Stock Code: 2474

CATCHER TECHNOLOGY CO., LTD
2014 Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Taiwan Stock Exchange Market Observation Post System: http://newmops.twse.com.tw
Catcher Technology's Annual Report is available at: http://www.catcher-group.com

Printed on April 11th, 2015

1. **Name, title, telephone number, and e-mail address of the spokesperson and acting spokesperson**

Spokesperson	**Acting Spokesperson**
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Title: Vice President	Title: Internal Audit Manager
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3. **Name, address, webpage, and telephone number of the agency handling shares transfer**

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   Address: 5F, No2, Sec. 1, Chung Ching South Rd., Taipei City100, Taiwan (R.O.C.)

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   TEL: +886-2-2389-2999

4. **Names of the certified public accountant who duly audited the annual financial report for the most recent fiscal year, and the name, address and telephone number of said person's accounting firm**

   Accountant: Hung Ju Liao, Chi Chen Lee

   Firm: Deloitte & Touche

   Address: 13F., No.189, Sec. 1, Yongfu Rd., West Central Dist., Tainan City 700, Taiwan (R.O.C.)

   Webpage: http://www.deloitte.com.tw

   TEL: +886-6-213-9988

5. **Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities**

   Luxembourg Stock Exchange

   Disclosed information can be found at BLOOMBERG Website

6. **Webpage of the Company**

   http://www.catcher-group.com

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One、Letter to Shareholders

Dear Shareholders,

The global economy was slowly recovery in 2014. 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 2014, the consolidated sales reached NT$ 55.3 billion, up 28% compared to NTD 43.2 billion in the previous year. The net profit reached NT$ 17.9 billion in 2014, a 30% growth compared to the previous year. Both sales revenues and earnings hit the record high.

In 2014, Catcher is continued to have another breakthrough in customers and products. In addition to material and process, Catcher also needed to expand a large scale capacity to meet the market demand. Going forward, Catcher is going 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 in the coming year.

Financial performance

The consolidated revenue of the Catcher Group in 2014 was NT$55.3billion. The consolidated gross profit rate of the group was 47%. The consolidated net profit after tax was NT$17.9 billion, and the basic earnings per share was NT$23.52.

Operation Results (Group) Unit: in thousand NTD

Item	2014		2013	
	Amount	%	Amount	%
Operating revenues	55,277,365	100%	43,245,550	100%
Gross Profit	26,101,348	47%	18,320,726	42%
Operating income	20,024,925	36%	13,915,661	32%
Income before tax	23,544,603	42%	17,528,275	41%
Net income	17,877,167	32%	13,801,184	32%

Profitability (Group)

Item		2014	2013
Return on assets		15%	14%
Return on equity		21%	20%
Percentage of capital	Operating income	260%	185%
	Income before tax	306%	233%
Net income to sales		32%	32%
EPS（NTD）		$23.52	$18.38

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, along with 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 enhance the production management, productivity, stability 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. 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 quiet clear. Looking at the design trends of various types of consumer electronics products, the metal casing, supplement 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 2014, IDC indicated the shipments of smartphones to be around 1.288 billion, up 26.4% y-y in a high pace. IDC also estimates the smarthone will increase to 1.445 billion units in 2015, up 12.2% y-y，and to 1.6 billion units in 2016 with a double digit growth. 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. Multi-material and multi-process and metal based casings will be the largest growth driver for the sector, which will certainly benefit Catcher by adding new customers and products.

IDC also indicated the shipment of Tablet PC in 2014 was around 224 million units, compared with 213 million in 2013, up by 11%. IDC also estimates that tablet will continue to grow in double digits in 2015/2016. Portable devices like tablet require better strength. High end brand customers' demand on metal casing remains high and still stays as the main business of Catcher.

On the PC side, IDC shows the 2014 sales volume achieved 307 million units, compared with 2013's 315million, which the decline was decelerated to 2.7% y-y. The shipment of PC is expected to further decrease to 297 million in 2015, down 3.3% y-y. PC market is quite mature and the market scale will maintain stable.

Notebook shipments of 2014 were 173 million, compared to 178 million units in 2013, with a milder decline 2.9% y-y. As for 2015, it will reach to 169 million units (-2.4% y-y); and 167 million in 2016 (-1.1% 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 some consumer models will switch to high end metal casings.

Looking ahead of 2015, smartphones will continue to grow, metal adoption will increase, average devices size will expand, and form factor will become more complicated and difficult. All of those factors will drive the metal casing sector to grow. Meanwhile, we also see wearable devices could be the next growth driver for the sector. 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　Shui-Shu Hung

Two、Corporate Profile

1. Date of Incorporation: November 23, 1984

2. Milestones

1984: Located in No. 60, lane 77, Hai-zhong street, Tainan city with initial capital of NTD2 million, Catcher began to develop aluminum alloy casting parts for hard drives.

1986: Increased NTD3 million capital in cash and paid-in capital totaled NTD5 million. Commenced mass production for hard drives to supply Micro Science Technology, the largest hard drive manufacturer in Taiwan, and began to develop magnesium alloy die casting technologies.

1987: Magnesium alloy die casting technology developed smoothly, and Catcher received the first order from Prime Company for 5 1/4" floppy drive reading/writing arm.

1988: The Company's products quality was highly accepted by customers, and in order to enlarge business size, the Company decided to buy a new land in Yung Kang Industrial Park of 4,958.55 square meters, for building new plants and equipments.

1989: Moved in No. 79, Huan-Gong road, Yong-Kang city, Tainan County, and procured our first hot chamber die casting machine from a German manufacturer to produce magnesium alloy reading/writing arms for hard drives. This mentioned above high-tech machine has even attracted Japanese casting companies' attentions and visited the Company purposely. In the same year, the Company purchased Toshiba's aluminum alloy die casting machine, 800 tons, and vacuum casting equipments to produce the aluminum alloy casting parts and components. The Company then exported to Japan the aluminum alloy casting parts, which could stand high temperatures up to 400℃.

1990: Increased NTD10 million capital in cash, and paid-in capital totaled NTD15 million. Aggressively developed foreign markets by attending trade exhibitions, included in the USA, Canada, Japan, Germany, Belgium, and Netherlands, to seek for potential customers. The Company's foreign orders of magnesium alloy casting parts were used in mobile phone, and the extremely matured technology became our major competitive advantage internationally.

1991: Improve the quality of die casting parts, the Company applied Switzerland vacuum casting technology to its products and achieved very satisfied results. The Company started to export hard drive chassis and casings to Singapore this year, and due to product's high quality, sales orders were piling up.

1992: Cash offering of NT$10 million, and paid-in capital totaled NT$25 million. The Company gradually established its reputation in the foreign market, and the Company's superior technology and product quality had placed it on international hard drives manufacturers' approved vendor lists, too. The Company's matured mass production technology in producing précised die casting parts attracted a great many foreign price quotation requirements.

1994: Cash offering of NT$15 million, and paid-in capital totaled NT$40 million. The Company was accredited with ISO 9002 from DNVI and started to cooperate with Acer Inc., one of the largest PC brand names manufactures in Taiwan, to develop notebook PC components made by magnesium alloys casting parts.

1995: Cooperated with Acer Inc., to develop notebook PC components made by magnesium alloys casting parts.

1996: Paid-in capital totaled NTD80 million, after re-capitalization from retained earnings and surplus of NTD20 million in June, respectively. The Company introduced Taiwan first Magnesium alloy chassis for NB at that time, and offered outstanding thermal and EMI solution to notebook PC manufacturers.

1997: Increased the paid-in capital to NTD192 million, through cash offering of NTD80 million, and NTD32 million of retained earnings, in April and June, respectively. The Company was accredited with ISO 9001 from BVQI; meanwhile, and its board of directors submitted an IPO proposal on account of company's expanding business scale and funds needs, also officially registered the Company's name as "Catcher Technology Co., Ltd.". The Company received approval from SFC later, and went public this year.

1998: Procured magnesium alloy casting machines, 500 tons and 200 tons, in May and November, respectively, procured 22 CNC processing machines from May to November, and added 7 more roast-and-plate production lines at the end of the year. Together with the procurements of mentioned above equipments, and to fulfill the growing needs of expanding capacity, the Company again bought in two buildings from court-auction market, which located at No. 5, Huan Gong Road and No. 12, Jung Zhong Road, Yung Kong City. Increased the paid-in capital to NTD 327,030 thousand, through capitalization of NTD 134,400 thousand of retained earnings and NTD630 thousand of employee bonus shares in December. Meanwhile, two new directors and one supervisor were elected; the newly elected supervisor was a delegate from China Development Industrial Bank, a new institutional investor by holding 7.81% outstanding shares of the Company, totaling 1.5M shares in October.

The Company mapped out the Company's Enterprise Resource Planning to streamline operation in the late of this year, and was accredited with COMPAQ and DELL in relative business fields. Obviously, all of the mentioned above actions benefited the Company in terms of increase productivity and strengthen globalization.

1999: To meet the expanding production capacity, the Company added 10 more magnesium alloy die casting machines at the end of October, including 500 tons, 315 tons, and 200 tons, respectively, purchased 20 CNC processing machines in June, and acquired in 1 new plant in July.

Capitalized NTD133,512 thousand from retained earnings (included employee bonus of NTD 2,700 thousand) in April, and cash offering of NTD100,000 thousand (2 million shares at a premium NTD50 per share) in May; the paid-in capital totaled NTD 480,542 thousand .The Company's shares traded on the ROC over-the-counter market on November 1, 1999.

2000: After cash offering of NTD80,000 thousand (8,000 thousand shares), paid-in capital totaled to NTD560,542 thousand; net proceeds of NTD1,320,000 thousand from the mentioned above cash offering plan, at a premium of NTD165 per share.

Again, increased the paid-in capital to NTD844,413 thousand from retained earnings NTD 283,871 thousand (included NTD3,600 thousand of employee bonus shares), in June. Signed proprietary contract of "reciprocating extrusion process" with National Chin Haw University for licensing this special patent in our 3C, aerospace, and optic products, to improve and innovate the magnesium alloy, and basic magnesium alloy materials. As for the capacity expansion, the Company procured 6 debarring remover machines (from August to December), 35 sets of die casting and polishing robots, 1 high speedy process machines, and 4 computer softwares for mold flow dynamic series analysis. In order to widen our operation space and business scale, we again decided to rent 72,725.4 square meter of land from Taiwan Sugar Co. to build up Ren-Ai main manufacturing base and locate equipments and machines. The Company made every effort to achieve world leading technique as well as the unique global vertical integrated process.

2001: In April, the Company procured cold magnesium die casting machine, 750 tons, 10 units of magnesium alloy casting machine, 125 tons, and 5 packs of coating robots, and die casting robots, for enhancing company's current capacity.

In February, the Industrial Bureau of the Ministry of Economic Affairs approved our project of "Leading products development plan", given another evidence of our superior R&D ability in high-tech products. In July, the Company moved into our Ren-Ai plant with 72,725.4 square meters; the relocation of 5 consolidated facilities ensured the Company to lower the inter-facility's production failures, and shorten process cycle, as well as to increase the efficient usage of human resources in material and process, and reduced the costs of communication and transportation in between. After capitalization of NTD176,083 thousand (included NTD7,200 thousand of employee bonus shares), paid-in capital totaled NTD1,020,496 thousand. Furthermore, the Company became the listed stock company in TSE on Sep. 17, 2001. The Company was accredited with product certification from APPLE, MOTOROLA, LG, and SAMSUNG, received orders from international brand names, and produced massive volume in PDA and mobile phones' casings.

2002: In March, the Company issued its first secured corporate bond of NTD 700 million with a 2.795% annual coupon rate, defined the bonds as A, B, and C by issuance dates, and paid interests annually. The redemption will be available after the 3rd, 4th, and 5th anniversaries of the issue dates at a rate of 30%, 30%, and 40% of the bond principal.

Driven by increasing demand for developing products and expanding capacity, the Company procured hundreds of CNC process machines and 100 thousand grades clean room mobile phone plating equipment. At the same time, the Company extended business into producing desk- top computer chassis and casings, and received orders from international brand names with satisfied shipment situation. Moreover, our Suzhou base in China began to mass production.

In October, capitalization from retained earnings of NTD265,862 thousand (included NTD10,738 thousand of employee bonus shares) and surplus of NTD51,025 thousand, and paid-in capital totaled NTD1,337,383 thousand.

2003: In September, capitalization from retained earnings of NTD213,607 thousand (included NTD13,000 thousand of employee bonus shares), paid-in capital increases to NTD1,550,990 thousand. Issuance of ECB, accounting for USD 50 million.

2004: To be honored with "first-place award in the Integrated Operating Performance" of the Top 1,000 Taiwanese Corporations in China published by China Credit Information Service in conjunction with the Commercial Times.

In September, capitalization from retained earnings of NT$325,598 thousand (included NT$15,400 thousand of employee bonus shares), paid-in capital increases to NT$1,876,588 thousand dollars.

In Novmber, the converible bond transferring to common shares amounted to US$ 1,500 thousand, with the converible price NT$105. In total, the paid in capital achieved NT$1,881,469 thousand including additional 488,100 common shares issurance.

The subsidiary in China ramped up the capacity, which significient contributes to group business. Catcher invested in TOPO Technology (Suzhou) Co., Ltd. for the need of expansion in capacity.

2005: To be honored with the "most profitable Taiwanese corporation in China" and "third-place award" in the Integrated Operating Performance of the Top 1,000 Taiwanese Corporations in China published by China Credit Information Service in conjunction with the Commercial Times.

Capitalization from retained earning of NT$782,327 thousand (including NT$29,740 thousand of employee bonus shares) in October and paid in capital increased to 2,821,616 thousand dollars. In addition, the Company issued Euro-convertible bond amounted USD 80,000 thousand. For the need of expansion in capacity and organization structure, Catcher invested in Aquila International (Suzhou) Co., Ltd. and off shore company GEMINI International Co., Ltd.

The subsidiary, Topo Technology (Suzhou) Co., Ltd. has started mass production and shipment.

2006: To be honored with “Forbes Asia’s 200 Best under a billion”.

To be honored with “Number 19 on Asian BusinessWeek 50 Scoreboard”.

To be honored with “Standard & Poor's Blue-Chip Stock”.

Catcher invested in Meeca Technology (Suzhou) Co., Ltd. and in the meantime procured hundreds of CNC process machines and other production equipment as well as operating labors in the fourth quarter. In October, capitalization from retained earnings of NTD1,194,729 thousand (included NTD$25,000 thousand of employee bonus shares) and in addition the Euro-Convertible bond has been transferred to common shares amounted 10,951 thousand shares and paid-in capital increased to NT$4,141,365 thousand dollars.

