidated net profit after tax was NT\$13.8 billion, and the basic earnings per share was NT\$18.38.

Operation Results (Group)

Unit: in thousand NTD

Item	2013		2012	
	Amount	%	Amount	%
Operating revenues	43,245,550	100%	37,028,798	100%
Gross Profit	18,320,726	42%	16,043,907	43%
Operating income	13,915,661	32%	12,160,421	33%
Income before tax	17,528,275	41%	13,943,983	38%
Net income	13,801,184	32%	10,811,975	29%

Profitability (Group)

Item		2013	2012
Return on assets		14%	12%
Return on equity		20%	18%
Percentage of capital	Operating income	185%	162%
	Income before tax	233%	186%
Net income to sales		32%	29%
EPS (NTD)		\$18.38	\$14.40

Research and Development

In order to maintain the company's leading position, we keep applying more different and composite materials, and developing more advanced technologies. By calling on its rich experience in basic material science and physical/chemical surface treatments, Catcher adopts different materials and different processes in combination with a variety of secondary processing and surface treatments in a multilayer, multi-directional approach to make products and an in-house technology with high precision, high value-added, and high mass production capacity.

The current directions in research and development include special magnesium alloys, aluminum alloys, stainless steel, carbon (glass) fiber, plastic casing and laser engraving of components/seamless welding, metal/plastic injection mold techniques, etching and multi-color surface treatment techniques, and high precision extrusion techniques for large metal casing. The company also invests a lot of effort in extending into other niche products which the existing production technologies. The latest research results include vacuum sputtering technology using aluminum alloy at low temperature, aluminum alloy with plastic injection mold for mobile phones, metal injection bezel with surface treatment by vacuum thin film sputtering, and premium metal texture for mobile phones and plastic injection fitting in combination with a variety of aesthetics treatment components, notebooks, mobile phone etching, multi-color aluminum anodizing casing, high strength one-piece precision metal extruded casing, and development of special heat dissipation techniques and related application designs.

Business strategies

To continuously strengthen the competitive advantage in this industry, along with our vertical integration, Catcher is going to use advanced materials, designs and technological process innovation to create the massive economy of scale and to form an even larger competitive edge. That would therefore improve our relationships with customers and expand to new application to keep growth momentum in sales and profits.

Catcher will also continue its investment in production automation to reduce labors/ labor cost, and enhance productivity and quality. We will aim to actively achieve human resource optimization and accumulate resources for progress. To boost the company's growth, we will continue our development of core products and technologies, expansion of new customers, and diversification of applications.

The diversification and allocation of our facilities is also on going. In 2013, new factories in Suqian & Taizhou were ready for mass production. We expect to achieve optimal allocation among four sites; Taiwan, Suzhou, Suqian, and Taizhou. Therefore, the risk of sole factory site and the impact from volatile market and operating environmental can be reduced.

Important sales policies

The outlook of the metal casing business: portable devices like smartphones, tablet PCs, and NBs become lighter, thinner, sleeker, and more robust; the portable devices become more and more popular; the strong growth of smartphone and tablet also demonstrates that the trend of being lighter and thinner is quite clear. Looking at the design trends of various types of consumer electronics products, the metal casing, supplemented with other materials, will continue to be the best solution.

To continuously increase capacity at a steady pace to meet customer demands, and to gradually implement fastest manufacturing/sales support for the customers are also our goal. In order to achieve instant customer services, sales, manufacturing, and R&D will be closer to the customers with the aim to progress at the same pace as the customers.

Effects of external competition, legislative environment, and macro environment

In terms of external competition, the gross profit in the IT electronics industry will be increasingly compressed as technology progresses in leaps and bounds and new products are being constantly launched. The generally positive outlook of metal component parts is drawing a wave of new competitors, creating a significant amount of pressure on the existing businesses. However, competition is inevitable and serves to maintain positive catalyst among this industry. In order to ensure our leading position, the company pays close attention to the markets and technological development and changes by collecting and analyzing the information on different materials and manufacturing process. The objective is to reduce the impact of changes in technology while keep enhancing advanced technologies. In addition to investing in basic material science, the company also reinforces development in different material molding as well as processing and surface treatments, enhances core R&D techniques, and diversifies its products and lift them onto higher levels to secure and stabilize profits. Excellent production techniques and huge capacity will be utilized to provide premium customer services in order to strengthen mutually beneficial for long term relationships.

With respect to the legislative environment in Taiwan and overseas, countries around the world have been launching environmental protection laws regarding electronic products. The company has always been committed to environmentally friendly production processes and will undoubtedly meet the legislative requirements and keep up with the global trend. The company will continue to monitor, update, and comply with any new legislative implementation in order to protect the rights of the shareholders.

As the macro environment becomes more complex, the company will take into account the industry conditions and macro economic indicators, and carefully evaluate and select the best strategies.

Business outlook and targets

Looking forward, the focus of development for Catcher will be on three segments: smartphones, tablets, and notebooks.

For mobile phone market in 2013, MIC estimated the shipments of Mobile phones (including Smartphone & Tablet) to be around 1.918 billion, up 9.5% y-y. In comparison with the mild growth of mobile phones, smartphones show high growth rate. MIC also estimated the smartphone shipments of 2013 reached 991 million units, up 42% from 698 million in 2012. That is the first time that smartphone units surpass feature phones. The smartphone units are estimated to be 1.26/1.51/1.708 billion from 2014-2016, a double digit increase per annum. We expect the growth from smartphones will come from the competition between different brands and OS. The trend of being large screen size, thinner, lighter, and fashion for smartphones will cause the intense demand for metal parts and will certainly benefit Catcher.

IDC estimated the shipment of Tablet PC in 2013 was around 229 million units, compared with 144 million in 2012, up by 59%. It becomes the largest growth driver among all electronic products. IDC also estimates that tablet will continue to grow 25% to 287 million units in 2014, and up 16% to 332 million in 2015. The strong growth of tablet is obvious and the requirement of the strength of protection for mobile devices, like tablet PCs, can generate the demand of metal casing. Therefore, it should be the key driver for future growth.

According to Citigroup, 2013 sales volume of PC achieved 316 million units, compared with 2012's 349million, decline 10% Y-Y. The main reasons were that the some consumer models were cannibalized by tablet PCs, and the new CPU/OS were postponed. The shipment of PC is expected to further decrease to 308 million, while the decline is decelerate to 2%. PC market is quite mature and the shipment of 2015 is estimated to be 301 million.

Notebook shipments of 2013 were 179 million, compared to 200 million units in 2012, down 11% Y-Y. As for 2014, it will reach to 174 million units (-3% Y-Y); and 169 million in 2015 (-3% Y-Y). Notebooks business is still one of important part for our sales revenue. Although it's mature, the slim and stylish design of products can increase the penetration rate of metal casing. We expect the NB business could be quite stable, due to the stable demand for corporate models and the help of new CPU/OS.

Looking ahead of 2014, smartphones and tablets will continue to experience growth and the metal penetration rate will increase, which are expected to drive growth in the metal component industry. Catcher will continue to develop special production processes, techniques, and materials in combination with the existing production techniques to keep strengthening the comprehensive manufacturing matrix, which will enable the company to remain a leading manufacturer in metal casing and inner components worldwide as a major supplier that can meet customers' requirements of quality, yield rate, mass production capability, and innovation. In terms of sales forecast, although differences in product specifications, sizes, diversification of materials and processing techniques render the company's forecast of metal component sales meaningless, the goal for Catcher is still committed to outperforming the average industry growth in the future.

Catcher will continue to uphold its philosophy of Innovative Technology, Customer Services, Honesty and Integrity, and Sustainable Development, and work toward the goal of becoming a world leader in light metals technology. The company will also remain committed to product innovation, business model optimization, production technology enhancement, and cost structure improvement in order to maintain the leading position. Hence, it does not matter how the business environment changes in the future, we have the ambition, confidence, and determination to achieve our goals and create maximum value for our customers, shareholders, and employees.

Chairman Allen Hung



Attachment II:

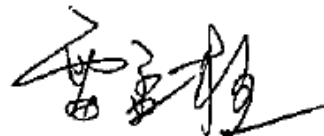
Audit Committee's Review Report

The Board of Directors has prepared the Company's 2013 Financial Statements. Independent auditors, Certified Public Accountants of Deloitte & Touche, have audited the Financial Statements. The Financial Statements have been reviewed and determined to be correct and accurate by the Audit Committee of CATCHER. The Audit Committee hereby submits this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

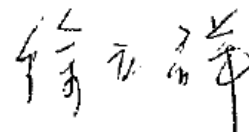
Catcher Technology Co., Ltd.

Audit Committee Members

Independent Director:



Independent Director:



Independent Director:



February 5, 2014

Attachment II:

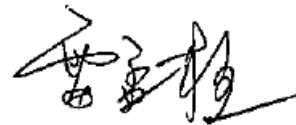
Audit Committee's Review Report

The Board of Directors has prepared the Company's 2013 business report, and Earning Distribution Statement for the year of 2013. The business report, and Earning Distribution Statement have been reviewed and determined to be correct and accurate by the Audit Committee of CATCHER. The Audit Committee hereby submits this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

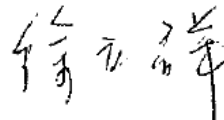
Catcher Technology Co., Ltd.

Audit Committee Members


Independent Director:



Independent Director:



Independent Director:



April 29, 2014

Attachment III:

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Catcher Technology Co., Ltd. (the "Company") as of December 31, 2013, December 31, 2012 and January 1, 2012, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2013 and 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. However, we did not audit the financial statements as of and for the years ended December 31, 2013, December 31, 2012 and January 1, 2012 of certain associates 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 associates was based solely on the reports of the other auditors. The carrying values of the investment in associates were NT\$585,733 thousand, NT\$485,235 thousand and NT\$413,238 thousand, or 0.64%, 0.66% and 0.62% of the total assets as of December 31, 2013, December 31, 2012 and January 1, 2012 respectively. Comprehensive income recognized under the equity method was NT\$120,728 thousand and NT\$95,450 thousand, or 0.73% and 1.08% of the comprehensive income for the years ended December 31, 2013 and 2012, 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2013, December 31, 2012 and January 1, 2012, and its financial performance and its cash flows for the years ended 2013 and 2012, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The accompanying schedules of the major accounting items of the Company as of and for the year ended December 31, 2013 are presented for the purpose of additional analysis. These schedules have been subjected to the auditing procedures described in the above second paragraph. In our opinion, these schedules are consistent, in all material respects, with the financial statements referred to in the above first paragraph.

February 6, 2014

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying 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 independent auditors' report and financial statements shall prevail.

CATCHER TECHNOLOGY CO., LTD.

BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2013		December 31, 2012		January 1, 2012		LIABILITIES AND EQUITY	December 31, 2013		December 31, 2012		January 1, 2012	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents	\$ 10,240,024	11	\$ 5,931,900	8	\$ 4,474,376	7	Short-term borrowings	\$ 11,059,000	12	\$ 3,732,000	5	\$ 650,962	1
Financial assets at fair value through profit or loss - current	22,087	-	-	-	692	-	Financial liabilities at fair value through profit or loss - current	-	-	37,772	-	49,508	-
Available-for-sale financial assets - current	49,975	-	54,480	-	906,372	1	Accounts payable	625,019	1	227,774	-	529,668	1
Debt investment with no active market - current	-	-	164,373	-	102,428	-	Accounts payable - related parties	663,387	1	1,651,246	2	2,267,351	3
Notes receivable	560	-	30	-	-	-	Other payables	597,616	-	791,698	1	732,185	1
Accounts receivable	5,544,839	6	4,258,581	6	6,512,857	10	Other payables - related parties	6,647	-	2,393	-	5,418	-
Accounts receivables - related parties	210,021	-	77,407	-	313,514	-	Current tax liabilities	711,105	1	690,058	1	609,653	1
Other receivables	40,627	-	107,598	-	49,838	-	Current portion of bonds payable	3,492,625	4	3,487,922	5	-	-
Other receivables - related parties	7,828	-	13,872	-	121,374	-	Current portion of long-term borrowings	1,000,000	1	606,667	1	700,000	1
Inventories	394,676	1	340,355	1	358,784	1	Other current liabilities	10,129	-	4,213	-	23,787	-
Prepayment for lease	1,081	-	1,081	-	1,081	-							
Other current assets	35,942	-	46,314	-	29,994	-	Total current liabilities	18,165,528	20	11,231,743	15	5,568,532	8
Total current assets	16,547,660	18	10,995,991	15	12,871,310	19	NON-CURRENT LIABILITIES						
NON-CURRENT ASSETS							Bonds payable	-	-	-	-	3,441,822	5
Available-for-sale financial assets - non - current	-	-	99,834	-	80,123	-	Long-term borrowings	-	-	1,000,000	2	1,606,667	3
Investments accounted for using equity method	68,933,664	75	56,194,705	76	48,544,929	73	Deferred tax liabilities	116,744	-	96,819	-	93,455	-
Property, plant and equipment	5,893,366	7	6,086,548	8	4,559,712	7	Accrued pension liabilities	854	-	3,406	-	-	-
Investment properties	259,831	-	265,449	1	271,076	-	Other non - current liabilities	4,440	-	7,175	-	18,743	-
Other intangible assets	11,625	-	6,524	-	10,800	-	Total non-current liabilities	122,038	-	1,107,400	2	5,160,687	8
Deferred tax assets	44,013	-	26,791	-	7,763	-	Total liabilities	18,287,566	20	12,339,143	17	10,729,219	16
Long-term prepayments for lease	5,766	-	6,847	-	7,928	-	EQUITY						
Other non-current assets	101,128	-	66,073	-	671,861	1	Capital stock - common stock	7,507,031	8	7,507,031	10	7,506,394	11
Total non-current assets	75,249,393	82	62,752,771	85	54,154,192	81	Capital surplus	16,974,456	18	16,924,117	23	16,916,326	25
							Retained earnings						
							Legal reserve	5,541,474	6	4,452,426	6	3,384,703	5
							Special reserve	2,377,902	3	2,377,902	3	3,236,695	5
							Unappropriated earnings	40,297,391	44	32,087,401	44	25,251,916	38
							Total retained earning	48,216,767	53	38,917,729	53	31,873,314	48
							Other equity	811,233	1	(1,939,258)	(3)	249	-
							Total equity	73,509,487	80	61,409,619	83	56,296,283	84
TOTAL	\$ 91,797,053	100	\$ 73,748,762	100	\$ 67,025,502	100	TOTAL	\$ 91,797,053	100	\$ 73,748,762	100	\$ 67,025,502	100

(With Deloitte & Touche audit report dated February 6, 2014)

CATCHER TECHNOLOGY CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME

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

	2013		2012	
	Amount	%	Amount	%
OPERATING REVENUE	\$22,228,284	100	\$ 11,743,036	100
OPERATING COSTS	<u>19,798,362</u>	<u>89</u>	<u>8,736,075</u>	<u>74</u>
GROSS PROFIT	<u>2,429,922</u>	<u>11</u>	<u>3,006,961</u>	<u>26</u>
OPERATING EXPENSES				
Selling and marketing expenses	59,854	-	47,658	1
General and administrative expenses	154,078	1	132,266	1
Research and development expenses	<u>262,570</u>	<u>1</u>	<u>363,260</u>	<u>3</u>
Total operating expenses	<u>476,502</u>	<u>2</u>	<u>543,184</u>	<u>5</u>
OPERATING INCOME	<u>1,953,420</u>	<u>9</u>	<u>2,463,777</u>	<u>21</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	61,031	-	50,634	1
Other income	14,442	-	26,207	-
Foreign exchange gain (loss), net	296,910	1	(280,053)	(2)
Other gains and losses	98,778	1	21,354	-
Interest Expense	(129,083)	(1)	(87,143)	(1)
Share of profits of subsidiaries and associates	<u>12,403,430</u>	<u>56</u>	<u>9,644,414</u>	<u>82</u>
Total non-operating income and expense	<u>12,745,508</u>	<u>57</u>	<u>9,375,413</u>	<u>80</u>
PROFIT BEFORE INCOME TAX	14,698,928	66	11,839,190	101
INCOME TAX EXPENSE	<u>897,744</u>	<u>4</u>	<u>1,027,215</u>	<u>9</u>
NET PROFIT	<u>13,801,184</u>	<u>62</u>	<u>10,811,975</u>	<u>92</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Exchange differences arising on translation of foreign operations	2,780,524	12	(1,981,403)	(17)
Unrealized gain (loss) on available-for-sale financial assets	(36,667)	-	50,495	-
Actuarial gain (loss) from defined benefit plans	2,533	-	(14,643)	-
Share of other comprehensive income (loss) of subsidiaries and associates	6,634	-	(8,599)	-
Income tax benefit (expense) related to components of other comprehensive income (loss)	<u>(460)</u>	<u>-</u>	<u>579</u>	<u>-</u>

(Continued)

CATCHER TECHNOLOGY CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME

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

	2013		2012	
	Amount	%	Amount	%
Other comprehensive income (loss) for the year, net of income tax	<u>2,752,564</u>	<u>12</u>	<u>(1,953,571)</u>	<u>(17)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$16,553,748</u>	<u>74</u>	<u>\$ 8,858,404</u>	<u>75</u>
EARNINGS PER SHARE				
Basic	<u>\$ 18.38</u>		<u>\$ 14.40</u>	
Diluted	<u>\$ 17.91</u>		<u>\$ 14.08</u>	

(With Deloitte & Touche audit report dated February 6, 2014)

CATCHER TECHNOLOGY CO., LTD.

STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars)

	Retained Earnings					Other Equity		Total Equity
	Capital Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	
BALANCE, JANUARY 1, 2012	\$ 7,506,394	\$ 16,916,326	\$ 3,384,703	\$ 3,236,695	\$ 25,251,916	\$ -	\$ 249	\$ 56,296,283
Appropriation of the 2011 earnings :								
Legal reserve	-	-	1,067,723	-	(1,067,723)	-	-	-
Special reserve	-	-	-	(858,793)	858,793	-	-	-
Cash dividends - 50%	-	-	-	-	(3,753,496)	-	-	(3,753,496)
Change in capital surplus from investments in associates accounted for by using equity method	-	2,198	-	-	-	-	-	2,198
Net income for the year ended December 31,2012	-	-	-	-	10,811,975	-	-	10,811,975
Other comprehensive income (loss) for the year ended December 31,2012, net of income tax	-	-	-	-	(14,064)	(1,990,002)	50,495	(1,953,571)
Total comprehensive income (loss) for the year ended December 31,2012	-	-	-	-	10,797,911	(1,990,002)	50,495	8,858,404
Conversion of convertible bonds	637	5,593	-	-	-	-	-	6,230
BALANCE, DECEMBER 31, 2012	7,507,031	16,924,117	4,452,426	2,377,902	32,087,401	(1,990,002)	50,744	61,409,619
Appropriation of the 2012 earnings :								
Legal reserve	-	-	1,089,048	-	(1,089,048)	-	-	-
Cash dividends - 60%	-	-	-	-	(4,504,219)	-	-	(4,504,219)
Change in capital surplus from investments in associates accounted for by using equity method	-	54,843	-	-	-	-	-	54,843
Net income for the year ended December 31,2013	-	-	-	-	13,801,184	-	-	13,801,184
Other comprehensive income (loss) for the year ended December 31,2013, net of income tax	-	-	-	-	2,073	2,787,158	(36,667)	2,752,564
Total comprehensive income (loss) for the year ended December 31,2013	-	-	-	-	13,803,257	2,787,158	(36,667)	16,553,748
Disposal of investments accounted for using equity method	-	(4,504)	-	-	-	-	-	(4,504)
BALANCE, DECEMBER 31, 2013	\$ 7,507,031	\$ 16,974,456	\$ 5,541,474	\$ 2,377,902	\$ 40,297,391	\$ 797,156	\$ 14,077	\$ 73,509,487

(With Deloitte & Touche audit report dated February 6, 2014)

CATCHER TECHNOLOGY CO., LTD.

STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 14,698,928	\$ 11,839,190
Adjustments for		
Depreciation	668,459	567,831
Amortization	10,584	8,030
Net gain on financial assets and liabilities at fair value through profit or loss	(600)	-
Interest expenses	129,083	87,143
Interest income	(61,031)	(50,634)
Dividend income	37,341	28,594
Share of profits of subsidiaries and associates	(12,403,430)	(9,644,414)
Gain on disposal of property, plant and equipment	(17,425)	(3,946)
Gain on disposal of investment	(62,534)	(6,950)
Write - down of inventories	-	6,502
Unrealized loss (gain) on foreign currency exchange	(52,888)	55,297
Loss on redeeming bonds payable	2,504	-
Changes in operating assets and liabilities		
Financial assets held for trading	(17,000)	692
Notes receivable	(530)	(30)
Accounts receivable	(1,223,253)	2,197,380
Accounts receivable - related parties	(133,872)	233,878
Other receivable	75,881	(55,550)
Other receivable - related parties	6,013	(5,691)
Inventories	(54,321)	11,927
Other current assets	8,184	(17,493)
Financial liabilities held for trading	(21,758)	(11,736)
Accounts payable	393,675	(300,157)
Accounts payable - related parties	(993,983)	(610,731)
Other payables	(53,821)	40,728
Other payables - related parties	4,196	(3,031)
Other current liabilities	5,916	(19,575)
Accrued pension liabilities	152	-
Cash generated from operations	944,470	4,347,254
Income tax paid	(874,454)	(960,631)
Net cash generated from operating activities	70,016	3,386,623
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets designated as at fair value through profit or loss	(20,040)	-
Acquisition of available-for sale financial assets	(30,574)	(1,062,000)
Proceeds from disposal of available-for-sale financial assets	161,190	1,923,085
Acquisition of debt investments with no active market	(3,308,549)	(1,582,448)
Proceeds from disposal of debt investments with no active market	3,474,140	1,519,299

(Continued)

CATCHER TECHNOLOGY CO., LTD.

STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	2013	2012
Acquisition of investments accounted for using equity method	(2,010)	(4,000)
Proceeds from disposal of long-term investments accounted for using equity method	79,172	-
Proceeds from capital reduction of investments accounted for using equity method	2,208,662	-
Acquisition of property, plant and equipment	(726,562)	(1,472,289)
Proceeds of disposal of property, plant and equipment	273,280	117,509
Increase in refundable deposits	(46)	(43)
Decrease in refundable deposits	2,050	77
Acquisition of intangible assets	(12,416)	(1,500)
Increase in other non-current assets	(590)	(272)
Interest received	<u>52,032</u>	<u>48,423</u>
Net cash generated from (used in) investing activities	<u>2,149,739</u>	<u>(514,159)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	36,563,876	10,393,624
Decrease in short-term borrowings	(29,236,876)	(7,309,894)
Repayment of bonds	(50,854)	-
Repayment of long-term borrowings	(606,667)	(700,000)
Increase in guarantee deposits received	630	14,415
Decrease in guarantee deposits received	(3,365)	(25,983)
Interest paid	(74,156)	(33,606)
Payment of cash dividends	<u>(4,504,219)</u>	<u>(3,753,496)</u>
Net cash generated from (used in) financing activities	<u>2,088,369</u>	<u>(1,414,940)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,308,124	1,457,524
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,931,900</u>	<u>4,474,376</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$10,240,024</u>	<u>\$ 5,931,900</u>

(With Deloitte & Touche audit report dated February 6, 2014)

(Concluded)

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 (collectively referred to as the "Group") as of December 31, 2013, December 31, 2012 and January 1, 2012, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2013 and 2012. 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, 2013, December 31, 2012 and January 1, 2012 of certain associates 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 associates was based solely on the reports of the other auditors. The carrying values of the investment in associates were NT\$585,733 thousand, NT\$485,235 thousand and NT\$413,238 thousand, or 0.56%, 0.48% and 0.46% of the consolidated total assets as of December 31, 2013, December 31, 2012 and January 1, 2012 respectively. Comprehensive income recognized under the equity method was NT\$120,728 thousand and NT\$95,450 thousand, or 0.73% and 1.08% of the consolidated comprehensive income for the years ended December 31, 2013 and 2012, 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits 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, 2013, December 31, 2012 and January 1, 2012, and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2013 and 2012, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China.

We have also audited the parent company only financial statements of Catcher Technology Co., Ltd. as of and for the years ended December 31, 2013 and 2012 on which we have issued a modified unqualified opinion.

February 6, 2014

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CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2013		December 31, 2012		January 1, 2012		LIABILITIES AND EQUITY	December 31, 2013		December 31, 2012		January 1, 2012	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents	\$ 39,378,362	37	\$ 45,399,535	45	\$ 35,541,852	40	Short-term borrowings	\$ 16,155,655	16	\$ 24,439,799	24	\$ 17,040,191	19
Financial assets at fair value through profit or loss - current	22,087	-	-	-	117,765	-	Financial liabilities at fair value through profit or loss - current	-	-	37,772	-	49,508	-
Available-for-sale financial assets - current	49,975	-	937,361	1	1,343,321	1	Notes payable	249,963	-	308,002	-	136,454	-
Debt investment with no active market - current	3,192,697	3	326,080	-	4,655,979	5	Accounts payable	4,245,813	4	2,980,944	3	3,085,509	4
Notes receivable	560	-	30	-	-	-	Accounts payable - related parties	286,540	-	49,262	-	35,971	-
Accounts receivable	17,504,791	17	15,173,226	15	12,322,837	14	Other payables	3,665,484	4	3,044,969	3	3,115,265	4
Other receivables	261,179	-	212,834	-	167,411	-	Current tax liabilities	2,165,528	2	1,275,657	1	1,119,544	1
Current tax assets	149,397	-	28	-	17	-	Current portion of bonds payable	3,492,625	3	3,487,922	4	-	-
Inventories	3,873,173	4	2,449,094	3	2,537,880	3	Current portion of long-term borrowings	1,000,000	1	839,417	1	953,255	1
Prepayment for lease	17,812	-	15,601	-	10,889	-	Other current liabilities	312,960	-	328,133	-	221,201	-
Other current assets	896,623	1	2,045,877	2	1,204,503	1							
Total current assets	65,346,656	62	66,559,666	66	57,902,454	64	Total current liabilities	31,574,568	30	36,791,877	36	25,756,898	29
NON-CURRENT ASSETS							NON-CURRENT LIABILITIES						
Available-for-sale financial assets - non - current	-	-	99,834	-	80,123	-	Bonds payable	-	-	-	-	3,441,822	4
Debt investment with no active market - non - current	-	-	-	-	244,698	-	Long-term borrowings	-	-	2,862,875	3	3,970,752	4
Investments accounted for using equity method	1,730,683	2	1,633,725	2	1,356,242	2	Deferred tax liabilities	116,744	-	96,819	-	122,723	-
Property, plant and equipment	34,903,140	33	30,814,857	30	27,928,528	31	Accrued pension liabilities	854	-	3,406	-	-	-
Investment properties	259,831	-	265,449	-	271,076	-	Other non - current liabilities	6,764	-	16,224	-	31,485	-
Other intangible assets	102,555	-	78,969	-	101,625	-	Total non-current liabilities	124,362	-	2,979,324	3	7,566,782	8
Deferred tax assets	1,394,675	1	641,603	1	626,467	1	Total liabilities	31,698,930	30	39,771,201	39	33,323,680	37
Long-term prepayments for lease	770,070	1	682,315	1	419,102	1							
Other non-current assets	871,426	1	583,158	-	882,859	1	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Total non-current assets	40,032,380	38	34,799,910	34	31,910,720	36	Capital stock - common stock	7,507,031	7	7,507,031	8	7,506,394	8
							Capital surplus	16,974,456	16	16,924,117	17	16,916,326	19
							Retained earnings						
							Legal reserve	5,541,474	6	4,452,426	4	3,384,703	4
							Special reserve	2,377,902	2	2,377,902	2	3,236,695	4
							Unappropriated earnings	40,297,391	38	32,087,401	32	25,251,916	28
							Total retained earning	48,216,767	46	38,917,729	38	31,873,314	36
							Other equity	811,233	1	(1,939,258)	(2)	249	-
							Total equity attributable to owners of the Company	73,509,487	70	61,409,619	61	56,296,283	63
							NON - CONTROLLING INTERESTS	170,619	-	178,756	-	193,211	-
							Total equity	73,680,106	70	61,588,375	61	56,489,494	63
TOTAL	\$105,379,036	100	\$101,359,576	100	\$ 89,813,174	100	TOTAL	\$105,379,036	100	\$101,359,576	100	\$ 89,813,174	100

(With Deloitte & Touche audit report dated February 6, 2014)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2013		2012	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 24)	\$43,245,550	100	\$37,028,798	100
OPERATING COSTS (Notes 11, 25 and 31)	<u>24,924,824</u>	<u>58</u>	<u>20,984,891</u>	<u>57</u>
GROSS PROFIT	<u>18,320,726</u>	<u>42</u>	<u>16,043,907</u>	<u>43</u>
OPERATING EXPENSES (Note 25)				
Selling and marketing expenses	326,495	1	329,990	1
General and administrative expenses	3,235,360	7	2,613,576	7
Research and development expenses	<u>843,210</u>	<u>2</u>	<u>939,920</u>	<u>2</u>
Total operating expenses	<u>4,405,065</u>	<u>10</u>	<u>3,883,486</u>	<u>10</u>
OPERATING INCOME	<u>13,915,661</u>	<u>32</u>	<u>12,160,421</u>	<u>33</u>
NON-OPERATING INCOME AND EXPENSES (Note 25)				
Interest income	658,600	2	640,363	2
Other income	641,222	2	266,960	1
Foreign exchange gain, net	2,435,378	6	1,074,956	3
Other gains and losses	113,021	-	(10,452)	-
Interest Expense	(291,413)	(1)	(302,546)	(1)
Share of profit of associates	<u>55,806</u>	<u>-</u>	<u>114,281</u>	<u>-</u>
Total non-operating income and expense	<u>3,612,614</u>	<u>9</u>	<u>1,783,562</u>	<u>5</u>
PROFIT BEFORE INCOME TAX	17,528,275	41	13,943,983	38
INCOME TAX EXPENSE (Notes 4 and 26)	<u>3,711,155</u>	<u>9</u>	<u>3,114,025</u>	<u>9</u>
NET PROFIT	<u>13,817,120</u>	<u>32</u>	<u>10,829,958</u>	<u>29</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Exchange differences arising on translation of foreign operations	2,788,824	6	(1,988,542)	(5)
Unrealized gain (loss) on available-for-sale financial assets	(36,667)	-	50,495	-
Actuarial gain (loss) from defined benefit plans	2,533	-	(14,643)	-
Share of other comprehensive income (loss) of associates	6,634	-	(8,599)	-
Income tax benefit (expense) related to components of other comprehensive income (loss)	<u>(460)</u>	<u>-</u>	<u>579</u>	<u>-</u>

(Continued)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2013		2012	
	Amount	%	Amount	%
Other comprehensive income (loss) for the year, net of income tax	<u>2,760,864</u>	<u>6</u>	<u>(1,960,710)</u>	<u>(5)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$16,577,984</u>	<u>38</u>	<u>\$ 8,869,248</u>	<u>24</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$13,801,184		\$ 10,811,975	
Non - controlling interests	<u>15,936</u>		<u>17,983</u>	
	<u>\$13,817,120</u>		<u>\$10,829,958</u>	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$16,553,748		\$ 8,858,404	
Non - controlling interests	<u>24,236</u>		<u>10,844</u>	
	<u>\$16,577,984</u>		<u>\$ 8,869,248</u>	
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ 18.38</u>		<u>\$ 14.40</u>	
Diluted	<u>\$ 17.91</u>		<u>\$ 14.08</u>	