2007: To be honored with “First-place award in the Top 10 Benchmark Corporation investing in China” and Second-place award in the “Most Qulified Overseas IPO of Top 10 Subsidiary Company in China” of the “Business Groups in Taiwan” published by China Credit Information Service.

Capitalization from retained earning of NT$1,274,442 thousand (including NT$32,000 thousand of employee bonus shares) in October and paid in capital increased to NT$5,415,917 thousand dollars. To integrate and reorganise the offshore investment structure and to ease the management, Cepheus International Co., Limited, Cygnus International Co., Limited, Lyra International Co., Limited, Uranus International Co., Limited were incorporated in Hong Kong and Castmate International Pte. Ltd., Norma International Pte. Ltd., Saturn International Pte. Ltd. were incorporated in Singapore.

2008: Capitalization from retained earning of NT$581,242 thousand (including NT$39,650 thousand of employee bonus shares) in November and paid in capital increased to NT$5,997,159 thousand dollars.

The Company bought in a building located at No. 500, section 2, Bentian Rd.

To comply with the expansion plan of corporate operation and China’s preferential policy for foreign investment, Catcher set up Catcher Technology (Suqian) Co., Ltd. in China.

2009: The Company was accredited with ISO 14001 in September.

Capitalization from retained earning in November. The paid in capital increased to NT$6,649,085 thousand after the capitalization.

Convertible bonds issued for NT$ 5 billion in December.

The Company invested in 100% owned subsidiaries in China for USD 93 million.

2010 Consolidated sales revenue was 21.8 billion. It achieved the highest record in the history.
Focus on the Unibody Desgin of Samrtphone business, expanded the CNC capacity, and became one of the leading casing company with meaningful CNCcapacity.
Catcher Technology (Suqian) started the mass production.

2011 Consolidated sales revenue was 35.9 billion, net profit was 10.67 billion. Both of sales revenue and net profit in 2011 were the record high.
1st Global Depository Receipts (Issue Amount USD 220,028 thousand with 6,700,000 units) issued in 2011.
2nd domestic unsecured convertible bonds (Total Amount NTD 4.5 billion) issued in 2011.
2011 Job creation Contribution Award by Executive Yuan.
2011 Taiwan’s Top 100 Innovative Corporate Award by Industrial Development Bureau of the Ministry of Economic Affairs
2012 Taiwan’s Top 100 High Tech Corporate Award by Business Next Media Group.
Capitalization for Catcher’s subsidiaries, such as Catcher Technology (Suqian), Catcher Technology (Suzhou), TOPO Technology, and Meeca Technology.
Donations to Japan-Miyagi Prefecture for 311 Great East Japan Earthquake disaster area.

2012 Consolidated sales revenue was 37.0billion, and net profit was 10.89 billion. Both of the sales revenue and net profit in 2012 were the record high.

Catcher was ranked one of the 1,000 fastest growing companies in the world.

Catcher was ranked as No.5 of 2012 Taiwan Corporate Award & No. 3 of Top 10 the Best Profitable Company; No.10 of Top 10 Growth Corporate.

According to the Group's development strategy, Catcher set up VITO Technology (Suqian) Co., Ltd . and Topo Technology (Taizhou) Co. Ltd. which were approved by the Investment Commission.

2013 Consolidated sales revenue was 43.2billion, and net profit was 13.8billion. Both of the sales revenue and net profit in 2013 hit the historical high.
Awarded the best international trades vendors in 2012 by the Bureau of Foreign Trade, MOEA

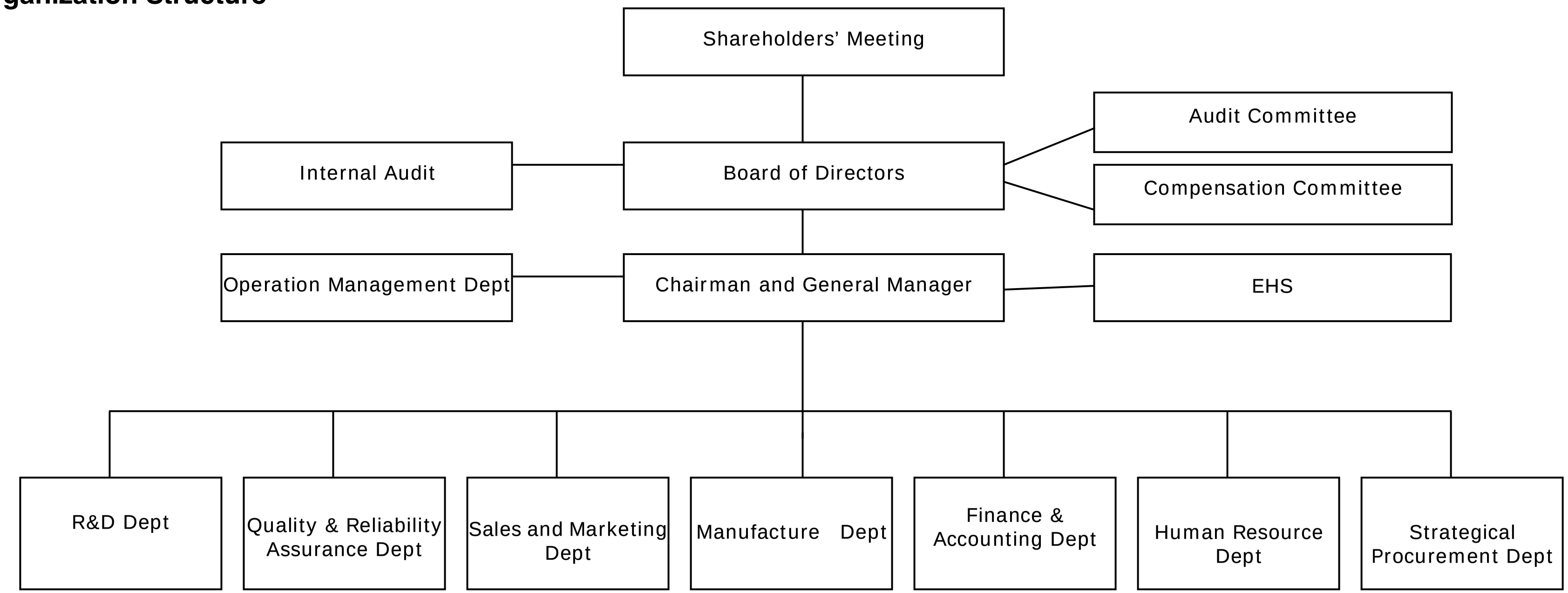
2014 Consolidated sales revenue was 55.2billion, and net profit was 17.8billion. Both of the sales revenue and net profit in 2014 hit another historical high.

According to the Group's development strategy, Catcher set up Arcadia Technology (Suqian) Co., Ltd ., which was approved by the Investment Commission.

Three、Corporate Governance Report

1. Corporate Organization

(1) Corporate Organization Structure



(2) Organization Functions:

- **Internal Audit**: Internal controls and operational processes auditing and monitoring
- **Operation Management**: Overall business management, strategy and standards establishment and evaluation.
- **R&D**: Technologies, techniques, and manufacture processes research and development.
- **Quality & Reliability Assurance:** Product inspection and quality assurance.
- **Sales and Marketing:** Product branding, marketing, sales and customer service.
- **Manufacture:** Manufacture and processes in diversity module products.
- **Finance & Accounting:** Finance and accounting, investment, investors' relationship, and stock affair management.
- **Human Resources**: Human resource management and organization development.
- **Strategical Procurement:** Procurement strategy and vendor resources management.
- **EHS:** Company's Environment, Safety, and Health issues

2. Information Regarding Directors, Supervisors and Management Team

(1) Directors' and Supervisors' Information

2015/04/11; Unit: share

Title	Nationality/ Country of Origin	Name	Date Elected	Term (Yr)	Shareholding when Elected		Present Shareholding		Spouse& Minor Shareholding		Specific Person Shareholding		Education& Experience	Also Serves Concurrently as	Other Directors &Supervisors being spouse or immediate relation with Directors & Supervisors		
					Common Share	%	Common Share	%	Common Share	%	Common Share	%			Title	Name	Relation-ship
Director	Taiwan	Shui-Shu Hung	2013.06.13	3	10,704,834	1.43%	10,704,834	1.39 %	19,511,713	2.53 %	-	-	Medical School / National Taiwan University Chairman of Catcher	Chairman & General Manager of Catcher Chairman & Director representative of Catcher's subsidiaries Chairman of Kai-Yi Investment Co., Ltd Chairman & Director Representative of Epileds Tech., Inc. Chairman & Director representative of Yi Kang Heath management Co., Ltd	Director	Tien-Szu Hung Shui-Sung Hung	Brothers
Director	Taiwan	Tien-Szu Hung	2013.06.13	3	10,661,889	1.42%	10,661,889	1.38 %	16,369,122	2.12 %	-	-	Chairman of Chia-Wei Investment Co., Ltd.	Chairman of Chia-Wei Investment Co., Ltd. Direcor Representative of Catcher's subsidiaries General Manager of Catcher's China subsidiaries	Director	Shui-Shu Hung, Shui-Sung Hung	Brothers
Director	Taiwan	Shui-Sung Hung	2013.06.13	3	10,278,970	1.37%	10,278,970	1.33 %	6,901	0%	-	-	Chairman of De-Neng Investment Co., Ltd.	Chairman of De-Neng Investment Co., Ltd.	Director	Shui-Shu Hung, Tien-Szu Hung	Brothers
Director	Taiwan	Ming-Long Wang	2013.06.13	3	-	0%	-	0%	-	0%	-	-	Finance P.H.D. University of New York City	Professor of department of Accounting and Finance in National Cheng Kung University Director of Catcher Technology Independent Director and Compensation Committee Member of Chinesegamer International Corp. Independent Director and Compensation Committee Member of Bothhand Enterprise Inc. Compensation Committee Member of Hanpin Electron Co., Ltd Independent Director and Compensation Committee Member of Ton Yi Industrial Corp. Compensation Committee Member of Chia Her Industrial Co., Ltd Independent Director and Compensation Committee Member of Kuei Meng International Inc.	—	—	—
Independent Director	Taiwan	I-Shiung Chuang	2013.06.13	3	-	0%	-	0%	-	0%	-	-	Partner of Da Hwa CPAs Firm Professor and Associate Professor of Chang Jung Christian University	Partner of Da Hwa CPAs Firm Independent Director/ Audit Committee Member/Compensation Committee Member of Catcher Technology Director of Anji Technology	—	—	—
Independent Director	Taiwan	Lih-Chyun Shu	2013.06.13	3	-	0%	-	0%	1,000	0%	-	-	Associate Professor of National Cheng Kung University Associate Professor of Chang Jung Christian University	Professor of department of Accounting in National Cheng Kung University Dean of College of Information and Engineering in Chang Jung Christian University Independent Director/ Audit Committee Member/Compensation Committee Member of Catcher Technology	—	—	—
Independent Director	Taiwan	Mon-Huan Lei	2013.06.13	3	-	0%	-	0%	-	0%	-	-	Medical School / National Taiwan University Adjunct Instructor of National Taiwan University College of Medicine	Assistant administrator of Lo-Hsu Foundation, Inc., Lotung Poh-Ai Hospital Independent Director/ Audit Committee Member/Compensation Committee Member of Catcher Technology Director of Lo-Hsu Foundation, Inc., Lotung Poh-Ai Hospital	—	—	—

Directors' and Supervisors' Professional Knowledge and Independence Information

Criteria / Name	Five or more years of experience or professional qualification			Independence status（Note）										Number of companies also serves as independent director for
	Lecturer or above in business, law, finance, accounting or corporate business related fields	Qualification of justice, procurator, attorney, CPA, specialist or technician of national examination in corporate business related fields	Experience in business, law, finance, accounting or corporate business related fields	1	2	3	4	5	6	7	8	9	10	
Director Shui-Shu Hung	---	---	Yes	--	--	--	--	--	V	V	--	V	V	---
Director Tien-Szu Hung	---	---	Yes	--	--	--	--	--	V	V	--	V	V	---
Director Shui-Sung Hung	---	---	Yes	V	V	--	--	V	V	V	--	V	V	---
Director Ming-Long Wang	Yes	---	Yes	V	V	V	V	V	V	V	V	V	V	2
Independent Director I-Shiung Chuang	Yes	Yes	Yes	V	V	V	V	V	V	V	V	V	V	---
Independent Director Lih-Chyun Shu	Yes	---	Yes	V	V	V	V	V	V	V	V	V	V	---
Independent Director Mon-Huan Lei	---	---	Yes	V	V	V	V	V	V	V	V	V	V	---

Note: For those directors and supervisors who match the conditions listed below and two years before assuming period, "V" is marked in the appropriate space.

1. Is not an employee of the Company or its affiliates;
2. Is not a director or supervisor of the Company or its affiliates. Does not include the independent directors or supervisors in the parent companies and subsidiaries;
3. Does not directly or indirectly own more than 1% of the Company's outstanding shares, nor is one of the top ten non-institutional shareholders of the Company;
4. Is not a spouse or of immediate relation (child, parent, grandchild, grandparent, or sibling) to any person specified in the preceding two columns;
5. Is not a director, supervisor, or employee of a legal entity which directly owns more than 5% of the Company's issued shares, nor a director, supervisor or employee of the top five legal entities which are owners of the Company's issued shares;
6. Is not a director, supervisor, or manager of a company which has a business relationship with the Company, nor a shareholder who owns more than 5% of such a company;
7. Is not an owner, partner, director, supervisor, manager or spouse of any sole proprietor business, partnership, company or institution which has provided the Company and its affiliates with financial, business consulting, or legal services;
8. Is not a spouse or of immediate relation (child, parent, grandchild, grandparent, or sibling) to any of the directors;
9. Is not under any condition pursuant to Article 30 of the R.O.C. Company Law;
10. Is not a legal entity owner or its representative pursuant to Article 27 of the R.O.C. Company Law

(2) Managers' Information

2015/04/11; unit: shares

Title	Name	Date Elected	Present Shareholding		Spouse& Minor Shareholding		Specific Person Shareholding		Education& Experience	Also Serves Concurrently as	Other Directors & Supervisors being spouse or immediate relation with Directors & Supervisors		
			Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Chairman and General Manager	Shui-Shu Hung	1988.02.02	10,704,834	1.39%	19,511,713	2.53%	-	-	Medical School / National Taiwan University Chairman of Catcher	Chairman & General Manager of Catcher Chairman & Director representative of Catcher's subsidiaries Chairman of Kai-Yi Investment Co., Ltd Chairman & Director Representative of Epileds Tech., Inc. Chairman & Director representative of Yi Kang Heath management Co., Ltd	—	—	—
Vice President	Kenny Chien	2010.01.01	110	0.00%	0	0.00%	-	-	EMBA/Fudan University Assistant general manager / Dell Inc., Taiwan Vice President of Sales & Marketing Department of Catcher Technology	Director representative of SIN-HER Technology Co., Ltd	—	—	—
Vice President	James Wu	2010.03.01	0	0.00%	0	0.00%	-	-	MBA / Michigan State University Vice President of Finance and Accounting Division / Chunghwa Picture Tubes, Ltd Chief Investment Officer and Spokesman of Catcher Technology	Director representative of SIN-HER Technology Co., Ltd Supervisor representative of Kongcheng Precision Co., Ltd. Supervisor representative of Yi Kang Heath management Co., Ltd Director representative of CHAOHU YUNHAI MAGNESIUM INDUSTRY CO LTD,	—	—	—
Assistant Vice President	Lewis Huang	2014.04.01	0	0.00%	0	0.00%	-	-	Mechanism / National Chin-Yi University of Technology R&D manager / Catcher Technology Co., Ltd.	None	—	—	—
Assistant Vice President	Frank Lee	2010.02.01	0	0.00%	0	0.00%	-	-	Scientific PHD / Ching Hua University R&D manager / Catcher Technology Co., Ltd.	None	—	—	—
Assistant Vice President	Brian Lee	2010.02.01	0	0.00%	31,985	0.00%	-	-	Mechanism / National Taipei University of Technology R&D manager / Catcher Technology Co., Ltd.	Director Representative of Leo Co., Ltd	AVP	Irene Lin	Spouse
Assistant Vice President	Irene Lin	2012.01.01	31,985	0.00%	0	0.00%	-	-	St. Cloud State MBA Sale & Marketing Magager/Catcher Technology	Supervisor representative of I-catcher Optoelectronics Co. Supervisor representative of Amity Capital Inc. Director representative of Kongcheng precision Co., Ltd.	AVP	Brian Lee	Spouse
Assistant Vice President	Amy Chen	2012.01.01	68,234	0.00%	0	0.00%	-	-	EMBA / Nan-Tai University Finance & Accounting Manager/Catcher Technology	Director representative of Epileds Tech., Inc. Director representative of I-catcher Optoelectronics Co. Director representative of Amity Capital Inc.. Director of Catcher Technology's Hong Kong subsidiaries	—	—	—

(3) The Compensation of Directors, Supervisors, and Managers

A. Director's Compensation

2014/12/31;Unit: thousand NTD

Title	Name	Remuneration to directors								Total A,B,C, D as % of EAIT		Employment-related Remuneration												Total A,B,C,D,E,F,G as % of EAIT		Remuneration received by investing business other than company subsidiaries
		Remuneration (A)		Retirement pension (B)		Remuneration from distributed earning(C) (Note 1)		Business implementation expenses (D)				Salary, bonuses and special expenses (E)		Retirement pension (F)		Employee bonus from distributed earnings (g)				Amount of Employee Share Options Received (h)		Granted Employee Restricted Stock (i)				
																Catcher		All consolidated entities								
		Catcher	All consolidated entities	Catcher	All consolidated entities	Catcher	All consolidated entities	Catcher	All consolidated entities	Catcher	All consolidated entities	Catcher	All consolidated entities	Catcher	All consolidated entities	Cash dividends	Stock dividends	Cash dividends	Stock dividends	Catcher	All consolidated entities	Catcher	All consolidated entities	Catcher	All consolidated entities	
Chairman	Shui-Shu Hung	0	0	0	0	16,480	16,480	88	88	0.09%	0.09%	4,270	7,700	0	0	14,518	-	104,112	-	0	0	0	0	0.20%	0.72%	None
Director	Tien-Szu Hung																									
Director	Shui-Sung Hung																									
Director	Ming-Long Wang																									
Independent Director	I-Shiung Chuang																									
Independent Director	Lih-Chyun Shu																									
Independent Director	Mon-Huan Lei																									

Note1: Distributed earnings of 2014 have not been approved by shareholders' meeting as of printing date. Thus employee bonus was calculated proportionally based on the actual distribution of last year.
Note2:The above mentioned Directors only include the incumbent Directors as of printing date.
Note3: The disclosed remuneration concepts here are different from taxation perspectives. Thus, the disclosed information is not for taxation purpose.

Levels of Amounts of Compensation

Remuneration range for directors	Name of the directors			
	Total Remuneration (A+B+C+D)		Total Remuneration (A+B+C+D+E+F+G)	
	Catcher	All consolidated entities	Catcher	All consolidated entities
Less than NTD 2,000,000	Ming-Long Wang / I-Shiung Chuang / Lih-Chyun Shu / Mon-Huan Lei /	Ming-Long Wang / I-Shiung Chuang / Lih-Chyun Shu / Mon-Huan Lei /	Ming-Long Wang / I-Shiung Chuang / Lih-Chyun Shu / Mon-Huan Lei	Ming-Long Wang / I-Shiung Chuang / Lih-Chyun Shu / Mon-Huan Lei
NTD 2,000,000(included)～5,000,000 (excluded)				
NTD 5,000,000(included)～10,000,000 (excluded)	Shui-Shu Hung/ Tien-Szu Hung/ Shui-Sung Hung /	Shui-Shu Hung/ Tien-Szu Hung/ Shui-Sung Hung /	Shui-Sung Hung/ Tien-Szu Hung	Shui-Sung Hung
NTD 10,000,000(included)～15,000,000 (excluded)			Shui-Shu Hung	
NTD 15,000,000(included)～30,000,000 (excluded)				Tien-Szu Hung
NTD 30,000,000(included)～50,000,000 (excluded)				Shui-Shu Hung
NTD 50,000,000～100,000,000 (excluded)				
NTD 100,000,000 or More				
Total				

Note1: The disclosed remuneration concepts here are different from taxation perspectives. Thus, the disclosed information is not for taxation purpose.

B. Managers' Compensation

2014/12/31; Unit: thousand NTD

Title	Name	Salary (A)		Retirement (B)		Bonus and special expense (C)		Employee bonus from distributed earnings (D) (Note 1)				Total A,B,C,D as % of EAIT		Amount of employee stock options received		Granted Employee Restricted Stock (i)		Remuneration received by investing business other than company subsidiaries
								Catcher		All consolidated entities								
		Catcher	All consolidated entities	Catcher	All consolidated entities	Catcher	All consolidated entities	Cash dividends	Stock dividends	Cash dividends	Stock dividends	Catcher	All consolidated entities	Catcher	All consolidated entities	Catcher	All consolidated entities	
Chairman	Shui-Shu Hung	9,835	25,475	371	371	1,885	4,012	34,559	-	248,095	-	0.26%	1.55%	-	-	-	-	None
General Manager	Tien-Szu Hung																	
Vice President	Kenny Chien																	
Vice President	James Wu																	
Vice President	Michael Yeh																	
Vice President	Jay Tseng																	
Vice President	Lawrence Liu																	
Vice President	Jodan Yang																	
Vice President	Magic Liu																	

Note1: Distributed earnings of 2014 have not been approved by shareholders' meeting as at printing date, thus employee bonus were calculated proportionally based on the actual distribution of last year.
Note2: The disclosed remuneration concepts here are different from taxation perspectives. Thus, the disclosed information is not for taxation purpose.

Levels of Amounts of Compensation

Remuneration Range for General Manager and Vice Presidents	Name of GMs and Vice Presidents	
	Catcher	All consolidated entities
< NTD 2,000,000		
NTD 2,000,000(included)～5,000,000(excluded)	Michael Yeh/	Michael Yeh
NTD 5,000,000(included)～10,000,000(excluded)	James Wu	James Wu
NTD 10,000,000(included)～15,000,000(excluded)		
NTD 15,000,000(included)～30,000,000(excluded)	Shui-Shu Hung /Kenny Chien	Kenny Chien/Jay Tseng/Lawremce Kuo/Jodan Yang//Magic Liu
NTD 30,000,000(included)～50,000,000(excluded)		Tien-Szu Hung
NTD 50,000,000(included)～100,000,000(excluded)		Shui-Shu Hung
NTD 100,000,000 or more		
Total		

Note1: The disclosed remuneration concepts here are different from taxation perspectives. Thus, the disclosed information is not for taxation purpose

C. Managers' Bonus

2014/12/31; Unit: thousand NTD

	Title	Name	Stock dividends bonus Market value (Note 1)	Cash dividends bonus	Total	% of income after tax
Managers	Chairman	Shui-Shu Hung	0	51,638	51,638	0.28%
	Vice President	Kenny Chien				
	Vice President	James Wu				
	Vice President	Michael Yeh				
	Assitant Vice President	Lewis Huang				
	Assitant Vice President	Frank Lee				
	Assitant Vice President	Brian Lee				
	Assitant Vice President	Amy Chen				
	Assitant Vice President	Irene Lin				

Note1: Distributed earnings of 2014 have not yet been approved by shareholders' meeting as at printing date, thus employee bonus were calculated proportionally based on the actual distribution of last year.

Note2: The disclosed remuneration concepts here are different from taxation perspectives. Thus, the disclosed information is not for taxation purpose.

(4) Comparison of Compensation of Directors and Managers in the Past Two Years

A. Analysis of remuneration as a percentage of income after tax for directors and managers.

Item / Title	% of income after tax				% of increase (decrease)	
	2014		2013			
	Catcher	All consolidated entities	Catcher	All consolidated entities	Catcher	All consolidated entities
Director	0.46%	2.27%	0.3%	1.7%	0.16%	0.57%
General Manager						
Vice Presidents						

Note: Distributed earnings of 2014 have not been approved by shareholders' meeting as at printing date, thus employee bonus were calculated proportionally based on the actual distribution of last year.

B. The Company's remuneration policy is according to the Company's development strategy and its personnel policy. The policy is set based on the industry standard. For the most recent two years, the remuneration to general manager and vice presidents includes salary, bonus, and employee bonus of distributed earnings. The salary and bonus are based on the Company's personnel policy. The employee bonus of distributed earnings is decided by the Board based on the annual earnings and profit distribution percentage which was approved by shareholders' meeting. As of the date of publish, the employee bonus of distributed earnings are yet to be approved by the AGM.

3. Corporate Governance Status

(1)Information of Board Meeting Operation

Number of meetings__4__(A), attendance of each director is listed as follows：

Title	Name	Attendance (B)	Proxy Attendance	Attendance rate (%) (B)/(A)	Remarks
Chairman	Shui-Shu Hung	4	0	100	Elected on 2013/06/13
Director	Shui-Sung Hung	4	0	100	Elected on 2013/06/13
Director	Tien-Szu Hung	3	1	75	Elected on 2013/06/13
Director	Ming-Long Wang	4	0	100	Re-elected on 2013/06/13
Independent Director	I-Shiung Chuang	4	0	100	Elected on 2013/06/13
Independent Director	Lih-Chyun Shu	4	0	100	Elected on 2013/06/13
Independent Director	Mon-Huan Lei	3	1	75	Elected on 2013/06/13

Annotations:

1. There were no written or otherwise recorded resolutions on which an independent director had a dissenting opinion or qualified opinion in 2014.
2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Date of the meeting	Name of the Director	Item	Causes for avoidance and voting
2015.03.19	Shui-Shu Hung	Catcher's Board of Directors resolved to donate to Catcher Education Foundation	The resolution was approved by the Board.

3. Measures taken to strengthen the functionality of the Board: We believe that the basis for successful corporate governance is a sound and effective Board of Directors. In line with this principle, Catcher's Board of Directors has established an Audit Committee on 2013/06/13 and a Compensation Committee on 2011/12/13 to assist the Board in carrying out its various duties.

(2)Information Regarding Audit Committee's Operation

A. The state of Audit Committee's participation to the board meetings

Number of meetings__4__(A), attendance of Audit Committee is listed as follows

Title	Name	No. of times attended in person (B)	No. of times attended by proxy	Attendance rate (%) (B)/(A)	Remark
Independent Director	I-Shiung Chuang	4	0	100	Elected on 2013/06/13
Independent Director	Lih-Chyun Shu	4	0	100	Elected on 2013/06/13
Independent Director	Mon-Huan Lei	3	1	75	Elected on 2013/06/13

Other mentionable items:

1. If there are the circumstances referred to in Article 14-5 of the Securities and Exchange Act and resolutions which were not approved by the Audit Committee but were approved by

two thirds or more of all directors, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company’s response to the Audit Committee’s opinion should be specified: None

2. If there are independent directors’ avoidance of motions in conflict of interest, the directors’ names, contents of motion, causes for avoidance and voting should be specified: None

3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the items, methods and results of audits of corporate finance or operations, etc.)

(1)The internal auditors have communicated the result of the audit reports to the members of the Audit Committee periodically, and have presented the findings of all audit reports in the quarterly meetings of the Audit Committee. Should the urgency of the matter require it, the Company's chief internal auditor will inform the members of the Audit Committee outside of the regular reporting. The communication channel between the Audit Committee and the internal auditor has been functioning well.

(2)The Company’s CPAs have presented the findings or the comments for the quarterly corporate financial reports, as well as those matters communication of which is required by law, in the regular quarterly meetings of the Audit Committee. Under applicable laws and regulations, the CPAs are required to communicate to the Audit Committee any material matters that they have discovered. The communication channel between the Audit Committee and the CPAs has been functioning well.