(With Deloitte & Touche audit report dated February 6, 2014)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company					Other Equity		Total	Non-controlling Interests	Total Equity
	Capital Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets			
BALANCE, JANUARY 1, 2012	\$ 7,506,394	\$ 16,916,326	\$ 3,384,703	\$ 3,236,695	\$ 25,251,916	\$ -	\$ 249	\$ 56,296,283	\$ 193,211	\$ 56,489,494
Appropriation of the 2011 earnings :										
Legal reserve	-	-	1,067,723	-	(1,067,723)	-	-	-	-	-
Special reserve	-	-	-	(858,793)	858,793	-	-	-	-	-
Cash dividends - 50%	-	-	-	-	(3,753,496)	-	-	(3,753,496)	-	(3,753,496)
Change in capital surplus from investments in associates accounted for by using equity method	-	2,198	-	-	-	-	-	2,198	-	2,198
Net income for the year ended December 31,2012	-	-	-	-	10,811,975	-	-	10,811,975	17,983	10,829,958
Other comprehensive income (loss) for the year ended December 31,2012, net of income tax	-	-	-	-	(14,064)	(1,990,002)	50,495	(1,953,571)	(7,139)	(1,960,710)
Total comprehensive income (loss) for the year ended December 31,2012	-	-	-	-	10,797,911	(1,990,002)	50,495	8,858,404	10,844	8,869,248
Conversion of convertible bonds	637	5,593	-	-	-	-	-	6,230	-	6,230
Decrease in non - controlling interests	-	-	-	-	-	-	-	-	(25,299)	(25,299)
BALANCE, DECEMBER 31, 2012	7,507,031	16,924,117	4,452,426	2,377,902	32,087,401	(1,990,002)	50,744	61,409,619	178,756	61,588,375
Appropriation of the 2012 earnings :										
Legal reserve	-	-	1,089,048	-	(1,089,048)	-	-	-	-	-
Cash dividends - 60%	-	-	-	-	(4,504,219)	-	-	(4,504,219)	-	(4,504,219)
Change in capital surplus from investments in associates accounted for by using equity method	-	54,843	-	-	-	-	-	54,843	-	54,843
Net income for the year ended December 31,2013	-	-	-	-	13,801,184	-	-	13,801,184	15,936	13,817,120
Other comprehensive income (loss) for the year ended December 31,2013, net of income tax	-	-	-	-	2,073	2,787,158	(36,667)	2,752,564	8,300	2,760,864
Total comprehensive income (loss) for the year ended December 31,2013	-	-	-	-	13,803,257	2,787,158	(36,667)	16,553,748	24,236	16,577,984
Disposal of investments accounted for using equity method	-	(4,504)	-	-	-	-	-	(4,504)	-	(4,504)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(32,373)	(32,373)
BALANCE, DECEMBER 31, 2013	\$ 7,507,031	\$ 16,974,456	\$ 5,541,474	\$ 2,377,902	\$ 40,297,391	\$ 797,156	\$ 14,077	\$ 73,509,487	\$ 170,619	\$ 73,680,106

(With Deloitte & Touche audit report dated February 6, 2014)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 17,528,275	\$ 13,943,983
Adjustments for		
Depreciation	5,178,520	4,236,154
Amortization	46,691	38,931
Allowance for doubtful accounts	-	4,659
Net gain on financial assets and liabilities at fair value through profit or loss	(600)	-
Interest expenses	291,413	302,546
Interest income	(658,600)	(640,363)
Dividend income	37,341	28,594
Share of profit of associates	(55,806)	(114,281)
Gain on disposal of property, plant and equipment	(10,547)	(9,135)
Gain on disposal of investment	(78,015)	(6,950)
Write - down of inventories	-	6,502
Unrealized loss (gain) on foreign currency exchange	2,001,582	(1,788,041)
Loss on redeeming bonds payable	2,504	-
Changes in operating assets and liabilities		
Financial assets held for trading	(17,000)	117,765
Notes receivable	(530)	(30)
Accounts receivable	(2,254,617)	(2,877,601)
Other receivable	(95,998)	(53,552)
Inventories	(1,424,079)	91,359
Other current assets	1,144,525	(848,429)
Financial liabilities held for trading	(21,758)	(11,736)
Notes payable	(58,039)	171,548
Accounts payable	1,267,148	(156,382)
Accounts payable - related parties	228,959	23,190
Other payables	740,163	127,372
Other current liabilities	28,210	(58,522)
Accrued pension liabilities	152	-
Cash generated from operations	23,819,894	12,527,581
Income tax paid	(3,704,288)	(2,789,294)
Net cash generated from operating activities	<u>20,115,606</u>	<u>9,738,287</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets designated as at fair value through profit or loss	(20,040)	-
Acquisition of available-for sale financial assets	(31,515)	(1,505,595)
Proceeds from disposal of available-for-sale financial assets	1,037,551	1,923,085
Acquisition of debt investments with no active market	(19,196,000)	(4,824,409)
Proceeds from disposal of debt investments with no active market	16,399,249	9,284,255
Acquisition of investments accounted for using equity method	(2,010)	(234,306)
Proceeds from disposal of investments accounted for using equity method	79,172	-

(Continued)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	2013	2012
Net cash paid for disposal of subsidiaries	-	(556)
Acquisition of property, plant and equipment	(9,629,360)	(8,396,370)
Proceeds from disposal of property, plant and equipment	26,532	18,439
Increase in refundable deposits	(4,157)	(5,356)
Decrease in refundable deposits	18,431	242
Acquisition of intangible assets	(47,446)	(6,071)
Increase in other non-current assets	(851)	(784)
Increase in prepayments for lease	(63,918)	(301,789)
Interest received	<u>706,164</u>	<u>643,492</u>
Net cash used in investing activities	<u>(10,728,198)</u>	<u>(3,405,723)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	59,599,342	67,433,256
Decrease in short-term borrowings	(68,535,659)	(58,984,087)
Repayment of bonds	(50,854)	-
Proceeds from long-term borrowings	2,178,364	1,430,851
Repayment of long-term borrowings	(4,927,490)	(2,251,837)
Increase in guarantee deposits received	136,705	463,382
Decrease in guarantee deposits received	(200,740)	(308,890)
Interest paid	(248,895)	(256,561)
Payment of cash dividends	(4,504,219)	(3,753,496)
Decrease in non-controlling interests	<u>(32,373)</u>	<u>(25,299)</u>
Net cash generated from (used in) financing activities	<u>(16,585,819)</u>	<u>3,747,319</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>1,177,238</u>	<u>(222,200)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,021,173)	9,857,683
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>45,399,535</u>	<u>35,541,852</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$39,378,362</u>	<u>\$45,399,535</u>

(With Deloitte & Touche audit report dated February 6, 2014)

(Concluded)

Attachment IV:

“Procedures for Acquisition or Disposal of Assets”(Comparison Table for the Before and After Revision)

BEFORE THE REVISION	AFTER THE REVISION	Explanatory Notes
<p>Article 2</p> <p>“Assets” used herein should mean:</p> <p>II. Real property (including construction enterprise inventory) and other fixed assets;</p>	<p>Article 2</p> <p>“Assets” used herein should mean:</p> <p>II. Real property (including <u>land, houses and buildings, investment property, rights to use land,</u> and construction enterprise inventory) and <u>equipment</u>;</p>	<p>Conform to the amendments to related regulations.</p>
<p>Article 3</p> <p>Terms used herein are defined as follows:</p> <p>II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, paragraph <u>6</u> of the Company Act.</p> <p><u>III. Related party: In accordance with the provisions of Statement of Auditing Standard No. 6</u></p>	<p>Article 3</p> <p>Terms used herein are defined as follows:</p> <p>II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, paragraph <u>8</u> of the Company Act.</p>	<p>Conform to the amendments to related regulations.</p>

<p><u>published by the ROC Accounting Research and Development Foundation (ARDF).</u></p> <p><u>IV. Subsidiary: In accordance with the provisions of Statement of Auditing Standard No. 5 and No. 7 published by ARDF.</u></p> <p><u>V.</u> Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or <u>other fixed assets</u>.</p> <p><u>VI.</u> Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</p> <p><u>VII.</u> Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or</p>	<p>III. Related party <u>or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p> <p>IV. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or <u>equipment</u>.</p> <p>V. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</p> <p>VI. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or</p>	
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conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.	conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.	
<p>Article 6</p> <p>IV. In acquiring or disposing of real property or <u>other fixed assets</u> where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of <u>machinery and equipment</u> for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified</p>	<p>Article 6</p> <p>IV. In acquiring or disposing of real property or <u>equipment</u> where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be</p>	Conform to the amendments to related regulations.

<p>public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p>	<p>engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the <u>ROC</u> Accounting Research and Development Foundation (<u>ARDF</u>) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p>	
<p>Article 7</p> <p>1. A public company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or</p>	<p>Article 7</p> <p>1. A public company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the</p>	<p>Conform to the amendments to related regulations.</p>

<p>NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC) <u>of Executive Yuan</u>.</p>	<p>transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	
<p>Article 8</p> <p>II. When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of</p>	<p>Article 8</p> <p>II. When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the</p>	<p>Conform to the amendments to related regulations.</p>

<p>the company's total assets, or NT\$300 million or more, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 13, paragraph 1 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the audit committee need not be counted toward the transaction amount.</p> <p>With respect to the acquisition or disposal of business-use <u>machinery and</u> equipment between a public company and its parent or subsidiaries, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within the amount defined by the paragraph 2 in this Article and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p>	<p>company's total assets, or NT\$300 million or more, <u>except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds,</u> the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 13, paragraph 1 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the audit committee need not be counted toward the transaction amount.</p> <p>With respect to the acquisition or disposal of business-use equipment between a public company and its parent or subsidiaries, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within the amount defined by the paragraph 2 in this</p>	
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<p>Where the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Paragraph 3 in this Article and the preceding three paragraphs do not apply:</p> <ol style="list-style-type: none"> (1) The related party acquired the real property through inheritance or as a gift. (2) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction. (3) The real property is acquired through signing of a joint development contract with the related party. 	<p>Article and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p><u>Where an audit committee has been established in accordance with the provisions of the Act, the matters shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution. If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</u></p> <p>Where the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Paragraph 3 in this Article and the preceding three paragraphs do not apply:</p>	
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	<p>(1) The related party acquired the real property through inheritance or as a gift.</p> <p>(2) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.</p> <p>(3) The real property is acquired through signing of a joint development contract with the related party <u>.or through engaging a related party to build real property, either on the company's own land or on rented land.</u></p>	
<p>Article 9</p> <p>Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	<p>Article 9</p> <p>Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, <u>except in transactions with a government agency,</u> the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	Conform to the amendments to related regulations.
<p>Article 11</p> <p>The supervision and management</p>	<p>Article 11</p> <p>The supervision and management</p>	Conform to the amendments to related

<p>principle that the board of directors should follow:</p> <p>The Company shall report to the meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading.</p>	<p>principle that the board of directors should follow:</p> <p>The Company shall report to <u>the soonest</u> meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading.</p>	<p>regulations.</p>
<p>Article 13</p> <p>1. Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements.</p> <p>4. Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>A. Trading of government</p>	<p>Article 13</p> <p>1. Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, <u>or subscription or redemption of domestic money market funds.</u></p> <p>4. Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>A. Trading of</p>	<p>Conform to the amendments to related regulations.</p>

<p>bonds.</p> <p>B. Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets.</p> <p>C. Trading of bonds under repurchase/resale agreements.</p>	<p>government bonds.</p> <p>B. Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, <u>or subscription of securities by a securities firm, either in the primary market or in accordance with relevant regulations.</u></p> <p>C. Trading of bonds under repurchase/resale agreements, <u>or subscription or redemption of domestic money market funds.</u></p>	
<p>Article 14</p> <p>In the case of a <u>foreign</u> company whose shares have no par value or a par value other than NT\$10, for the calculation of transaction amounts of 20 percent of paid-in capital, 10 percent of equity shall be substituted.</p>	<p>Article 14</p> <p><u>For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.</u></p> <p>In the case of a company whose shares have no par value or a</p>	<p>Conform to the amendments to related regulations.</p>

	<p>par value other than NT\$10, for the calculation of transaction amounts of 20 percent of paid-in capital <u>under these Regulations</u>, 10 percent of equity <u>attributable to owners of the parent</u> shall be substituted.</p>	
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“Procedures for Acquisition or Disposal of Assets” (Revised)

Article 1: These Regulations are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act ("the Act") to strengthen assets management and information disclosure execution.

Article 2: The term "assets" as used in these Regulations includes the following:

- I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- II. Real property (including land, houses and buildings, investment property, rights to use land, and construction enterprise inventory) and equipment.
- III. Memberships.
- IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VI. Derivatives.
- VII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- VIII. Other major assets.

Article 3: Terms used in these Regulations are defined as follows:

- I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.
- II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, paragraph 8 of the Company Act.
- III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- IV. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- V. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- VI. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

Article 4: The maximum amount of the Company and subsidiaries are defined as below:

- I. The amount of acquisition of real property not for business use shall not be more than 30 percent of the equity.
- II. The amount of investment in securities shall not be more than the 200 percent of the shareholders' equity in its latest financial statement and subsidiaries shall not be more than 300 percent of shareholders' equity.
- III. The amount of investment in individual security shall not be more than 50 percent of shareholders' equity and subsidiaries shall not be more than 200% of shareholders' equity.

Article 5: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.

Article 6: The procedures of acquisition or disposal of real estate or other fixed assets

I. Appraisal and procedure

The Company's acquisition or disposal of real estate or other fixed assets shall comply with fixed assets cycle procedure of the Internal Audit system.

II. The decision process

- 1. In acquiring or disposing of real property or equipment, the company shall refer to publicly announced current value, appraised value, transaction price of nearby real property, the terms and conditions of the transaction and transaction price should be conducted an analysis report and submit to the President. If the transaction price is below 10 percent of the Company's paid-in capital, it should be subject to President's approval and report to the next board meeting. If the transaction price reaches 10

percent or more of the Company's paid-in capital, it should not be executed until board of directors' approval.

2. In acquiring or disposing of other fixed assets, the Company should proceed by means of price inquiries, price comparison, price negotiation, or request for bids. If the price is below 10 percent of the Company's paid-in capital, it should be approved following the authorization rules. If the price reaches 10 percent or more of the Company's paid-in capital, it should be subject to General Manager's approval and report to the next board meeting.
3. The Company shall establish its procedures for the acquisition or disposal of assets in accordance with the provisions of these Regulations. After the procedures have been approved by the board of directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor.

Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

III. Responsibility department

The Company's acquisition or disposal of real estate or other fixed assets shall be performed in accordance with the Company's relevant operating guidelines and authorization by any related department.

IV. The appraisal report of real estate or other fixed assets

In acquiring or disposing of real property or equipment where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.
2. Where the transaction amount reaches NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
3. Where any one of the following circumstances applies with respect to the professional

appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

- (1) The discrepancy between the appraisal result and the transaction amount reaches 20 percent or more of the transaction amount.
- (2) The discrepancy between the appraisal results of two or more professional appraisers reaches 10 percent or more of the transaction amount.
4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
5. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.
6. The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 13, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 7: The procedure of acquisition or disposal of securities

I. Appraisal and procedure

The Company's acquisition or disposal of securities shall comply with Investment cycle procedure of the Internal Audit system.

II. The decision process

1. In acquiring or disposing the securities traded on foreign or domestic securities exchanges or over-the-counter markets, or subscription of securities by a securities firm, the in-charge department should assess the market conditions and make a decision. If the transaction price is below 20% of the Company's paid-in capital, it could be subject to the President's approval and report to the next board meeting, along with the analysis report on all realized or non-realized profit or loss. Should the investments exceed 20% of the Company's paid-in capital, the board's prior approval for those is required. Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, or subscription of securities by a securities firm,

either in the primary market or in accordance with relevant regulations.

2. In acquiring or disposing the securities not traded on foreign or domestic securities exchanges or over-the-counter markets, or subscription of securities by a securities firm, the Company should obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, taking into the consideration of its book value, profitability and the future development potential. If the dollar amount is below 20 percent of the Company's paid-in capital, it should be subject to President's approval and report to next board meeting, along with the analysis report on all realized or non-realized profit or loss. Should the investments exceed 20% of the Company's paid-in capital, the board's prior approval for those is required.
3. The Company shall establish its procedures for the acquisition or disposal of assets in accordance with the provisions of these Regulations. After the procedures have been approved by the board of directors, they shall be submitted to audit committee, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each audit committee.

Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

III. Responsible departments

The Company's acquisition or disposal of securities shall be performed in accordance with the Company's relevant operating guidelines and authorization by any related department.

IV. Opinions from professionals

1. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This

requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

2. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.
3. The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 13, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 8: The procedures of acquisition or disposal of real estate or other fixed assets from related parties

- I. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section.

When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

II. Appraisal and procedure

When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the audit committee:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a trading counterparty.
3. With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the Paragraph 3-1 and Paragraph of 3-4 of this Article.
4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company

and the related party.

5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
7. Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 13, paragraph 1 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the audit committee need not be counted toward the transaction amount.

With respect to the acquisition or disposal of business-use equipment between a public company and its parent or subsidiaries, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within the amount defined by the paragraph 2 in this Article and have the decisions subsequently submitted to and ratified by the next board of directors meeting.

Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Where an audit committee has been established in accordance with the provisions of the Act, the matters shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution. If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

III. The analysis on transaction price and rationale

1. The Company that acquires real property from a related party shall evaluate the reasonableness of the transaction costs by the following means:
 - (1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the

property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.

- (2) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.
2. Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
3. The Company that acquires real property from a related party and appraises the cost of the real property in accordance with subparagraph 1 and subparagraph 2 of paragraph 3 shall also engage a CPA to check the appraisal and render a specific opinion.
4. When the results of the Company's appraisal conducted in accordance with subparagraph 1 and subparagraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with subparagraph 5 of the preceding Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
 - (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - A. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.
 - C. Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard

property leasing market practices.

- (2) Where the Company acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.
5. Where a public company acquires real property from a related party and the results of appraisals conducted in accordance with subparagraph 1, subparagraph 2 of the preceding Article are uniformly lower than the transaction price, the following steps shall be taken. A public company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.
 - (1) A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
 - (2) Supervisors shall comply with Article 218 of the Company Act.
 - (3) Actions taken pursuant to subparagraph 5 of paragraph 3 shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.
6. Where the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Paragraph 3 in this Article and the preceding three paragraphs do not apply:
 - (1) The related party acquired the real property through inheritance or as a gift.
 - (2) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.

- (3) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
7. If there's any other evidence that the acquisition of real property is not reasonable in terms of normal business, it should follow the provisions of subparagraph 5, paragraph 3 of this Article.

Article 9: Acquisition or Disposal of Memberships and Intangible Assets

I. Appraisal and procedure

The Company's acquisition or disposal of Memberships and Intangible Assets shall comply with fixed assets cycle procedure of the Internal Audit system.

II. The decision process

1. In acquiring or disposing of memberships, the company shall refer to market's fair value. The terms and conditions of the transaction and transaction price should be conducted as an analysis report and submit to the President. If the transaction price is below 1 percent of the Company's paid-in capital, it should be subject to President's approval and report to the next board meeting. If the transaction price reaches 10 percent or more of the Company's paid-in capital, it should not be executed until board of directors' approval.
2. In acquiring or disposing of intangible assets, the company shall refer to the evaluation report of an expert or the market's fair value. The terms and conditions of the transaction and transaction price should be conducted an analysis report and submit to the President. If the transaction price is below 10 percent of the Company's paid-in capital, it should be subject to President's approval and report to the next board meeting. If the transaction price is more than 10 percent of the Company's paid-in capital, it should not be executed until board of directors' approval.
3. The Company shall establish its procedures for the acquisition or disposal of assets in accordance with the provisions of these Regulations. After the procedures have been approved by the board of directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor. Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

III. Responsible departments

The Company's acquisition or disposal of securities shall be performed in accordance with the Company's relevant operating guidelines and authorization by any related department.

- IV. The opinions from the professionals of memberships or intangible assets
- 1. Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.
- 2. The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 13, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 10: The procedure of acquisition or disposal of debts of financial institutions

The Company does not acquire or dispose of the claims of financial institutions in principle. If the Company would like to do the transactions in acquiring or disposing of the claims of financial institutions, it would be reported to the board of directors for approval and then set up its assessment and operation process.

Article 11: The procedure of acquisition or disposal of derivatives

- I. Trading principles
- 1. Trading categories
- (1) Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests.
- (2) Any transaction related to bond margins shall comply with the procedures of the Company. Any bond transaction with re-purchase terms can be exempt from the procedures.
- 2. Operating(hedge) strategies
- The transaction on derivatives should target to ensure the operating profit of the core business rather than profits on speculation and to avoid the risks derived from the changes in foreign currency exchange rate, interest rate or volatilities in asset prices.
- 3. Responsibilities
- (1) The staff should not concurrently hold the responsibilities of executing the derivatives,

confirmation and settlement.

(2) Delegation of authorization

A. Delegation of authorization of hedging transactions

Managerial Level	Limit in amounts authorized for each case of trading
Finance Manager	Below US\$2M(included)
President	US\$2M-10M(included)
Chairman	Above US\$10M

B. The transactions for other specific purpose should only be executed until it gets board of directors' prior approval.

C. With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under the Company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to audit committee. Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

II. Audit department

The audit department is in charge of understanding the suitability of the internal control process of the derivatives transactions, audits the compliance status of the trading department and conducts an audit report by analyzing the transaction cycle. If any material violation is discovered, the audit committee shall be notified in writing.

III. Performance evaluation

1. Hedging transaction

- (1) The performance of derivatives shall be assessed on the basis cost and the profits/losses from the trading on the derivatives.
- (2) To fully capture and express the valuation risks of the transactions, the derivative position held by the Company as a result of its hedging activities shall be assessed on a monthly basis.
- (3) Finance department should provide the appraisals value of the foreign currencies position and the movement of the foreign currencies market for President's reference.

2. Transactions for specific purpose

The evaluation assessment is based on the real profits/losses and accounting staff shall prepare the assessment reports and submit to senior management personnel.