(3) Corporate Governance Practices

Evaluation Item	Implementation Status [1]			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”?		✓	The Company has not yet established the Corporate Governance Best-Practice Principles.	The Company has not yet established the Corporate Governance Best-Practice Principles but the related processes are inline with the principle.
2. Shareholding structure & shareholders’ rights (1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure? (2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (3) Does the company establish and execute the risk management and firewall system within its conglomerate structure? (4) Does the company establish internal rules against insiders	✓ ✓ ✓		(1) The Company has designated the spokesman / deputy spokesman/ IR and specific persons to handle shareholders’ recommendations or issues (2) The Company keeps close relationship with key shareholders, who have management control of the Company, or those who have ultimate control of this company. IRO or shareholders’ Stock affair specialists were appointed to follow up the change of shareholding status. (3) Catcher has set up an “Affiliated Management Policy” which rules risk control mechanisms and firewalls between the Company and its affiliated. (4) To protect shareholders’ rights and fairly treat	None

Evaluation Item	Implementation Status [1]			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
trading with undisclosed information?	✓		shareholders, the Company has established the internal rules to forbid insiders trading on undisclosed information. The Company has also strongly advocated these rules in order to prevent any violations.	
3. Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members?	✓		(1) The Board consist of 7 Directors, 3 out of whom are independent directors, with practical experience or teaching experience as professors in the universities. The independent directors also include accountants, professors of Accounting Department/business college. Member diversification is considered by the Board members.	None
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		(2) In order for the sound supervision and reinforcement of management, the Company has established the Compensation Committee and the Audit Committee and will also establish other committees according to regulations or operational needs in the future.	
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?		✓	(3) The company has not yet established formulated rules and procedures for evaluating the Board’s performance	
(4) Does the company regularly evaluate the independence of CPAs?	✓		(4) The Company evaluates the independence of CPAs periodically, ensuring that that they are not stakeholders such as a Board member, supervisor, shareholder or person paid by the Company. Besides, there are also internal rotations to ensure the independence of the CPAs.	
4. Does the company establish a communication channel and build a designated section on its website for stakeholders, as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The Company has assigned spokesperson, deputey spokesperson and investor relations specialist and provides detailed contact information, including telephone numbers and email addresses for our stakeholders to consult for opinions on any issues (including corporation social responsibility)	None
5. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company designates KGI Securities Co., Ltd to deal with shareholder affairs.	None

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status [1]</th><th rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td>6. Information Disclosure
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?</td><td>✓</td><td></td><td>The Company has set up a Chinese/English website (www.catcher-group.com) to disclose information regarding the Company’s financials, business and corporate governance status. The Company also discloses other information according to the regulations requirement on MOPS website and thus investors may also refer to MOPS website for the Company’s financials, operational information and corporate governance.</td><td rowspan="2">None</td></tr>
<tr><td>(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?</td><td>✓</td><td></td><td>The Company has assigned an appropriate person (investor relations specialist) to handle information collection and disclosure.
The Company has established a spokesman system.
Investor conference information is disclosed on the corporate website.</td></tr>
<tr><td colspan="5">7. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?

(1) Status of employee rights and employee wellness: Catcher commits itself to uphold the welfare of its employees complying with relevant regulations. Please refer to the “Employees” section on pages 66-67 of this annual report.
(2) Catcher has appointed spokesman / deputy spokesman/ IRO to maintain fair relationship with our investors
(3) We value our suppliers and stakeholders as our assets and maintain a well relationship.
(4) Stakeholders’ protection: All stakeholders can have a smooth communication channel with the Company to secure their rights.
(5) Status of risk management policies and risk evaluation: Please refer to the “Risk Management” section on pages 86-87 of this annual report.
(6) The Company has purchased D&O insurance for its directors and supervisors since year 2008.
(7) Directors’ and supervisors’ training records: The Directors of the Company have attended the training courses on different area, including financial, business operation or laws knowledge by their desire.
(8) The Company has adopted electroic voting and raised the information transparent to ensure the shareholders’ right.</td></tr>
<tr><td colspan="5">8. Has the company implemented a self-evaluation report [2] on corporate governance or has it authorized any other professional organization to conduct such evaluation? If so, please describe the opinion from the Board, the result of self or authorized evaluation, the major deficiencies, suggestions, or improvements.
No, the Company hasn’t issued self-evaluation report on corporate governance.</td></tr>
</table>

(4) Composition, Responsibilities and Operations of Compensation Committee

A. The Company has established Compensation Committee on 2011/12/23 according to Article 14-6 of Securities and Exchange Act and "Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Companies whose Stock is Listed on the TWSE or Traded on the TPEx" and set "Organizational Charter of the Company's Compensation Committee"

Professional Qualifications and Independence Analysis of Remuneration Committee Members

Criteria / Name	Five or more years of experience or professional qualification			Independence status（Note）								Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remarks
	An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university	A judge, public prosecutor, attorney, Certified Public Accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8		
Independent Director Lih-Chyun Shu	Yes			V	V	V	V	V	V	V	V	---	
Independent Director I-Shiung Chuang	Yes	Yes		V	V	V	V	V	V	V	V	---	
Independent Director Mon-Huan Lei	---	---	Yes	V	V	V	V	V	V	V	V	---	

Note: Please tick the corresponding boxes that apply to a member during the two years prior to being elected or during the term(s) of office.

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of affiliated companies. Not applicable in cases where the person is an independent director of the parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company, or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three sub-paragraphs.

5. Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company, or who holds shares ranking in the top five holdings.
6. Not a director, supervisor, officer, or shareholder holding 5% or more of the shares of a specified company or institution which has a financial or business relationship with the Company.
7. Not a professional individual, who is an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof.
8. Not a person of any conditions defined in Article 30 of the Company Law.

B. The state of Compensation Committee's participation to the board meetings

Number of meetings__2__(A), attendance of Compensation Committee is listed as follows

Title	Name	No. of times attended in person (B)	No. of times attended by proxy	Attendance rate (%) (B)/(A)	Remark
Convenor	Lih-Chyun Shu	2	0	100	Elected on 2013/07/31
Member	Mon-Huan Lei	1	1	50	Re-elected on 2013/07/31
Member	I-Shiung Chuang	2	0	100	Elected on 2013/07/31

Other mentionable items:
1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
2. Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

(5) The Company’s Policy and Efforts to be Socially Responsible

Evaluation Item	Implementation Status [1]			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation [2]	
1. Corporate Governance Implementation (1) Does the company declare its corporate social responsibility policy and examine the results of the implementation	✓		(1) The Company has approved and announced the “Procedures for social responsibility management” in 2014 for the Company to implete corporation social responsibility. The procedure is established based on domestic and international regulations and the strategic directions of the Company. The procedure will be audited by internal auditors and be assessed the effects regularly.	None
(2) Does the company provide educational training on corporate social responsibility on a regular basis?	✓		(2) The Company delivers the message regarding the importance and requirement of CSR to its employees through new employees’ training sessions, employees’ symposium, internal website, and the quarterly Board meetings and set the related fules in the “Procedures for social responsibility management.”	
(3) Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	✓		(3) The Company has established the CSR team, which includes the employees from strategic management, auditors, labor safety, human resources, stragteic procurement, sales and marketing, investor relations department, in charge of the publish of CSR report and implementing the related CSR matters and report directly to the Board and the Chairman.	
(4) Does the company declare a reasonable salary remuneration policy, and integrate the employee performance appraisal system with its corporate social responsibility policy, as well as establish an effective reward and disciplinary system?	✓		(4) In addition to reasonable compensation system,the Company also established a new reward and disciplinary system based on the employee performance appraisal system which includes our corporate social responsibility policy as one of the most important criteria for evaluation.	
2. Sustainable Environment Development				None

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
(1) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		(1) The Comopany has promoted various projects such as energy saving, electronic forms, recycling of the dangerous waste product to enhance the efficiency of resources utilization. Besides, the Company also adopts QC 8000 system to decrease the dangers it may produce from the production process.	
(2) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		(2) The Company has received ISO 14001 certifications for environmental management systems. In line with ISO 14001 and OHSAS 18001's concept of continuous improvement, OOO diligently carries out its responsibilities of pollution prevention, energy and resource conservation, waste reduction, accident prevention, and the establishment of a safe and comfortable work place.	
(3) Does the company monitor the impact of climate change on its operations and conduct greenhouse gas inspections, as well as establish company strategies for energy conservation and carbon reduction?	✓		(3) The Company has monitored the impact to the operation brought by the climate change and has completed many energy-saving projects in 2014, where we see significant effects. Moreover, through the promotion of project of carbon footprint, the Company has calculated the greenhouse gas emissions from the two main product items through their product cycles and planned for the follow-up plans to decrease the greenhouse gas emissions.	
3. Preserving Public Welfare (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1) The Company has established internal policies as guidelines to ensure the labor rights and benefits. Through periodic internal audits and improvement, the Company aims to provide a friendly working environment for the employees.	None
(2) Has the company set up an employee hotline or grievance mechanism to handle complaints with appropriate solutions?	✓		(2) Catcher offers an Employee Relations Hotline that provides a channel for employees to express their opinions regarding their work and the overall work environment. The employee relations team ensures all cases are handled with care and the employees could get a reply on the follow-up actions within 7 days.	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		(3) We have established a management system on labor health and safety, which continuously evaluates and controls the risks in the working environment and follow up on improvement measures. Besides, in comply with the regulations, the Company provides the employees with regular health checkup and also holds regular training sessions to build a better working environment. Catcher also plans to complete the certification of OHSAS 18001 by mid of 2015 to enhance the safety and hygiene management system.	

Evaluation Item	Implementation Status[1]			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation[2]	
(4) Does the company setup a communication channel with employees on a regular basis, as well as reasonably inform employees of any significant changes in operations that may have an impact on them?	✓		(4) To ensure that employees’ opinions and voices are heard, and their issues are addressed effectively, impartial submission mechanisms, including quarterly labor-management communication meetings, are in place to provide timely support. At the same time, efforts are made to ensure that employees are informed of current policies.	
(5) Does the company provide its employees with career development and training sessions?	✓		(5) Catcher not only assesses and provides feedback on employees’ skills and interests, but also offers training and development activities that match their career development objectives and job needs.	
(6) Does the company establish any consumer protection mechanisms and appealing procedures regarding research development, purchasing, producing, operating and service?	✓		(6) The Company has always maintained its business concept to establish internal management process, in comply with government regulations and international standards to deal with clients’ complaints and demands there’s no cheating, misleading, fraud or any other behaviors that may harm clients’ rights or trust and take the measures to prevent the same issues to occur again.	
(7) Does the company advertise and label its goods and services according to relevant regulations and international standards?	✓		(7) When labeling and advertising its products worldwide, Catcher consistently honors regional and national regulations (ex: UL labeling) without misleading its customers by exaggerating the information provided.	
(8) Does the company evaluate the records of suppliers’ impact on the environment and society before taking on business partnerships?	✓		(8) The Company has required all of its suppliers to follow their commitments on CSR, which includes voluntary labors, underaged labors, compensation or benefits, working time, anti-discrimnation, health and safety, environmental protection, and moral behaviors. The Company has chosen one supplier to audit its implementation on CSR based on customer portfolio and transaction scale. In the future, Catcher will choose at least 3 suppliers to process the audit.	
(9) Do the contracts between the company and its major suppliers include termination clauses which come into force once the suppliers breach the corporate social responsibility policy and cause appreciable impact on the environment and society?	✓		(9) Catcher requires all the suppliers with transactions with us to sign the CSR commitment. When suppliers breach the corporate social responsibility policy and cause appreciable impact on the environment and society, Catcher may terminate any agreements.	

Evaluation Item	Implementation Status[1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation[2]	
4. Enhancing Information Disclosure (1) Does the company disclose relevant and reliable information regarding its corporate social responsibility on its website and the Market Observation Post System (MOPS)?	✓		(1) There's a CSR section on our website. http://www.catcher-group.com/tw/csr.aspx. The Company will disclose the information regarding the message, projects and activities on corporate social responsibility and also the information on Catcher' Education Foundation.	None
5. If the Company has established the corporate social responsibility principles based on "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the Principles and their implementation: The Comopany has established the "Procedures of social responsibility management" in 2014, which is inline with "the Corporate Social Responsibility Best-Practice Principles for TWSE/ TPEx Listed Companies" and international standards (ex: SA 8000, EICC). Therefore, the Company is able to meet the regulations and the requirement of the stakeholders in terms of labor rights, health and safety, environment, code of ethics, and management systems.				
6. Other important information to facilitate better understanding of the company's corporate social responsibility practices： The Company has established a CSR Team comprising of employees from various deparments to be in charge of the publishing of CSR report, 1st of which is planned to be completed in 2015. Going forward, we expect every department to execute strategies based on the KPI which is conjunction with the social responsibility and to help realize the long-term vision of the Company. Besides, since inception, Catcher has always sticked to its attitude to "Take from society, give back to society" and continuously make donations or sponsor the public welfare, cultural, educational, and medical activities.				
7. A clear statement shall be made below if the corporate social responsibility reports were verified by external certification institutions: The Company has received the certification of ISO 9001, ISO 14001, IECQ QC 080000 and product carbon footprint (for carbon fiber and glass fiber)				

(6) The status of the Company's exercise of good faith in management and adoption of related measures:

Catcher already set up the related governance principle and have an internal audit department, and also formulated internal rules to ensure the exercise of good faith in management and the observance of laws and regulations.

Evaluation Item	Implementation Status[1]			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1)Does the company declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board to			The Company has set up "Management Procedure for Corporate Social Responsibly", according to EICC & SA 8000, as the guideline for all the other ethical corporate	None

Evaluation Item	Implementation Status[1] Yes	No	Abstract Illustration	Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
implement the policies?	✓		management policies. The Board of Directors and the management place the greatest importance in adopting the highest standards of integrity and ethics in corporate management and employee work conduct. Related Ethical Corporate Management policies will be included in the Company's CSR report and website.	
(2) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies?	✓		The company has established management procedures to punish for any violation, and also set up "hotline" to strengthen the implementation. The internal Committee holds the review meeting semi-annually and reports to top management accordingly. The company also establishes effective accounting and internal control systems for the implementation of policies, and to prevent any violation. Suppliers also need to sign this Ethical Agreement to commit not to engage with any bribery, corruption, deception, and all other forms of improper conduct.	
(3) Does the company establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company adopts management procedures and to establish preventive measures against the following: (a) offering and accepting bribes; (b) illegal political donations; (c) improper charitable donations or sponsorship; (d) offering or accepting unreasonable gifts or hospitality, or other inappropriate benefits. The aforementioned principles and related regulations were announced and disseminated to employees, managers and Board of Directors to enhance integrity and self-discipline. At the same time, the Company has internal audit teams and has made a hotline available for suppliers/ employees to prevent any improper business behaviors.	
2. Fulfill operations integrity policy (1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		The Company conducts due diligence before trading with upstream and downstream companies to minimize the risks. The Company requires all our suppliers, vendors and partners to declare in writing that they will not engage in any fraud or provide unethical conduct when dealing with the Company or our officers and employees. Internal and external online hotlines have been established for any relevant persons to use in reporting any ethical irregularities for personal investigation by a designated internal audit. Catcher has the right to suspend or discharge the agreement, or even punish	None
(2) Does the company establish an exclusively (or concurrently)				

Evaluation Item	Implementation Status [1]			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
dedicated unit supervised by the Board to be in charge of corporate integrity?	✓		suppliers, if supplies violate the abovementioned rules. The Company established the Internal Audit team, under the Board's supervision, to implement the corporate ethics and audit matters, and to submit periodical reports to the top management and then to the Board of Directors.	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		To avoid interest of conflicts, the Company requires all employees not to engage with any unethical activities by setting rules and procedures. At the same time, the Company has made a hotline available for any stakeholders to make sure the ethical corporate management policies are fully implemented.	
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?	✓		The Company has established accounting and internal control systems to ensure integrity in our operations. The internal auditors have analyzed and reviewed the annual audit program, on behalf of board and management, according to the risk evaluation results, to further strengthen the implementation of ethical corporate management policies. The Company carries out regular training for employees. For new employees, training on social responsibilities, ethical rules, business morals, and all other related subjects are carried out prior to work. All employees will receive necessary internal training when needed. Employee will also receive external training if necessary.	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?				
3. Operation of the integrity channel (1)Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		The Company establishes various reporting channels so that employees and relevant people can report improper business behaviors through the system. After a confidential investigation with 7 days, anyone who violates the regulations on operational integrity will be punished according to the Company's regulations on reward and punishment. The Company has in place SOPs, relating to the reporting, investigation, filing etc., which could be applied on any confidential investigations on such cases. Those parties in those cases will be fully confidential.	None
(2) Does the company establish standard operating			The Company takes whistleblower protection seriously since	

Evaluation Item	Implementation Status [1]			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
procedures for confidential reporting on investigating accusation cases? (3) Does the company provide proper whistleblower protection?	✓ ✓		the core purpose is protection from unlawful reprisal for diligent employees who step forward to identify potential wrongdoing. The Company has a dedicated different ways or hotline for whistleblower protection. Any whistblower who received unfair or unlawful treatment will be well protected and also compensated for the loss.	
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	✓		The Company's related ethical corporate management principles and the results of our implementation will be posted on the Company's annual report and eventually on the MOPS. We will also disclose those related information on website, including ethical corporate management, obeying business morale, and the commitment of fair competition.	None
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation. There have been no differences.				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies). (a) To implement the basics of ethical corporate management policies, the Company operates under the Company Act, Securities and Exchange Act, Businesses Entity Accounting Act, related regulations for TWSE/TPEx-Listed Companies, and other laws and decrees concerning business transactions. (b) The Company has set up the "Rules of Board Meeting" to prevent any interest of conflicts from board members. The board member is only allow to present opinion but not allowed to discuss or vote in those agenda which that board member has interest of conflicts (c) The Company has set up "Management Procedures for Internal Material Information", which specifies that directors, supervisors, managers, and employees are not allowed to reveal inside information to others or to inquire non-public information that is irrelevant to his/her business scope.				

(7) How the Information of Company's Corporate Governance Policy can be Obtained in Public.

None.

(8) Other Information Provides a Better Understanding of the Company's Corporate Governance Status.

The Company holds board meeting at least once per quarter, and set up the Audit Committee and the Compensation Committee . If necessary, the Company will set up any committee to improve corporat governance.

(9) Status of Internal Control:

A. Statement of Internal Control:

Catcher Technology Co., Ltd.
Statement of Internal Control

2015/03/19

The internal control self-assessment of Catcher Technology Co., Ltd. was conducted for the year ended December 31, 2014 based on the Company's internal control system. The results are described as following:

1.Catcher Technology Co., Ltd. acknowledges that the board of directors and the management are responsible for establishing, executing and maintaining an effective internal control system, which has been already set up. The purposes of the internal control system are to provide a reasonable assurance of achieving the goals of efficiency and effectiveness of the operations, such as profitability, performance and the safeguard of the assets, the reliability of the financial reports and the compliance with the applicable laws and regulations.

2.No matter how perfectly designed, the internal control system has its inherent limitations, and it can only provide reasonable assurance of achieving the three goals mentioned above. The effectiveness of the internal control system may subject to changes of environment and circumstances. Catcher has established an internal control system with self-monitoring capabilities, which can undertake corrective actions whenever a deficiency is identified.

3.Catcher evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the governing the establishment of internal control system by public companies promulgated by the Securities and Futures Bureau of the Financial Supervisory Commission. The criteria adopted by the Regulations identify five components of internal control based on the process of management control: (1) Control Environment, (2) Risk assessment (3) Control activities, (4) Information and Communication, and (5) Monitoring. Each component consists of certain items, which could be referred to the Standards.

4.Catcher Technology Co., Ltd. has evaluated the design and effectiveness of its internal control system according to the aforementioned criteria.

5.Catcher Technology Co., Ltd. believes that the effectiveness of the design and execution of the internal control system (including its subsidiaries) during the above mentioned assessment period provides reasonable assurance of achieving the goals of the efficiency and effectiveness of operations, the reliability of financial reports and the compliance with applicable laws and regulations.

6.The Statement of Internal Control will be an integral part of Catcher Technology Co., Ltd. annual report and prospectus and will be made public. Any false statement, concealment, or other illegality in the content made public will entail legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.

7. The statement has been passed by the Board of Directors in the meeting held on March 19th, 2014, with none of the seven attending directors expressing dissenting opinions on the content of the Statement.

Catcher Technology Co., Ltd.

Chairman and GM：Shui-Shu Hung

B. CPA Audit Report for Internal Control System of the Company

The Company was not required to engage with a CPA to attest to the internal control system under R.O.C regulations; therefore, there is no CPA audit report on internal control to be disclosed

(10) Description of Violations/Infringement of Regulations and the Company's Response

For the most recent fiscal year and during the current fiscal year up to the date of printing of this annual report, there were no sanctions imposed upon the Company or its internal personnel.

(11) Important Resolutions of Shareholders' and Board Meetings

A. Shareholders' Meeting

Date	Title	Agenda	Resolution
2014.06.12	2014 Annual shareholders' meeting	● To accept 2013 Business Report and Financial Statements (Proposed by the Board of Directors) ● To approve the proposal for distribution of 2013 profits (Proposed by the Board of Directors) ● 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) ● To amend the Procedures for Acquisition or Disposal of Assets (Proposed by the Board of Directors)	Except for the resolution 3, all the other discussion items were unanimously agreed upon the resolutions by all attending shareholders

B. Board Meetings

Date	Agenda	Resolution
2014.02.06	● To approve 2013 the Company's Financial Statements. ● To approve 2013 Business Report ● To approve the proposal for distribution of subsidiaries' retained earnings ● To approve 2013 Statement of Internal Control. ● To approve the Company's "Acquisition or Disposal of Assets Procedure" ● To discuss the donations to Catcher Education Foundation ● To approve 2014 regular shareholders' meeting date, place, and agenda.	All attending directors unanimously agreed, no other special proposals were proposed.
2014.04.29	● To approve 2013 earnings distribution ● To approve the shareholder's proposal for 2014 regular shareholders' meeting. ● To discuss the plan of issuing new shares or CBs/ECBs for raising working capital. ● To determine the record date of the new common shares conversion from the 2nd domestic CBs. ● To discuss the agenda of 2014 regular shareholders' meeting.	All attending directors unanimously agreed, no other special proposals were proposed.
2014.08.11	● To discuss the record date for cash dividend. ● To discuss the record date and to adjust the conversion price for the domestic CBs ● To discuss the record date of the new common shares conversion from the 2nd domestic CBs. ● To discuss the plan of raising investment amount in Vito Technology (Suqian) Co., Ltd in response to the overseas expansion plan ● To approve the proposal for distribution of cash bonus/ dividends to managers in 2013 ● To approve the distribution of bonus to the directors and supervisors in 2013 ● To approve the acquisition or disposal of the equipment from the related parties	All attending directors unanimously agreed, no other special proposals were proposed.
2014.11.06	● To discuss the record date of the new common shares conversion from the 2nd domestic CBs. ● To discuss 2015 annual business plan ● To discuss 2014 annual audit plan for Catcher and its subsidiaries.	All attending directors unanimously agreed, no other special proposals were proposed

2015.01.05	• To discuss the plan of raising investment amount in Arcadia Technology (Suqian) Co., Ltd in response to the overseas expansion plan	All attending directors unanimously agreed, no other special proposals were proposed.
2015.03.19	• To discuss the record date of the new common shares conversion from the 2nd domestic CBs. • To approve 2014 the Company's Financial Statements. • To approve 2014 Business Report • To approve the proposal for distribution of subsidiaries' retained earnings • To approve 2014 Statement of Internal Control. • To discuss the Company's "Rules and Procedures of Shareholders' Meeting" • To discuss the donations to Catcher Education Foundation • To discuss the plan to expand the capacity in Yong Kang Industrial Park • To discuss the change of the Certified Public Accountants • To discuss the annual audit fees • To approve 2015 regular shareholders' meeting date, place, agenda and shareholders' proposal	All attending directors unanimously agreed, no other special proposals were proposed.

(12)Directors' or Supervisors' Objections on the Important Resolution of Board Meetings

None.

(13)Information of Resignation or Dismissal of Persons Related to Financial Reports

None

4. Information on Audit Fees

(1) If the amount of non-auditing relevant fees charged by the appointed independent auditors and the related parties reaches to 25% of the Company's annual auditing expenses shall be disclosed

Name of the accounting Firm	Name of the accountant	Audit period	Note
Deloitte & Touche	Hung Ju Liao, Chi Chen Lee	2014	-

Units: thousand NTD

Fee ranges \ Item		Audit Fees	Non Audit Fees	**Total Fees**
1	Less Than 2,000		v	
2	2,000~3,999			
3	4,000~5,999	v		
4	6,000~7,999			
5	8,000~9,999			
6	10,000 or More			

(2) If there is any change in the appointed independent auditors and the Company's annual auditing expenses decreased simultaneously, information regarding the amount, percentage and reasons for the decrease in auditing expenses shall be disclosed

Not Applicable.

(3) Auditing expenses decreased by 15% in comparison to the previous year, information regarding the amount percentage and reasons for the decrease in auditing expenses

shall be disclosed:

Not Applicable.

5. Replacement of CPA

The original CPAs of the Company were Hung Ju Liao and Chi Chen Lee from Deloitte & Touche. Due to internal rotation at Deloitte & Touche, the CPAs of the Company were changed to Hung Ju Liao and Chun Chi Kung, beginning January 1, 2015.

6. Information of the Company's Chairperson, Presidents, or Accounting Officers Have Worked in the Accounting Firm of the Appointed Independent Auditors or the Related Parties within the past year.

None.

7. Change in shareholding of Directors, Supervisors, Managers, and Major Shareholders

(1) Change in Equity Interest

Unit: share

Title	Name	2014		As 0f 2015/04/11	
		Change in Equity Interest	Pledge in Equity Interest	Change in Equity Interest	Pledge in Equity Interest
Chairman	Shui-Shu Hung	0	0	0	0
Director	Tien-Szu Hung	0	0	0	0
Director	Shui-Sung Hung	0	0	0	0
Director	Ming-Long Wang	0	0	0	0
Independent Director	Mon-Huan Lei	0	0	0	0
Independent Director	I-Shiung Chuang	0	0	0	0
Independent Director	Lih-Chyun Shu	0	0	0	0
Vice President	Kenny Chien	0	0	0	0
Vice President	James Wu	0	0	0	0
Vice President	Michael Yeh	-40,000	0	0	0
Assistant Vice President	Lewis Huang	0	0	0	0
Assistant Vice President	Brian Lee	0	0	0	0
Assistant Vice President	Irene Lin	0	0	0	0
Assistant Vice President	Frank Lee	-5,000	0	0	0
Assistant Vice President	Amy Chen	-39,000	0	-15,000	0

Note: Michael Yeh was dismissed on 2014/06/03

(2) Information on Transfer of Equity Interest

None.

(3) Information on Pledge of Equity Interest

None.

8.Information Disclosing the Relationship Between any of the Company's Top Ten Shareholders.

2015/04/11

Name	Personal Shareholding		Shareholdings of spouse/minor children		Total shareholdings held under other names		Related parties defined under the statement of financial accounting standards No. 6 of top 10 largest shareholders'		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Kai-Yi Investment Co., Ltd.	32,208,869	4.2%	-	-	-	-	Janice Lin/Tien-Szu Hung/Sui-Mei Kuo	Spouse/Second-degree relatives/Second-degree relatives	
Delegate:Shui-Shu Hung	10,704,834	1.4%	19,511,713	2.5%	-	-			
Jia-Wei Investment Co., Ltd.	25,743,885	3.3%	-	-	-	-	Sui-Mei Kuo/Shui-Shu Hung/Janice Lin	Spouse/Second-degree relatives/Second-degree relatives	
Delegate: Tien-Szu Hung	10,661,889	1.4%	16,369,122	2.1%	-	-			
New Labor Pension Fund	24,346,000	3.2%	-	-					
Old Labor Pension Fund	18,626,000	2.4%	-	-					
Janice Lin	18,409,961	2.4%	11,806,586	1.5%			Shui-Shu Hung/Tien-Szu Hung/Sui-Mei Kuo	Spouse/Second-degree relatives/Second-degree relatives	
Sui-Mei Kuo	15,364,013	2.0%	11,666,998	1.5%			Tien-Szu Hung/Shui-Shu Hung/Janice Lin	Spouse/Second-degree relatives/Second-degree relatives	
JP Morgan Chase as directed trustee for Saudi Arabian Monetary Agency	15,353,000	2.0%							
Citi as directed trustee Government of Singapore Investment Corporation	14,070,211	1.8%							
The Vanguard Group. Ltd.	13,266,463	1.7%							
Cathay Life Insurance Co., Ltd	13,086,000	1.7%	-	-	-	-	-	-	

Note: The data shown above was gathered until the latest ex-registered date.

9. Total Percentage of Ownership of Investees

All the Company's investments are directly invested. There is no such issue that the Company's directors, supervisors, managers, and other direct or indirect controlled entities by the Company comprehensively held the investment companies' shares.