IV. The contract amount and losses limit

1. Contract Amount

Contract Type	Non-trading purpose Transactions	Trading purpose Transactions
Total contract amount (as % of sales revenues)	100%	30%
The loss limit amount of for all contracts	100%	15%
The loss limit amount for individual contract	100%	15%

(1) Non-trading purpose transactions

Finance department should be aware of the total positions to avoid the trading risks. If the transaction amount exceeds the limit defined as above table, the Company should call a meeting for examination.

(2) Trading purpose transactions

Based on the forecast of the market dynamics, finance department may develop strategies on need and report to President and board of directors for approval and then execute. If the transaction amount exceeds the limit defined as above table, the Company should call a meeting for examination.

2. Maximum loss limits

When the position is established, the Company should set up a stop-loss system to avoid excess losses. The limit of the stop-loss point is based on the above table. If the loss is more than the limit, the Company should call a meeting for examination and control the risks timely.

V. Risk management measures

1. Credit risk management:

The market dynamics may lead to operation risk of the derivatives, and the market risk management should be based on the following principles.

- (1) Counterparty: Transaction counterparties shall, in principle, consist of organizations with excellent credit.
- (2) Commodity: The derivatives shall limited to the products provided by foreign or domestic financial institutions
- (3) Dollar amount: The unwind positions of one counterparty should not be more than 10 percent of the authorization amount, except for those approved by the President.

2. Market risk management:

The Company shall constantly undertake to control the risk of changes in the market value of traded derivatives due to interest rate or exchange rate fluctuations or other factors.

3. Liquidity risk management:

Traded derivatives shall chiefly consist of derivatives with relatively high liquidity; The Company shall maintain sufficient funds and credit to meet the need for funds at time of settlement.

4. Cash flows risk management

To ensure the stableness of the capital turnover, the sourcing of the derivatives is limited to internally generated cash flows only, taking into the consideration of cash flows forecast for the next three months.

5. Operation risk management

- (1) Relevant departments and personnel shall strictly comply with authorization, procedures and should be included in internal audit to avoid operation risk.
- (2) The staff should not concurrently hold the responsibilities of executing the derivatives, confirmation and settlement.
- (3) Personnel responsible for assessment, oversight, and control of derivative risk shall belong to a different department and should report to the board of directors , or the senior management personnel who are not in charge of the position decision making.
- (4) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

6. Commodity risk management

The internal trading personnel should be equipped with sound and correct knowledge of the financial products and should request the banks to fully disclose the risks to avoid the misuse of financial products.

7. Legal risk management:

The documents should be signed officially with the financial institutions after being reviewed by the foreign exchange and legal professionals to avoid the legal risk.

VI. Internal audit system

1. The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing.
2. The internal audit personnel should report the audit report along with annual internal audit results to the Securities and Futures Committee by the end of February for the following year. The improvement on those deviation items should be reported to SFC by the end of May for the following year.

VII. Periodically assessment

1. The board of directors shall designate senior management personnel to periodically

evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the company and periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.

If there are any abnormal conditions with the assessment report, such as reaching the losses limit, should report to the board of directors immediately and take the measures in response.

2. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

VIII. The supervision and management principles of the boards for those derivatives transaction

1. Board of directors shall designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
 - (1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the company.
 - (2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.
2. Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.
3. The Company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading.
4. The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under paragraph 7 and paragraph 8 of this Article, shall be recorded in detail in the log book.

Article 12: The procedure when the Company engages in a merger or consolidation, split, acquisition, or assignment of shares:

I. Appraisal and procedure

1. The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior

to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.

2. The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of this Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

II. Other noticeable items

1. Date of board of directors : A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

2. Confidentiality: Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
3. The principles of shares exchange rate or acquisition price: The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of

directors for deliberation and passage. Public companies participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

- (1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
- (2) An action, such as a disposal of major assets, that affects the company's financial operations.
- (3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
- (4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
- (5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
- (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

4. The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

- (1) Handling of breach of contract.
- (2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
- (3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
- (4) The manner of handling changes in the number of participating entities or companies.
- (5) Preliminary progress schedule for plan execution, and anticipated completion date.
- (6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

5. After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting

has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

6. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of subparagraph 1, subparagraph 2, subparagraph 5 of Article 2.

7. When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

(1) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.

(2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.

(3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days commencing immediately from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of paragraphs 3 and 4.

Article 13: Procedures of information disclosure

I. Items and criteria for public announcement

1. Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or

subscription or redemption of domestic money market funds.

2. Merger, demerger, acquisition, or transfer of shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
4. Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - (1) Trading of government bonds.
 - (2) Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, or subscription of securities by a securities firm, either in the primary market or in accordance with relevant regulations.
 - (3) Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds.
 - (4) Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.
 - (5) Acquisition or disposal by a public company in the construction business of real property for construction use, where the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.
 - (6) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is less than NT\$500 million.
5. The amount of transactions above shall be calculated as follows:
 - (1) The amount of any individual transaction.
 - (2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
 - (3) The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.
 - (4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
- II. The timing of public announcement and report
Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days

commencing immediately from the date of occurrence of the event:

III. Procedures of public announcement

1. The Company shall make public announcement for all those information on the website which SFC designates.
2. The Company shall publicly announce, on a monthly basis, the up-to-date status of itself and other non domestic public trading subsidiaries in the designated form and website prior to 10th of the following month.
3. Should there is any mistakes or omission for those public announcement, the Company shall publicly announce or report all items.
4. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.
5. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days commencing immediately from the date of occurrence of the event:
 - (1) Change, termination, or rescission of a contract signed in regard to the original transaction.
 - (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - (3) Change to the originally publicly announced and reported information.

Article 14: Supervisor process on subsidiaries :

- I. A subsidiary shall determine its asset acquisition and disposal procedures on the basis of the "Regulations". If the subsidiary is not a public company, it shall submit its procedures for approval by its board; likewise in the case of revisions.
- II. Subsidiaries shall apply the same rules in accordance with the Company's rules.
- III. Information required to be publicly announced and reported in accordance with the provisions on acquisitions and disposals of assets by a subsidiary of a public company that is not itself a public company in Taiwan shall be reported by the public [parent] company.
- IV. The paid-in capital or total assets of the public company shall be the standard for determining whether or not a subsidiary referred to in the preceding paragraph is subject to Article 30, paragraph 1 requiring a public announcement and regulatory filing in the event the type of transaction specified therein reaches 20 percent of paid-in capital or 10 percent of the total assets.
- V. The ten percent of total assets stated in the paragraph should base on the total assets

numbers shown in the most recent individual or standalone financial statement.

- VI. If the Company does not have par value on its shares or the par value is not ten New Taiwan Dollars, the rules of twenty percent transaction amount of the paid-in capital should be replaced by the ten percent of the shareholders equity instead.

Article 15 : Penalties

If managers or relevant implementing personnel of the Company violate the Regulations or the Procedures, disciplinary action shall be taken in accordance with the Company's personnel regulations.

Article 16 : Effectiveness and amendment

The acquisition and disposal of assets shall be approved by at least 50% of the Audit Committee members, according to Company Act. After receiving approval of the Board of Directors, the procedures shall be submitted to the shareholders meeting for approval. Any amendment hereof shall require the same process.

Full consideration shall be to the opinions of all directors, and any dissenting or qualified opinions stated by board directors shall be explicitly noted in the Meeting minutes. If any director expresses dissenting opinions and these are recorded or declared in writing, the Company shall send such dissenting opinions to Audit committee. Where the establishment of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration of each independent director's opinions. If an independent director objects to or expresses dissenting or qualified opinions about any matter, it shall be recorded in the meeting minutes.

If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 17: Others

Matters not specified herein shall be resolved in accordance with the applicable laws or regulations.

Appendix I: Articles of Incorporation

Chapter 1: General Provisions

Article 1

The Company is organized as a company limited by shares and permanently existing in accordance with the Company Act of the Republic of China (the "Company Act") and the Company's English name is Catcher Technology Co., Ltd.

Article 2

The scope of business of the Company shall be as follows:

1. CA01090 Aluminum molding business
2. CA01150 Magnesium molding business
3. CA01990 Other non-metal business
4. CC01110 Computer and peripheral manufacturing business
5. CB01010 Machinery and equipment manufacturing business
6. F401010 International trade business
7. CA02080 Metal forging business
8. CB01990 Other mechanical manufacturing business
9. C805050 Industrial plastic manufacturing business
10. CA04010 Surface treatment business
11. CQ01010 Mode manufacturing business
12. ZZ99999 Except for permitted business, the Company may engage in other businesses not prohibited or restricted by laws or regulations

Article 2-1

The Company may handle endorsement and guaranty affairs in accordance with the Procedures for the Endorsement and Guaranty of the Company if there is any business need.

Article 2-2

The Company may invest in other businesses which have been approved by the board of directors. The total investment amount may exceed 40% of the total paid-in capital of the Company, which the regulations stated in Article 267 of the Company Act.

Article 3

The head office of the Company is located in Tainan City, Taiwan, the Republic of China ("R.O.C."). Subject to the approval of the board of directors and, the Company may, if necessary, set up subsidiaries, branches, or branch offices within or outside the territory of

the Republic of China.

Article 4

Public announcements of the Company shall be made in accordance with the provisions of Article 28 of Company Act.

Chapter 2: Shares

Article 5

The registered capital of the Company shall be NT\$10,000,000,000, divided into 1,000,000,000 common shares with a par value of NT\$10 per share. All the shares shall be issued in increments.

A total of 23,000,000 shares shall be set aside from the aforementioned common shares for the use as employee Stock Warrants, and the board of directors are authorized to issue by increments.

Article 5-1

For issuance of Stock Warrants where the price is less than the market price (book value) of the Company shares, or where the price of the treasury stocks to be transferred to the employees is less than the average price of the repurchased shares, shareholders representing the majority of the issued shares shall be present and approval by at least 2/3 of the presenting shareholders shall be required.

Article 6

The share certificates of the Company shall be all in registered form. The share certificates, after due registration with the competent authority, shall be signed or sealed by at least three directors and shall be legally authenticated prior to issue. The share certificates issued by the Company may be jointly exchanged for the share certificates with a larger par value.

Article 6-1

Any affair with regard to the shares of the Company shall be handled in accordance with the Guidelines for Handling Stock Affairs by a Public Issuing Company.

Article 6-2

The Company may, pursuant to the applicable laws and regulations, deliver shares or other securities in book-entry form, instead of delivering physical certificates evidencing shares or other securities. The Company shall arrange for such shares to be recorded by a centralized securities custodian institution.

Article 7

Registration for transfer of shares shall be suspended sixty days immediately before the date of general shareholders' meeting, and thirty days immediately before the date of any extraordinary shareholders' meeting, or within five days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Chapter 3: Shareholders' Meetings

Article 8

Shareholders' meetings shall be of two types

1. General meetings: Shall be convened annually by the Board within six months of the end of each fiscal year.
2. Extraordinary meetings: Shall be convened in accordance with the relevant laws, whenever necessary.