Four、Capital and Shares

1. Capital and Shares

(1) Source of Capital

A. Type of Shares

Unit: in thousand shares
2015/03/31

Type of shares	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Registered Common Shares	770,391	229,609	1,000,000	

B. Historical Information of Capitalization

Unit: in thousand NTD/shares

Date	Issue Price (NTD)	Authorized Shares		Paid-in Capital		Notes		
		Shares	Total Amount	Shares	Total Amounts	Source of Capital	Assets Other than Cash Used for Capital	Other
1984.11	1,000	2	2,000	2	2,000	Initial capital NT$2,000K	None	None
1986.06	1,000	5	5,000	5	5,000	Capitalization from Cash offering NT$3,000K	None	None
1990.06	1,000	15	15,000	15	15,000	Cash offering NT$10,000K	None	None
1992.10	1,000	25	25,000	25	25,000	Cash offering NT$10,000K	None	None
1994.06	1,000	40	40,000	40	40,000	Cash offering NT$15,000K	None	None
1996.06	—	80	80,000	80	80,000	Increase capital from retained earnings NT$20,000K, Capital surplus NT$20,000K	None	Note1
1997.04	36	30,000	300,000	16,000	160,000	Capitalization in Cash by NT$80,000K	None	Note2
1997.06	—	30,000	300,000	19,200	192,000	Increase capital from retained earnings NT$32,000K	None	Note 3
1998.12	—	32,703	327,030	32,703	327,030	Increase capital from retained earnings NT$135,030K(Included employee bonus shares NT$630K)	None	Note 4
1999.05	50	70,000	700,000	48,054.2	480,542	Cash offering NT$20,000K, Increase capital from retained earnings NT$133,512K(Included employee bonus shares NT$2,700K)	None	Note 5
2000.02	165	70,000	700,000	56,054.2	560,542	Capitalization in Cash by NT$80,000K	None	Note 6
2000.06	—	110,000	1,100,000	84,441.3	844,413	Increase capital from retained earnings NT$283,871K(Including employee bonus NT$3,600K)	None	Note 7
2001.09	—	118,000	1,180,000	102,049.6	1,020,496	Increase capital from retained earnings NT$176,083K(Including employee bonus NT$7,200K)	None	Note 8
2002.10	—	210,000	2,100,000	133,738.3	1,337,383	Increase capital on retained earnings and capital reserve NT$316,887K(Including employee bonus NT$ 10,738K)	None	Note 9
2003.09	—	210,000	2,100,000	155,099.0	1,550,990	Increase capital on retained earnings and capital reserve NT$213,607K (Including employee bonus NT$ 13,000K)	None	Note 10

2004.09	—	270,000	2,700,000	187,658.8	1,876,588	Increase capital from retained earnings NT$325,598K(Including employee bonus NT$15,400K)	None	Note 11
2005.03	—	270,000	2,700,000	188,146.9	1,881,469	Capital from ECB conversion NT$4,881K	None	Note 12
2005.07	—	270,000	2,700,000	199,763.6	1,997,636	Capitalization in ECB conversion NT$116,167K	None	Note 13
2005.09	—	570,000	5,700,000	282,161.6	2,821,616	Increase capital from retained earnings NT$782,328 K (Including employee bonus NT$ 29,740 K) Capitalization in ECB conversion NT$41,652K	None	Note 14
2006.02	—	570,000	5,700,000	283,723.7	2,837,237	Capitalization in ECB conversion NT$ 15,621K	None	Note 15
2006.04	—	570,000	5,700,000	293,644.4	2,936,444	Capitalization in ECB conversion NT$ 99,208K	None	Note 16
2006.07	—	570,000	5,700,000	294,603.6	2,946,036	Capitalization in ECB conversion NT$ 9,591K	None	Note 17
2006.09	—	570,000	5,700,000	414,076.5	4,140,765	Increase capital from retained earnings NT$1,194,729 K (Including employee bonus NT$ 25,000 K)	None	Note 18
2006.11	—	570,000	5,700,000	414,136.4	4,141,364	Capitalization in ECB conversion NT$ 599K	None	Note 19
2007.03	—	570,000	5,700,000	414,147.5	4,141,475	Capitalization in ECB conversion NT$ 110K	None	Note 20
2007.10	—	1,000,000	10,000,000	541,591.6	5,415,917	Increase capital from retained earnings NT$1,274,442 K (Including employee bonus NT$ 32,000 K)	None	Note 21
2008.11	—	1,000,000	10,000,000	599,715.9	5,997,159	Increase capital from retained earnings NT$581,242 K (Including employee bonus NT$ 39,650 K)	None	Note 22
2009.9	—	1,000,000	10,000,000	664,908.5	6,649,085	Increase capital from retained earnings NT$651,926K (Including employee bonus NT$ 52,210K)	None	Note 23
2011.5	—	1,000,000	10,000,000	675,175.1	6,751,751	Capitalization from Domestic 1st CB conversion NT$ 102,666K	None	Note 24
2011.6	—	1,000,000	10,000,000	723,795.8	7,237,958	Capitalization from Domestic 1st CB conversion NT$ 151,206K & GDR NT$ 335,000K	None	Note 25
2011.10	—	1,000,000	10,000,000	750,443.7	7,504,337	Capitalization from Domestic CB conversion NT$ 225,152K and capitalization from Domestic CB conversion NT$ 41,227K	None	Note 26
2012.2	—	1,000,000	10,000,000	750,639.4	7,506,394	Capitalization from Domestic CB conversion NT$ 2,057K	None	Note 27
2012.4	—	1,000,000	10,000,000	750,691.4	7,506,914	Capitalization in Domestic CB conversion NT$ 519K	None	Note 28
2012.5	—	1,000,000	10,000,000	750,699.2	7,506,992	Capitalization in Domestic CB conversion NT$ 78K	None	Note 29
2012.8	—	1,000,000	10,000,000	750,703.1	7,507,031	Capitalization in Domestic CB conversion NT$ 39K	None	Note 30
2014.4	—	1,000,000	10,000,000	751,662.8	7,516,628	Capitalization in Domestic CB conversion NT$9,597K	None	Note 31

2014.8	—	1,000,000	10,000,000	760,494.0	7,604,940	Capitalization in Domestic CB conversion NT$88,312K	None	Note 32
2014.11	—	1,000,000	10,000,000	767,423.7	7,674,237	Capitalization in Domestic CB conversion NT$69,297K	None	Note 33
2015.3	—	1,000,000	10,000,000	770,391.0	7,703,911	Capitalization in Domestic CB conversion NT$2,967K	None	Note 34

Note 1 : Approved no. (85)Jian San Ji Zi 215114, 8/16/1996
Note 2 : Approved no. Jing (86) Shang Zi 107326, 5/27/1997
Note 3 : Approved no. Jing (86) Shang Zi 116009, 8/28/1997
Note 4 : Approved no. (87) Tai Cai Zheng Zi (1) 98840, 11/26/1998
Note 5 : Approved no. (88) Tai Cai Zheng Zi (1) 30979, 4/6/1999
Note 6 : Approved no. (88) Tai Cai Zheng Zi (1) 101893, 12/9/1999
Note 7 : Approved no. (89) Tai Cai Zheng Zi(1) 42070, 5/16/2000
Note 8 : Approved no. (90) Tai Cai Zheng Zi(1) 144155, 7/11/2001
Note 9 : Approved no. Tai Cai Zheng Zi(1) 0910134316, 6/25/2002
Note10: Approved no. Tai Cai Zheng Zi (1) 0920126413,6/16/2003
Note11: Approved no. Tai Cai Zheng Zi (1) 0930126017,6/11/2004
Note12: Approved no. Jing So Shang Zi 09401045320, 3/21/2005
Note13: Approved no. Jing So Shang Zi 09401139810 , 7/21/2005
Note14: Approved no. Jing So Shang Zi 09401177590 , 9/08/2005
Note15: Approved no. Jing So Shang Zi 09501027910 , 2/16/2006
Note16: Approved no. Jing So Shang Zi 09501075300 , 4/25/2006
Note17: Approved no. Jing So Shang Zi 09501159860 , 7/26/2006
Note18: Approved no. Jing So Shang Zi 09501206950 , 9/12/2006
Note19: Approved no. Jing So Shang Zi 09501247950 , 11/03/2006
Note20: Approved no. Jing So Shang Zi 09601045320 , 3/06/2007
Note21: Approved no. Jing So Shang Zi 09601242380 , 10/03/2007
Note22: Approved no. Jing So Shang Zi 09701278820 , 11/03/2008
Note23: Approved no. Jing So Shang Zi 09801230170, 10/07/2009
Note24: Approved no. Jing So Shang Zi 10001087800, 05/02/2011
Note25: Approved no. Jing So Shang Zi 10001133750, 06/28/2011
Note26: Approved no. Jing So Shang Zi 10001246030,10/26/2011
Note27: Approved no. Jing So Shang Zi 10101015910, 02/02/2012
Note28: Approved no. Jing So Shang Zi 10101056300, 04/02/2012
Note29: Approved no. Jing So Shang Zi 10101093520, 05/25/2012
Note30: Approved no. Jing So Shang Zi 101010169120, 08/16/2012
Note31: Approved no. Jing So Shang Zi 10301090650, 05/21/2014
Note32: Approved no. Jing So Shang Zi 10301184600, 09/04/2014
Note33: Approved no. Jing So Shang Zi 10301248990, 12/03/2014
Note34: Approved no.: Under the registertion process

C. Information of Shelf Registration System: None

(2) Status of Shareholders

Par Value: NT$10 per share: 2015/04/11

Structure / Number	Government Agencies	Financial Institutions	Other Domestic Institutions	Domestic Individuals	Foreign Institutions& Individuals	Total
Numbers of Shareholders	0	31	349	21,924	1216	23,520
Shareholding (Shares)	0	34,550,315	156,981,932	150,983,292	427,875,530	770,391,069
Holding Percentage (%)	0.00%	4.48%	20.38%	19.60%	55.54%	100%

Note: The data shown above was gathered until the latest ex-registered date.

(3) Distribution of Common Shares

A. Common Stock

Par Value: NT$10; 2015/04/11

Class of Shareholding	Number of Shareholders	Shareholding (shares)	Holding Percentage%
1-999	7,781	1,817,276	0.24%
1,000-5,000	12,165	21,989,849	2.85%

5,001-10,000	1,289	10,075,572	1.31%
10,001-15,000	459	5,850,434	0.76%
15,001-20,000	274	4,935,499	0.64%
20,001-30,000	270	6,863,349	0.89%
30,001-40,000	162	5,739,701	0.75%
40,001-50,000	102	4,699,454	0.61%
50,001-100,000	288	21,001,365	2.73%
100,001-200,000	260	37,285,338	4.84%
200,001-400,000	206	58,746,096	7.63%
400,001-600,000	70	33,764,007	4.38%
600,001-800,000	49	34,453,311	4.47%
800,001-1,000,000	24	21,852,745	2.84%
Above 1,000,001	121	501,317,073	65.06%
Total	23,520	770,391,069	100.00%

Note: The data shown above was gathered until the latest ex-registered date

B. Preferred Stock

None.

(4) List of Major Shareholders

Units: shares, 2015/04/11

Shares / Shareholder's Name	Common Shares	(%) of Shareholding
Kai-Yi Investment Co., Ltd.	32,208,869	4.2%
Jia-Wei Investment Co., Ltd.	25,743,885	3.3%
New Labor Pension Fund	24,346,000	3.2%
Old Labor Pension Fund	18,626,000	2.4%
Janice Lin	18,409,961	2.4%
Sui Mei Kuo	15,364,013	2.0%
JP Morgan Chase as directed trustee for Saudi Arabian Monetary Agency	15,353,000	2.0%
Citi as directed trustee Government of Singapore Investment Corporation	14,070,211	1.8%
The Vanguard Group. Ltd.	13,266,463	1.7%
Cathay Life Insurance Co., Ltd	13,086,000	1.7%

Note: The data shown above was gathered until the latest ex-registered date

(5) Market Price, Net Worth, Earnings, and Dividends per Share

Unit: in thousand NTD/shares

Item \ Year			2013	2014	As of 2015/03/31
Market Price per Share	Before retroactive adjustment	Highest	201.00	312.50	346.50
		Lowest	123.00	188.50	242.50
	After retroactive adjustment	Highest	201.00	312.50	—
		Lowest	123.00	188.50	—
	Average		151.45	253.69	292.49
Net Worth per Share	Before Distribution		97.92	124.48	(Note 1)
	After Distribution		92.91	—	(Note 1)
	Note: distributed based on the outstanding shares at the end of the year, and was approved by shareholders' meeting				
Earnings per Share	Before retroactive adjustment	Weighted average shares	750,703	760,097	(Note 1)
		Earnings per shares	18.38	23.52	(Note 1)
	After retroactive adjustment	Weighted average shares	750,703	(Note 1)	(Note 1)
		Earnings per shares	18.38	(Note 1)	(Note 1)
	Note: If there is any stock dividend distribution which should be traced back to adjustment the EPS, the pre-adjusted and adjusted EPS will be stated here.				
Dividend per Share (Note2)	Cash dividends		5.0	(Note 2)	(Note 1)
	Stock dividends	0	0	(Note 2)	(Note 1)
		—	—	—	(Note 1)
	Accumulated un-appropriated dividend (Note2)		—	—	(Note 1)
Return on Investment	Before retroactive adjustment	Price/Earning ratio (Note3)	8.35	10.84	(Note 1)
	After retroactive adjustment	Price/Earning ratio (Note3)	8.35	(Note 2)	(Note 1)
	Price/Dividends ratio (Note4)		30.68	(Note 2)	(Note 1)
	Cash dividends yield rate (Note5)		3.26	(Note 2)	(Note 1)

Note1: Up until the printing date, Q1/2015 financial report is not yet available.
Note2: Distributed earnings of 2014 have not yet been approved by shareholders' meeting as at printing date. The related information will be available on Market Observation Post System after the meeting.
Note3: Price/Earnings ratio = Average Market Closing Price per Share /Earning per Share
Note4: Price/Dividend ratio = Average Market Closing Price per Share/Cash Dividend per Share
Note5: Cash dividends YTM = Cash Dividends per Share/Average Market Closing Price per Share

(6) Dividend policy and Status:

A. Dividend Policy in the Company's Articles of Incorporation:

Dividend policy is set forth in the Articles of Incorporation, the distribution priority orders are listed as follows:

a. Offset prior years' operation losses;

b. Set aside 10% of the retained earnings as a legal reserve till to the amount of the Company's total capital;

c. Set aside special reserve according to operation need of the Company and related laws;

d. Set aside no more than 1% of the remaining amount after deducting item a, b, and c as directors' and supervisors' remuneration, and no less than 1% of un-appropriated earnings as employees' bonus.

We are locating at the industry which has positive growth potential. We will appropriately watch each step we have and economics status we are facing. We will continue to expand our scale considering viability of economic situation. Our board also focuses on the stable and growing dividend in proposing the appropriation of annual earnings. However, regarding earning distribution of aforementioned item four, the cash dividends shall not be less than 10% of earnings distributed to shareholders. If the cash dividends is less than 0.5 per share, the Company could distribute stock bonus.

B. Proposed Distribution of Dividend:

Up until the printing date, the Board has not yet approved the employees' bonus and remuneration of directors and supervisors. Thus, related information will be available on Market Observation Post System when approved.

(7) Impact of Stock Dividends on Operating Results, EPS, and ROE:

Not Applicable

(8) Employee Bonus and Directors' & Supervisors' Remuneration:

A. The Percentages or Ranges with Respect to Employee Dividends and Director/supervisor Compensation, as set forth in the Company's Articles of Incorporation:

Please refer to (6) Dividend policy and implementation thereof.

B. Accounting Treatments when Differences Occurred between Estimated and Actual Distributed Amount of Employee Bonus and Compensation of Directors and Supervisors.

There is no difference between the estimated and actual amounts of employee bonus and compensation of directors and supervisors.

C. Information on any Employee Dividend Distribution Proposals adopted at Board Meetings:

Up until the printing date, the Board has not yet approved the employees' bonus and remuneration of directors and supervisors. Related information will be available on Market Observation Post System when approved.

D. Earning Distribution Information of the 2013 Employee Bonus and Directors' & Supervisors' Remuneration

The information of approved distribution earning of 2013 are listed as follows:

Unit: NTD; Shares

Details	As approved by the Shareholders' Meeting	As recommended by the Board of Directors	Differences

Distribution Status 1. Employee bonus (1) Stock bonus amount Stock bonus shares Market price per share (ex-right and ex-dividend factors have been considered) (2) Cash bonus	- - - 124,210,657	- - - 124,210,657	None - - None
2. Remuneration paid to Directors and Supervisors	12,240,001	12,240,001	None

(9) Share Buy-back History

None.

2. Corporate Bonds

(1) Corporate Bonds

Type		2st domestic unsecured convertible bonds issued in 2011
Issue date		2011/04/27
Face value		NTD 100 thousand/unit
Listing Exchange		OTC
Issue Price		100% of face value
Total Amount		NTD 4.5 billion
Coupon rate		0%
Maturity		5 years Due on：2016/04/27
Guarantor		None
Trustee		Trust Department of China Trust Commercial Bank
Underwriter		KGI Securities Co., Ltd.
Legal counsel		Not applicable (the issued convertible bonds are in immaterial form)
Auditor		
Conversion and Redemption		Bond holders can convert their bonds into common shares according to article #10 of the bond issuance and conversion procedure or exercise their put options to redeem their bonds according to article # 19 of the procedure. Also , the Company can exercise call options to redeem the bonds in advance according to article #18 of the procedure or the Company will pay in full par value to holders when the issuance period due.
Principal Payable		NTD0 as of 2014/12/31
Redemption		Please refer “The Issuance and Conversion Procedures”
Covenant		None
Name of rating company, date and result of rating		None
Other Obligation	Balance Converted to (exchangeable or warrant) shares, ADRs, or Other Types of Securities as of Printing Date	As of 2014/12/31，2nd domestic unsecured CB total amount NT$ 4,449,900,000 converted to common shares (23,810,651 shares) As of 2014/12/31, NT$50,100,000 of 2nd domestic unsecured CB was bought back.
	Policy of Issuing or Converting(exchangeable or warrant)	Please refer to bonds issuance information in website of Market Observation Post System
Impact to the Current Shareholders Due to Dilution		Coupon rate of the convertible bond is 0% and the bonds were issued at premium. Thus, there is no negative impact to the stockholders’ rights.
Name of Custodian		None

(2) Convertible Bonds' Information

Unit: NTD

Type		2nd domestic unsecured convertible bonds issued in 2011
Content / Year		2014
Market Price	Highest	169.00
	Lowest	112.20
	Average	139.86
Conversion Price		181.27
Date of Issuance Conversion Price at Issuance Date.		2011/04/27 202
Plans to execute the terms when bonds are converted		Issue new common stocks

* As of 2014/11/07, the 2nd domestic unsecured convertible bonds were all converted to common stocks and applied for delisting.

(3) Exchangeable Bonds Information:

None

(4) Shelf Registration Information of Corporate Bond Issuance:

None

(5) Equity Warrant Bonds Information:

None

3. Preferred Stock:

None

4. Global Depository Receipts (GDRs)

Content \ Date of Issuance			Global Depository Receipts issued in 2011/06/08
Date of Issuance			2011/06/08
Listing Exchange			Assumed to be issued and traded either at Euro MTF of Burse de Luxembourg or at an international securities trading market which meets the requirements of the major underwriter and Catcher.
Issue Amount			Raising USD 220,028 thousand by issuing 6,700 thousand units of GDR(representing 33,500 thousand common shares)
Listing Price/Unit			USD 32.84 (NTD 189 per common stock share) * at exchange rate of NTD 28.77 to USD 1
Listing Units			6,700,000 Units
Underlying Representing Shares			Issue new common shares.
Number of Total Units and Equivalent Local Shares per Unit			Total units: 6,700,000 units Each unit represents 5 shares of common stock with total issuance of 33,500,000 common shares
Rights and Obligations of GDR holder			The rights and obligations are the same as common stock holders'.
Trustee			None
Depositary Bank			JPMorgan Chase Bank
Custodian Bank			Taipei Branch / JPMorgan chase bank
Outstanding Balance (Units)			Up to 2015/03/31, outstanding 1,347,536 units
Issuing Expense and Maintenance Fees			All by the Company
Important Terms and Conditions of Depositary Agreement and Custodian Agreement			Please refer to Depositary Agreement and Custodian Agreement
Market Price/Unit	2014	Highest	US$ 51.85
		Lowest	US$ 31.52
		Average	US$ 41.86
Market Price/Unit	Up to 2015/3/31	Highest	US$ 55.03
		Lowest	US$ 37.98
		Average	US$ 45.42

5. Employee Stock Option Certificates

None

6.Mergers and Acquisitions or the Issue of New Shares to Acquire Another Company's Shares

None

7. Financing Plans and Execution Status

<u>Content of Project</u>

1. The project was completed but benefits yet to be realized during the past 3 years：None。

2.The previous issuance or incomplete Private placement：

(A) The 2nd domestic unsecured convertible bond of 2011

(I) Sources of fund:

i. Approval of authority：SFC approval # 09900735131, dated Jan. 14, 2011.
ii. Project Amount：NTD 4.5 billion.
iii. Sources of Fund：To issue a NT 4.5 billion domestic unsecured convertible bonds, with a tenor of 5 years, 0% coupon, and the other terms.
iv. The issuance was completed on April 27, 2011 and the detail of this issuance was released on MOPS。

(II) The amount of this project and its benefits

i. Schedule for using of fund：

unit: NTD thousand

Items	Planed Completion Date	Fund needed	2011		
			Q1	Q2	Q3
Equipments Purchasing	Q3 2011	2,000,000	0	1,553,970	446,030
Working capital	Q1 2011	2,500,000	2,500,000	0	0
Total		4,500,000	2,500,000	1,553,970	446,030

ii. Expected benefits

- Equipment Purchasing：To increase the sales volume of 3C mechanical pars to improve operating profits.
- Working capital：To reduce the interest payment, increase profitability, and improve financial structure by more working capital.

(B) GDR of 2011

(I) Sources of fund:

i. Approval of authority：SFC approval # 0990073513, dated Jan. 14, 2011
ii. Project Amount：NTD 6,330,646 thousand.
iii. Sources of Fund：To issue 6.7 million GDS (representing 33.5 million common shares), with an offering size of USD 220,028 thousand and the other terms.
iv. The issuance was completed on June 13, 2011 and the detail of this issuance was released on MOPS。

(II) The amount of this project and its benefits

i. Schedule for using of fund：

unit: NTD thousand

Items	Planed Completion Date	Fund needed	2011			
			Q1	Q2	Q3	Q4
China Investment	Q4 2011	3,368,684	0	3,163,079	0	205,605
Foreign material purchasing	Q4 2011	2,961,962	0	230,176	1,898,952	832,834
Total		6,330,646	0	3,393,255	1,898,952	1,038,439

ii. Expected benefits

- China Investment：To increase capacity & product lines, control the upstream material cost, and strengthen the company's competiveness in casing and other parts. With the gradually completion of this project, the benefits will be shown accordingly.
- Foreign material purchasing：To reduce the interest expenses, increase profitability, and improve financial structure. Overall, those benefits will help the company's operation and competiveness.

Project Status

(A) The 2nd domestic unsecured convertible bonds of 2011：

Catcher raised capital on 2011/04/27. The project was completed in Q3 2012 with total amount NTD 4,500 million (to purchase the equipments NTD 200 million, and enriching the working capital NTD 2,500 million) .

(I) Project Status

The status of 2nd domestic unsecured convertible bonds of 2011 until Dec.31, 2012：

Unit: NTD thousand

Items	Status			Balance	Remark
Equipments Purchasing	Amount	Planned	2,000,000	0	Completed in Q3 2012.
		Actual	2,000,000		
	%	Planned	100		
		Actual	100		
Working capital	Amount	Planned	2,500,000	0	Completed in Q3 2012.
		Actual	2,500,000		
	%	Planned	100		
		Actual	100		
Total	Amount	Planned	4,500,000	0	Completed in Q3 2012.
		Actual	4,500,000		
	%	Planned	100		
		Actual	100		

(II) Benefits

i. Equipments Purchasing

The NTD 2 billion spending was planned to purchase the equipments for mid-high end metal parts capacity. Until Q3 2012, Catcher had spent NTD 2 billion on equipment procurement. The manufacturing units, sales revenues, and operating profits were expected to increase in accordance with the completion of equipments purchasing.

ii. Working capital

The amount of NTD 2,500 million for enriching the working capital was completed in the 3Q 2012. Based on 1.5% interest rate for a long term unsecured borrowing, this project was expected to save interest expenses by around 37.5 million, and will help the company's overall operation and competiveness.

(B) GDR of 2011

Catcher had completed the GDR issuance in June 2011. The schedule for spending of this project was slightly behind, due to the delay of this GDR offering. The project was 100% completed in Q4 2012 with total amount NTD 6,330,646 thousand. (NTD 3,368,684 thousand for China investment and NTD 2,961,962 thounsand for foreign material purchasing). With the gradually completion of this project, the benefits will also show accordingly.

(I) The Project status after amendment until Dec.31, 2012

unit: NTD thousand

Items	Status			Remarks
China Investment	Amount	Planned	3,368,684	Completed in Q4 2011.
		Actual	3,368,684	
	%	Planned	100	
		Actual	100	
Foreign Material Purchasing	Amount	Planned	2,961,962	Completed in Q4 2011.
		Actual	2,961,962	
	%	Planned	100	
		Actual	100	
Total	Amount	Planned	6,330,646	Completed in Q4 2011.
		Actual	6,330,646	
	%	Planned	100	
		Actual	100	

(II) Benefits

i. China Investment

The project amount of China Investment was NTD3,368,684 thousand and was completed in Q4 2011. including expenditure in land, buildings, and equipments, was expected to show its benefits in the future as soon as the manufacturing scale, revenues, and profits expand.

ii. Foreign Material Purchasing

The project amount of foreign material purchasing was NTD2,961,962 thousand, mainly spent for the growth material demand in NB, ultrabook, tablet, and smartphone market. It was completed in Q4 2011. This project was expected to save NTD 9,891 thousand interest expenses, based on a long term unsecured borrowing 1.5% interest rate, and will help the company’s overall operation and competiveness.

Five、Overview of the Business Scope

1. Description of The Business

(1) Major Business

A. Major Business:

a. Manufacturing, processing, and sales of molds and alloy products.

b. Surface treatment, processing, and sales of alloy products.

c. Related materials' and products' trading, export, and import business.

B. Major Products and Weights：

Unit：in thousand NTD；%

Product Item	Net sales in 2014	(%) of Sales
Product Sales	55,257,225	99.96%
Lease Income	20,140	0.04%
Total	55,277,365	100.00%

C. Current Products and Services:

a. Product Sales: Sales and manufacturing of casing, internal components, molds and thermal modules for mobile devices and 3C products, such as notebooks, mobile phones, MP3 players, Digital cameras, PDA and so on.

b. Lease Income: Income from the rental of real estate

D. Future Products and Services:

a. Plastic parts and metal stamping components for computer, communication, and consuming electronics products.

b. Development and manufacturing of special Magnesium, Aluminum, and stainless alloys casing and components.

c. Development of advanced metal surface treatment techniques.

d. Non-metal material development for 3C applications.

e. Development of combination and product applications between various materials tecniques

g. Technology development, surface treatment, and applications for super light & thin composite materials.

h. Development and design of metal and non-metal composite casing to improve communication and lower EMI

(2) Industry Scope

A. Current Industry Products & Development:

Trends of portable and 3C products are toward thinner, lighter, and slimmer. In addition to the quality and feelings in products' appearance, consumers are paying more attentions in environmental issues. As a result, metals with recyclable performance have become major material for casing and its internal components for portable and 3C products. Reasons for the popularity of metals include:

a. More flexibility of alloy metal and more surface treatment technologies.

b. Metals are stronger and provide higher impact resistance than engineering plastics.

c. Metals provide better heat dissipation and EMI protection, comparing to engineering plastics.

d. Metals are abundant materials.

e. Popularity of environmental protection has resulted in regulations of recycling IT products in many countries. For example, Japan enacted "Law for Promotion of Effective Utilization of

Resources」in April 2001; EU passed "Waste From Electrical and Electronic Equipment" (WEEE) in February 2003. Metals fit in with the requirement on environmental protection and recycling in Japan and EU.

Table 1 Comparison of structural alloys and engineering plastics

Material	Density (g/cm)	Pull Strength (MPa)	Thermal Conductivity (W/mk)	Thickness Compare (under same resistance)	Thickness Restriction	Anti-electric	Recyclable
Engineering plastics (ABS)	1.07	43	0.28	100	Injection mold above 1mm	Bad	Rarely
Magnesium Alloy (AZ91D)	1.81	240	51.00	33	Die casing: above 0.6mm. Semi-solid state injection: above 0.6mm	Good	Yes
Aluminum Alloy (ADC12)	2.68	295	70	42	-	Good	Yes
Zinc Alloy (ZDC2)	6.60	285	-	-	-	Good	Yes

Source: ITRI (Industrial Technology Research Institute) Material Division

According to IDC's statistics, 2014 sales volume of PC achieved 307 million units, compared with 315 million in 2013, down 2.7% YoY, where we see the decline is decelerating. IDC also estimates that the PC market to become mature with stable market size and indicates that 2015's PC shipment to decline by 3.3% YoY to 297mn units. In recent years, the demand of PC comes from emerging market, instead of developed market. Low price Android tablets and iPad, however, start to replace some of the PC demand in emerging market. In those markets, consumers could purchase smartphones as their first portable communication devices, and tablets as the first computing devices.

Upon the rise of cloud computing services, not only more and more computing tasks started to get into the websites from the device storage, but also, more and more Apps are developed specialized for smartphones and tablets as these software developes see more profitable opportunities from smartphones and tablets compared with notebooks and desktops.