Article 9

The shareholder who cannot attend the shareholders' meeting in person may present a proxy letter, in accordance to regulations, issued by the Company, stating scope of authorization and designating a proxy.

Article 10:

Unless otherwise specified by the law, each shareholder of the Company shall be entitled to one vote for each share held.

Article 11

Except as otherwise provided in the relevant laws or the Company Act, any resolution of a shareholders' meeting shall be adopted at a meeting which at least general majority of the shareholders attend and at which meeting a general majority of the shareholders present vote in favor of such resolution.

Chapter 4: Board of Directors and Audit Committee

Article 12

The Company shall have seven to nine Directors. The aforesaid Board of Directors must have at least three independent directors. The tenure of office of the directors will be three (3) years and they will be eligible for re-election. Directors shall be elected from a slate of director candidates at shareholders' meetings.

Article 12-1

More than half of the elected directors shall not have either one of the following relationships :
1.Spouse; 2.First-degree and second-degree relatives.

Article 12-2

If the elected directors are against Article 12-1, these elected directors with lower votes are ineligible.

Article 12-3

The professional qualifications, restrictions on the shareholdings and concurrent positions held, method of nomination and election, and other matters with respect to independent directors shall be in compliance with applicable laws and regulations.

Article 12-4

In compliance with Article 14-4 of the ROC Securities and Exchange Act, the Company shall establish an Audit Committee, which shall consist of all independent directors and no less than 3 members. One of them should have expertise in accounting or finance and one of them should convene the committee. The Audit Committee shall be responsible for those functions of Supervisors specified under the Company Act, Securities and Exchange Act and other relevant regulations. The resolution should be approved by more than half of the audit committee members. The supervisors are also dismissed at the day of the establishment of Audit Committee.

Article 13

The Company shall have a chair of the Board. The chair of the Board shall be elected by and among the directors by a majority of directors present at a meeting attended by more than two thirds of directors. The chair of the Board shall externally represent the Company.

Article 13-1

The Board of directors should be formed by the directors, and have the following functions and responsibilities:

1. Preparation of business report.
2. Proposing the earnings distribution or the making-up of losses.
3. Proposing the increase or reduction of capital.
4. Preparation of important procedures, rules, amendments, or agreements.
5. Appointment and removal of the president or vice presidents.
6. Approval of the investment in other businesses.
7. Establishment or abolishment of the branch offices.
8. Examination of business budgets and financial statement.
9. Appointment and removal of accountants.
10. Decision on the shareholders' monetary claims or the technology or goodwill which the

Company is in need to exchange with the Company's shares within the authorized capital amount.

11. Decision on the Company's issuance of new shares in exchange with other companies' shares within the authorized capital amount.
12. The issuance of employees stock warrants.
13. Decision on repurchasing the shares of the Company and transferring to employees.
14. Other duties and powers granted by the law or by shareholders' meeting.

Article 13-2

In the case that vacancies on the Board of Directors exceed, for any reason, one third of the total number of the Directors or the discharge of all independent directors, then the Board of Directors shall convene a shareholders' meeting within 60 days to elect new Directors to fill such vacancies in accordance with relevant laws, rules and regulations. The new Directors shall serve the remaining tenure of the predecessors.

Article 13-3

Except as otherwise provided in the Company Act of the Republic of China, the board meeting should be convened by chairman and such chairman shall act as the chairman of the meeting. Any resolution of a Board of Directors' meeting shall be adopted at a meeting which at least general majority of the director attend and at which meeting a general majority of the directors present vote in favor of such resolution.

Article 13-4

The Company shall notify every director for the board meeting with agenda seven days prior to the meeting, and may be through email or fax. If there's any urgent matter, it could be convened any time.

Article 13-5

The Board may establish Audit, Compensation or other functions of Committee.

Article 14

In case the chair of the Board asks for leave or for other reason cannot exercise his power and authority, the deputy should be in accordance with Article 208 of the Company Act.

Article 15

Where a director is unable to attend a meeting of the Board, he may appoint another director to represent him by proxy. Each director may act as a proxy for one other director only. The meeting of the Board may be conducted in video conference and the directors who participate

in the meeting through video conference are regarded as being present personally. The compensation to the directors is based on the peers' level and will be paid no matter the Company is in profit or loss.

Article 15-1

The Company may purchase liability insurance policies for directors during the tenure of their offices and within the scope of damages results from the performances of their official duties.

Article 15-2

For the items that should be submitted to the board of directors in accordance with Article 14-3 of the Stock and Exchange Act, the independent directors should be present at the meeting in person and shall not be in proxy of non-independent directors. If any director expresses dissent and it shall be contained in the meeting minutes. If the independent director is not able to be present at the meeting in person to express his dissent, except for proper reasons, the director shall submit the written statements and shall be contained in the meeting minutes.

Chapter 5: President and Vice Presidents

The Company shall have managerial officers. Appointment, removal and remuneration of the managerial officers shall be subject to the provisions of Article 29 of the Company Act.

Chapter 6: Accounting

Article 17

At the end of each fiscal year, the Board of Directors shall prepare the following statements and reports, and submit the same to the Audit Committee for examination thirty (30) days prior to the annual general meeting, and then shall submit the same to the annual general meeting for adoption: (1) Business Report; (2) Financial statements; (3) Proposal governing the distribution of profit or the making-up of losses.

Article 18

The Company shall allocate the net profit ("earnings"), if any, according to the following sequence:

1. Making up loss for preceding years
2. Setting aside 10% for legal reserve until the accumulated amount achieves the total amount of the Company's capital.

3. Setting aside or reverse special reserve(s) according to the business need or laws and regulations.
4. Allocation of the amount of no less than 1% to employees and no more than 1% for remuneration of directors of the residual amount after distribution of Item 1 to 3. The remainder shall be put into the retain earning, and the board can determine to distribute or to retain according to the dividend policy. The employees to receive stock bonus may include certain qualified employees from affiliate companies and the qualification of such employees is to be decided by the board of directors.

Because the Company is still in its growth stage, the dividend policy of the Company shall be determined pursuant to the factors, such as the economics, growth potential, sustainability, and long term development. The steadiness and growth of dividends will be also taken into account. Cash dividends shall not be below ten percent (10%) of the total dividends, but when the cash dividends fall below NT\$0.5 per share, dividends shall be distributed in the form of stocks.

Chapter 7: Supplementary Articles

Article 19

In regard to all matters not provided for in these Articles of Incorporation, the Company Act shall govern.

Article 20

These Article of Incorporation were enacted on Sep. 19, 1984 and amended on Jun. 12, 1986 for the first time, on Jul 22, 1986 for the second time, on Mar. 16, 1989 for the third time, on Jun. 13, 1990 for the fourth time, on Jul. 27, 1992 for the fifth time, on Oct. 1, 1992 for the sixth time, on Jun. 20, 1994 for the seventh time, on Apr. 27, 1996 for the eighth time, on Sep. 13, 1996 for the ninth time, on Jan. 31, 1997 for the tenth time, on Jul 10, 1997 for the eleventh time, on Sep. 27, 1997 for the twelfth time, on Jun 21, 1998 for the thirteenth time, on Nov 2, 1998 for the fourteenth time, on Mar. 18, 1999 for the fifteenth time, on Apr. 24, 2000 for the sixteenth time, on Jun. 12, 2001 for the seventeenth time, on May 30, 2002 for the eighteenth time, on May 6, 2003 for the nineteenth time, on May 24, 2004 for the twentieth time, on May 24, 2004 for the twenty-first time, on May 31, 2005 for the twenty-second time, on May 30, 2006 for the twenty-third time, on June. 28, 2007 for twenty-fourth time, on Jun. 26, 2009 for twenty-fifth time, on Jun. 25, 2010 for twenty-sixth time, on Jun. 13, 2012 for the twenty-seventh time, on Jun. 13, 2013 for the twenty-eighth time.

Appendix II: Rules and Procedures of Shareholders' Meeting

1. The Rules and Procedures for Shareholders' Meeting are to establish a good governance of Shareholders' meeting of the Company, to improve a better supervisory system, and to strengthen management mechanism.
2. Except where prescribed by laws and regulations or Articles of Incorporation of the Company, the rules of procedure at shareholders' meetings shall be as prescribed in this ordinance.
3. Except where prescribed by laws and regulations, the Board of Directors shall convene shareholders' meetings. A handbook shall be prepared for the convention of shareholders meeting and all shareholders shall be notified 30 days in advance of an annual general meeting. Those shareholders who hold less than 1,000 shares of registered stock may be notified 30 days in advance by means of posting a public announcement on the Market Observation Post System website. All shareholders shall be notified 15 days in advance when an extraordinary general meeting is convened. Those shareholders who hold less than 1,000 shares of registered stock may be notified 15 days in advance by means of posting a public announcement on the Market Observation Post System website. The subject of the meeting shall be explicitly stated in notices and public announcements. When the relevant parties grant their consent, notification may be performed using electronics means. The election or dismissal of directors, supervisors, amendment to the Articles of Incorporation, the dissolution, merger, split up of the Company, or anything as stated in Article 185, Paragraph1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, or any other issues prohibited by law from being proposed as special motions in the shareholders meeting shall be stated as the causes of convention and shall not be proposed as special motions in the meeting. Shareholders holding at least 1% of the total number of issued shares may submit annual general meeting proposals to the Company in writing. Any proposal relates to Article 172, Paragraph1-4 of the Company Act shall not be accepted. The company shall publicly announce acceptance of shareholders' proposals, the place of acceptance, and the acceptance period before the book closure date prior to the annual general meeting. The acceptance period may be no shorter than 10 days. The proposal shall not exceed 300 characters in length (including punctuation marks), or the proposing shareholder shall not submit more than one proposal, and fail to comply with these requirements will cause the entire proposal being excluded from the Shareholders' meeting. The proposing shareholder(s) or its designee shall attend the meeting and join the discussion. The Company shall notify those shareholders who submitted proposals of the results of

process of the proposals prior to the notification of annual general meeting. If the shareholders' proposals to be included in the meeting agenda according to the rule; such proposals shall be included in the agenda. With regard to any shareholder proposals not included in the meeting agenda, the Board shall include in the meeting handbook an explanation of why each proposal was not included.

4. A shareholder who cannot attend a shareholders' meeting in person may present a proxy letter issued by the Company, stating scope of authorization and designating a proxy. One shareholder may present one proxy letter and appoint only one proxy. A proxy letter must be delivered to the Company at least two days before the shareholders' meeting. The first proxy letter shall have precedence if repeated proxy letters are delivered. This restriction shall not apply, however, to those shareholders who declare to retract their prior appointment of a proxy. If a shareholder wishes to attend the shareholders' meeting in person after delivering a proxy letter to the Company, the shareholder shall, no later than 2 days before the shareholders' meeting at the latest, notify the Company in writing to retract his or her proxy appointment. In the case a shareholder fails to make a retraction before the deadline, the vote cast by the proxy in the meeting under authorization shall stand.
5. A shareholders' meeting shall be held at the Company's business premises or at another location convenient for shareholders' attendance and suitable for holding such a meeting. The meeting shall not start earlier than 9:00 a.m. or later than 3:00 p.m. The Company shall consult the opinion of Independent directors with regard to the place and time of the meeting.
6. The handbook of shareholders' meeting, annual report, attendance pass, speaking slips, ballots, and other material should be provided to the shareholders in attendance. Shareholders or their proxies shall be admitted to the shareholders' meeting on the basis of attendance passes, attendance sign-in cards, or other attendance verification. Those persons soliciting proxy letters shall carry other personal identification for checking. Government or juristic shareholders may send more than one representative to a shareholders' meeting. However, a juristic person attending a shareholders' meeting as a proxy may send only one representative to attend.
7. The Chairman shall serve as chairman of a shareholders' meeting convened by the Board. If the Chairman has taken leave of absence or cannot attend for some reason, the Vice Chairman shall act in his stead. If the Chairman and Vice Chairman have both taken leave of absence or cannot attend for some reason, the Chairman shall designate one director to act in his stead. If the Chairman has not designated anyone to act as chairman, the directors shall jointly elect one from among themselves to serve as meeting chairman. If a shareholders' meeting has been convened by a person with convening powers other than the Board of Directors, the convener shall serve as the chairman. If there are two or

more conveners, they shall jointly elect one from among themselves to serve as the chairman. The company may designate commissioned lawyers, certified public accountants, or other relevant personnel to attend the shareholders' meeting.

8. The Company shall make an audio or video recording of the entire proceedings of the shareholders' meeting, and shall preserve the recording for at least one year. If, however, a shareholder initiates a lawsuit in accordance with Article 189 of the Company Act, such a recording shall be preserved until the conclusion of the lawsuit.
9. The calculation of attendance to shareholders' meeting of the Company shall be based on the quantity of shares being represented. The number of shares present shall include the quantity of shares represented by the shareholders present as stated in the attendance sign-in cards and the quantity of shares represented through electronic voting. When the designated time arrives, the chairman shall immediately call the meeting to order if shareholders representing a majority of the total number of issued shares are in attendance. The chairman may announce a delay in the start of the meeting, however, if the statutory number of shares is not present. The meeting may be delayed no more than twice, and the total delay may not exceed one hour. If the number of shares present is still insufficient after two delays, but shareholders representing at least one-third of all issued shares are present, the meeting may make tentative resolutions with the consent of a majority of the voting rights in attendance. The Company shall then notify all shareholders of the tentative resolutions, and another shareholders' meeting shall be convened within one month. If, after making a tentative resolution according to the procedures in the foregoing paragraph, shareholders representing a majority of issued shares become present at an in-progress meeting, the chairman may, in accordance with Article 174 of the Company Act, resubmit any tentative resolutions already made at the meeting for another vote.
10. The Board shall determine the agenda of a shareholders' meeting if it has convened that meeting. The meeting shall proceed in accordance with the agenda. The agenda may not be changed without a resolution of the shareholders' meeting. If a shareholders' meeting has been convened by some person with convening powers other than the Board, the regulations of the foregoing paragraph shall still apply. The chairman may not arbitrarily announce adjournment in the absence of a resolution to that effect before the conclusion of deliberation of items (including special motions) on the agenda determined as prescribed in the two foregoing paragraphs. If the chairman announces adjournment in violation of the rules of procedure, the attending shareholders may select a person to serve as chairman and continue the meeting with the consent of shareholders representing a majority of voting rights present. The chairman must provide opportunities for adequate explanations and discussion in connection with proposals, revised proposals and special motions submitted by shareholders. The chairman may announce an end of

discussion and put the motion to a vote when he considers it has reached the extent for making a resolution.

11. Before speaking, an attending shareholder or proxy shall first fill out a speaking slip specifying therein the major points of his or her speech, his or her shareholder account number (or attendance pass number), and account name. The chairman shall determine speaking order. An attending shareholder or proxy who only submits a speaking slip but fails to actually speak shall be deemed to have not spoken. If the content of a shareholder's speech is inconsistent with that stated on his or her speaking slip, the content actually spoken shall take precedence. An attending shareholder or proxy may question about report items on the agenda only after the chairman or person designated by the chairman has read or reported all report items. Unless otherwise permitted by the chairman, each speaker may speak no more than twice concerning each motion, and each instance may not exceed 5 minutes. The chairman may stop an attending shareholder or proxy if the person's speech goes past the prescribed time limit or exceeds the bounds of the issue at hand. Other shareholders may not interfere with a speaking shareholder or proxy without obtaining the consent of the chairman and the speaking shareholder or proxy. The chairman shall stop anyone who violates this rule. When a juristic shareholder sends two or more representatives to attend the shareholders' meeting, the shareholder may designate only one person to speak on each occasion. The chairman may personally respond, or designate another relevant person to do so, after a shareholder has spoken.
12. Votes at shareholders' meetings shall be calculated on the basis of number of shares. When votes are taken on resolutions, the number of shares held by shareholders without voting rights shall not be included in the total number of issued shares. A shareholder may not vote on a matter, and may not appoint another shareholder to exercise his or her voting rights, if the shareholder's conflict of interest with regard the motion may be detrimental to the company's interests. In the foregoing paragraph, the number of voting rights that may not be exercised shall not be calculated among the total voting rights of the shareholders in attendance. With the exception of trust enterprises and agents of stock affairs approved by the competent authority in charge of securities, a single person acting as the proxy for two or more shareholders may exercise voting rights not exceeding 3% of the voting rights of total issued shares. Any excess voting rights shall not be counted.
13. A shareholder shall receive one voting right for each share. However, this rule shall not apply to those shareholders with restricted or no voting rights. Proposals shall be resolved by voting by poll. Unless otherwise specified by the Company Act and the Articles of Incorporation of the Company, resolution in favor of the proposal may be made with a simple majority of the voting rights represented by the total votes of on-site voting and

electronic voting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chairman. If there shall be an amendment or alternative to one motion, the chairman may combine the amendment or alternative into the original motion, and determine their orders for resolution. If any one of the above shall be resolved, the others shall be considered as rejected, upon which no further resolution shall be required. When a proposal is put to a vote on the scene of the shareholders meeting, the chairman of the meeting shall appoint watchers for monitoring the voting and a number of counting officers to read and count the votes. Only shareholders may act as the watchers. The voting result on proposals, including votes cast on the site and through electronic voting, shall be announced on the site and kept as minutes on record.

14. The proposal for the election of directors in the shareholders meeting shall be processed in compliance with the Directors Election Regulations of Catcher Technology and the result of which shall be announced on the scene. In the process of aforementioned proposal for election, watchers shall keep the ballots cast on the site in a package, affix their signatures or seals to the package, and forward the package to the Company for retention of at least one year, or as long as the conclusion of legal action instituted pursuant to Article 189 of the company Act, where applicable.
15. The deliberation conducted at a shareholders' meeting shall be recorded in the meeting minutes. The chairman shall sign or affix his or her seal to the minutes. The minutes shall be issued to all shareholders within 20 days after the shareholders' meeting. The production and distribution of minutes may be performed using electronic means. The minutes shall record the year, month, day, and place of the meeting, the name of the chairman, the resolution method, a summary of deliberation, and the results of deliberation. The minutes of shareholders' meetings must be preserved for as long as the company is in existence.
16. The company shall, on the day of the shareholders' meeting, compile a statistical table in prescribed format of the number of shares obtained by solicitors and by consigned agents on the day of the shareholders' meeting. This table shall be clearly displayed in the meeting venue. The release of the minutes of meeting on record as aforementioned may be announced by the Company through posting at Market Observation Post System.
17. Personnel in charge of running a shareholders' meeting shall wear identification badges or armbands. The chairman may ask disciplinary or security personnel to help maintain order at a meeting. Such personnel shall wear identification badges or armbands bearing the words "disciplinary personnel" when maintaining order at a meeting. The meeting premises shall be equipped with loudspeaker equipment. The chairman may stop any shareholder speaking with loudspeaker equipment other than that arranged for by the Company. The chairman may instruct disciplinary or security personnel to ask that any

shareholder who violates the meeting rules of procedure and fails to heed a warning from the chairman, or impedes the progress of the meeting and fails to heed a call for restraint, to leave the premises..

18. The chairman may announce an intermission at an appropriate time during a shareholders' meeting. The chairman may also temporarily suspend a shareholders' meeting in the event of Force Majeure, and, if the circumstances permit, shall announce the time at which the meeting will resume. If the meeting premises can no longer be used for the shareholders' meeting before the conclusion of deliberation of motions on the agenda (including special motions), the shareholders may make a resolution to seek another venue and continue the meeting. In accordance with Article 182 of the Company Act, a shareholders' meeting may make a resolution to postpone the meeting until or resume the meeting at some other time within 5 days.
19. These meeting rules of procedure shall take effect after being passed by the shareholders' meeting; likewise in the case of revisions.

Appendix III: Shareholdings of All Directors

- Catcher Director Shareholding and Legal Minimum Shareholdings is as follows:
Common shares issued 752,053,131 shares
Legal holding of all directors in number of shares 24,065,700 shares
- The Company has set up an Audit Committee, so limitations on supervisors' holdings are not applicable.
- As of April 14, 2014, all board members' shareholding are as follows:

Position	Name	Number of shares	Shareholding %
Director	Allen Hung	10,704,834	1.42%
Director	Tien-Szu Hung	10,661,889	1.42%
Director	Shui-Sung Hung	10,278,970	1.37%
Director	Ming-Long Wang	0	0.00%
Independent Director	I-Shiung Chuang	0	0.00%
Independent Director	Lih-Chyun Shu	0	0.00%
Independent Director	Mon-Huan Lei	0	0.00%
All Directors		31,645,693	4.21%

Appendix IV: Directors' Compensation and Employees' Profit Sharing

The Distribution for Employee Bonus and Remunerations for Directors

On April 29, 2014, the Board of Directors resolved the dividends distribution in cash:

Item	Proposed amount
Remuneration for directors	\$ 12,240,001
Employee bonus	\$ 124,210,657

No difference between the amounts resolved by the Board of Directors and the amounts accrued as expense in book.

Appendix V: Other Items

1. Impact of Stock Dividend Distribution on Operating Results,, Earnings per Share and Shareholders' Return on Investment

Not Applicable

2. Shareholders' Proposal for 2014's Shareholders' Meeting

According to Company Act-section 172-1 and related regulations, the shareholders with above 1% holdings of Catcher could submit the proposals to the Company (No 398, RenAi Street, YungKang Dist, Tainan, Taiwan) during the period starting from 2014/04/07 to 2014/04/17. No proposals for 2014's shareholders' meeting were received during the period.