Mobile phones still occupied the largest shares among all portable devices, and were estimated to reach 1.288 billion units globally last year, up 26.4% y-y. The growth came from the lower segment among all the high end mobile phone, and higher segment among the entire low end. According to IDC, the smartphone unit shipmenmt may growth further by 12.2% YoY to 1.445 billion units and will continue to see double-digit growth into 2016. We expect that the growth driver for the smartphone market to come from the competition between the various brands and operating systems. Besides, the trend of the smartphones getting larger, slimmer and more fashionable will lead to even stronger demand for the metal casing. Therefore, we see the multi-materials and combination of various manufacturing processes applied in the high-end metal casing will remain be the largest growth driver of the metal casing industry.

Report also states the cannibalization of tablets is going to slow down because consumers or corporate will take the suitable devices to do suitable application. We will found that tablets, detachable, or convertible devices will find their specific demand in different area.

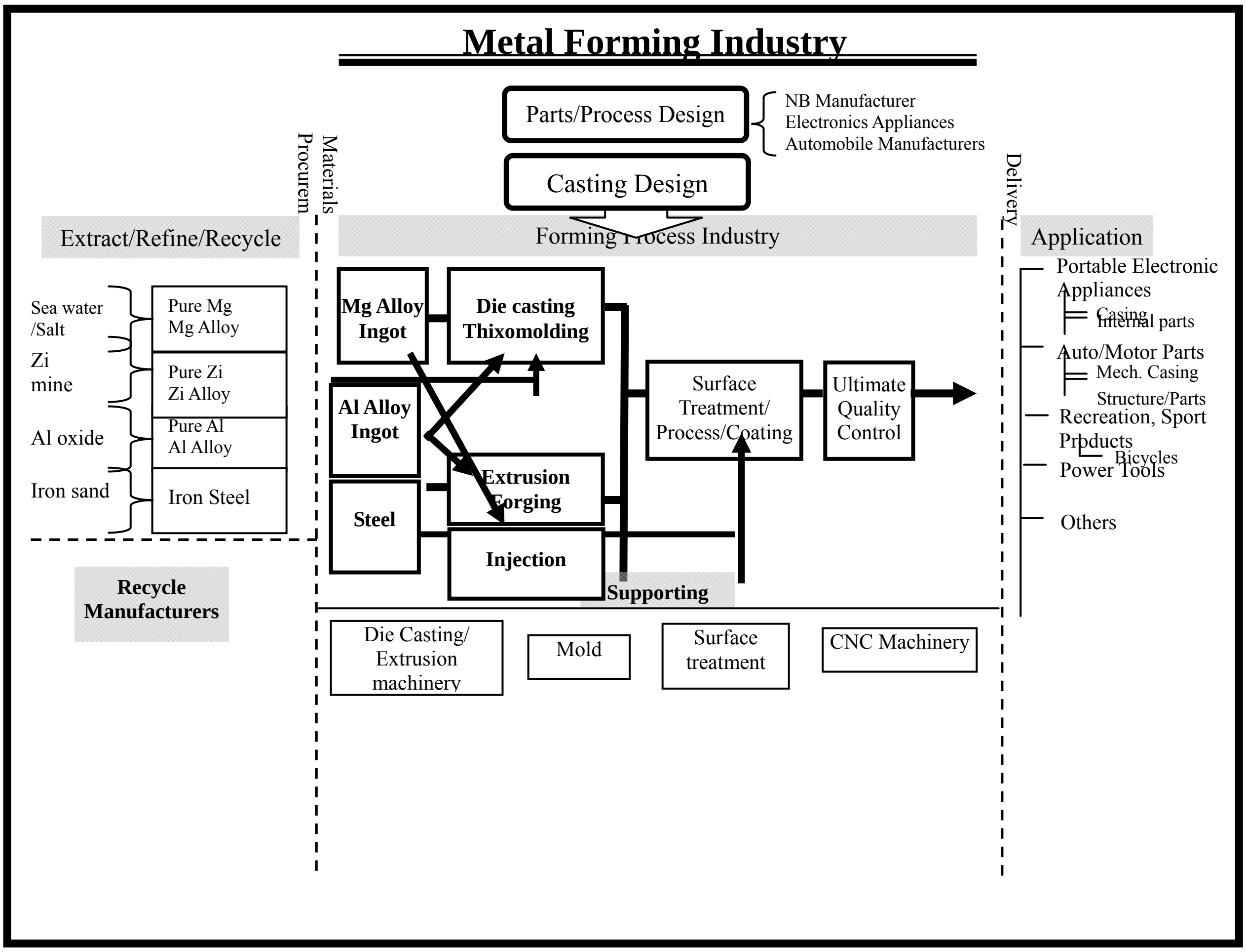
The slowdown of tablets cannibalization, the continuous growth of tablets, and the decline of PCs will further narrow the shipment gap between tablets and PCs. The shipments of Tablet PC in 2014 will reach 224 million, up 5.4%. PCs shipments (including desktop and NB) will be 297 million, down from 307 million from previous year. The gap between the Tablet PC and PC shipment will continue to narrow. Tablet PC is estimated to see single-digit growth in 2015 and 2016 and this will further narrow down the gap between PC shipment.

More and more consumers prefer small size products, and that forces the price for 7" high end tablets to decline. Gartner took a survey recently in Brazil, China, France, Germany, Italia, England, US, and Japan shows the long time assumption: small is better for consumer model tablets. The survey also said most of the tablets are ranging between 8.3"-9.5" in screen size. Among 21,500 consumers under this research, 47% of them possess 8" or even smaller size tablets.

The trend of Ultramobile will continue to develop in mobile phones, tablets, and NBs. That will also drive the demand for metal parts and the requirement for strength. The demand of hybrid unibody made by metal parts and high level composite materials is getting clear as well. We expect those demand will be our main growth drivers in the future.

B. The Relationship Between Up-, Mid-, and Down-stream Supply Chain Services:

Industry supplier, wholesaler and retailer is shown as diagram below：



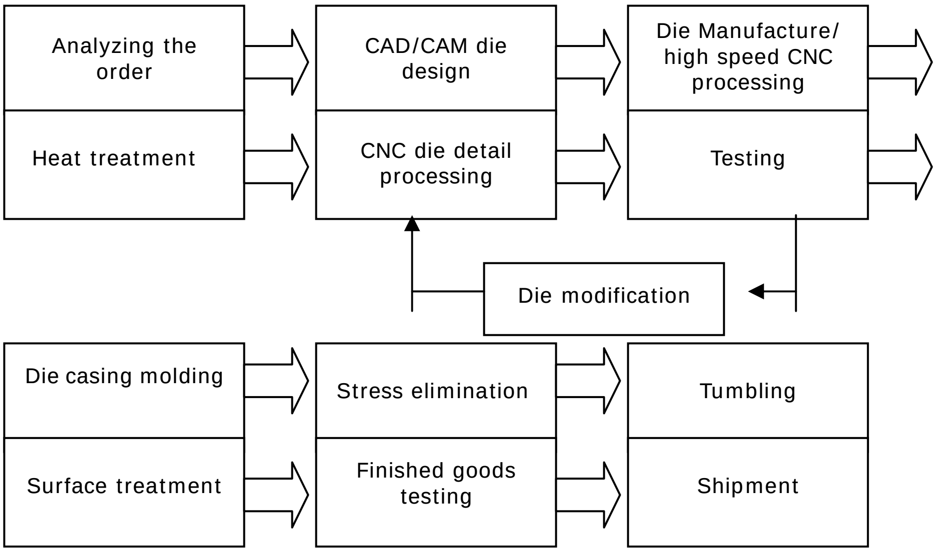
Resource from ITRI IEK-IT IS project; Quoted by Catcher

(a) Metal Alloy Upstream

Metal alloy upstream includes extraction of magnesium ore, aluminum ore, zinc ore and iron ore, and manufacturing of metal processing equipments, such as aluminum extrusion machine, forging machine, stamping machine and die-casting machine. Because Taiwan does not have mineral resources, metals are imported from nearby countries, such as China and Australia. In earlier times, the global magnesium alloy extraction and facilities are controlled by few companies, for example, Dow Chemical of United States, American Magnesium Inc. and Dead Sea, etc. But recently, China keeps on extraction and production of magnesium raw materials and has become the biggest magnesium supplier in the world. China is also Catcher’s major magnesium materials supplier. On the other hand, aluminum ingots are supplied by China, Australia and Dubai. Domestic firms allocate and alloy these aluminum ingots into aluminum extrusion, and further reprocess into finisher. Stainless steel forge cloth is made by domestic companies, like Yusco.

(b) Metal Alloy Midstream

Metal alloy midstream is mainly responsible for metal mold manufacturing, shape machining, and surface treatment. The major suppliers include Catcher, Foxconn, Wafer, Casetek, Ju-Teng, BYD and Silitech. Die-casting industry wholesalers receive downstream consumer orders, and produce metal alloy merchandises. The manufacturing flow chart is illustrated as below:



(c) Metal Alloy downstream

Metals are suitable for all thin and light products, such as portable electronic devices, car parts, and sports products. Automobile and bicycle industry have used aluminum extrusion and forging product quite earlier, but the requirement are not as strict as 3C industry. Thus, 3C sector initialed the high quality and density extrusion products. As for stainless steel, it is very difficult to process but provides strong factor, attracting some smart phone brands. Taiwan has become the manufacturing center for the global ICT products, especially on desktop computers, NBs, and portable devices. Magnesium is the main material for NB and smart phone, and on the other hand, aluminum alloy and Zinc alloy play the key role for 3C industry. As of being an identity product, wearable devices also see prosperous demand in recent years. Metal casing still remain the preferred design and unibody casing can provide outstanding value to meet end customers' requirement.

C. Competition Status

Major Competitors:

Company	Main business scope	Major items	Note
Catcher Technology Co. Ltd.	Manufacture and sales of mold and metal casing products; Surface treatment.	Metal casing and other 3C components	Public traded company
Casetek	Design, research, and production of consumer electronic parts	Aluminum alloy components	Public traded company
Waffer Technology Co., Ltd.	Sales and manufacture of plastic and metal products, Mg alloy products, mental surface treatment technology, and electronics components.	Mg casing and other 3C components	Public traded company
Foxconn Technology Co., Ltd.	Manufacture and sales of monitor and electronics components	Mg casing and other 3C components	Public traded company
Silitech Technology Co., Ltd	Manufacture and sales of rubber dial, rubber roller and cellular phone module and rubber dial on car	Mg casing and other 3C components	Public traded company
Ju Teng International	Mold development, plastic injection, metal stamping, die-casting/thixo-molding, CNC machining, composite casing, surface coating and assembly.	Mg alloy and aluminum alloy casing and other 3C components	Public traded company
BYD Electronics	Provider of handset components and modules manufacturing and assembly services.	Aluminum alloy components	Public traded company

(3) Research & Development Achievements and Plans:

A. Research and Development Expenditures:

Year	2014 (consolidated)

R&D expenditures	NT$ 1,060,230 thousand

B. Successful Development in Technologies and Products:

During the past few years, Catcher has aggressively extended special processes and technologies to accommodate into existing techniques, creating a “Comprehensive Manufacturing Matrix”. The matrix provides customers with a variety of design flexibility and achieves the goal of vertical integration. When integrating these processes into mass production, we also find new application possibilities of combining more different processes. These combinations expand the surface treatments techniques and create new exterior feels. The latest developed products and processes are as follows:

- Cage structure of composite metal material for NB
- Mobile phone metal injection Bezel with vacuum sputtering surface treatments
- High quality metal/plastic integral injection items with many exterior-handling parts for mobile phone and NB
- Etching and multi-color anodic aluminum alloy casing for mobile phone and NB
- Development and application of integral precision metal extrusion casing
- Development and application of Forging Stainless Steel and Aluminum Unibody design casing
- Special heat dissipation techniques development and relative product design
- Low temperature vacuum sputtering surface treatments for Aluminum
- The combination technology of aluminum and plastic casing.
- The production and application of composite material.
- Unibody extrusion casing technology for high magnetic transmission by two or three materials

C. Long-term and Short-term Business Development Plan:

For short term planning, the 3C products are getting more diversified. In addition to the stable demand from NBs, the market demand of smartphones and tablets is also increasing. The trend toward multi-functional, thinner, lighter, and stylish design has made metal casing much popular, and drove the growth for metal casing sector. Therefore, Catcher is going to increase its allocation, product categories, value-add, customers, enabling this company to pursue growth.

For the long term, Catcher will keep its leading advantage to maintain its market share. We will also develop any other materials, components or technologies to provide more materials, products and serve more customers. Besides, Catcher also adds new factory sites and expands capacities aggressively. We will continuously evaluate any possibilities of building new factory or capacities. In addition to cultivating and stabilizing existing market and clients, Catcher devotes itself in developing and researching new substitutes and manufacture processes in a hope to stay ahead of competition. Besides, in the needs of manufacturing capacity allocation and strategic planning, the Company has added new production sites and expands capacity aggressively. We will continue to evaluate the necessity of future expansion or new production sites. The Company manages to keep the commitment of technology innovation and customer-oriented service while with a vision of sustainable operation. Catcher targets to outgrow the industry’s average.

2. Market and Sales Conditions

(1) Market Analysis:

A. Major Sales Regions:

Unit：in thousand NTD；%

Area \ Year		2014		2013	
		Net Sales	%	Net Sales	%
Domestic		3,772,099	6.82%	7,385,143	17.08%
Export	Asia	43,056,390	77.89%	31,790,030	73.51%
	America	7,377,428	13.35%	3,602,226	4.16%
	Europe	1,071,448	1.94%	468,151	1.08%
	Others	0	0.00%	0.00%	0.00%

Export subtotal	51,505,266	93.18%	35,860,407	82.92%
Total	55,277,365	100.00%	43,245,550	100.00%

B. Market Share:

According to market survey, few Taiwan metal casing companies account for the majority market share and lead other companies with a distance in technique, skill and capacity. About magnesium die casting, aluminum and stainless steel unibody, there are high entry barriers because of technical difficulty, production capacity, as well as vertical integration and other factors. The new entrants as well as other vendors do not have the big scale of production, mass production experience and technology. Therefore, there should not be any significant impact in the short term. The few companies are estimated to account for approximately 80% shipment in metal casing industry. Catcher is one of few manufacturers with completed processing technique, customization capability, and innovative design ability. Catcher has received recognition and orders from global leading brand names. These achievements make the Company a leader of metal casing industry in the world.

During the financial crisis, the economic was turning down, and the consumer NB with cost down solution – plastic casing is the main factor for the growth; therefore slowing down the demand from metal casing and corporate models. However, with the gradual economy recovery, most of companies will replace their Notebooks with the main stream products adopting metal casings. That benefits all the casing vendors, including Catcher. In addition, smartphone market is still in the growth stage, and most of the high end products adopt metal casing, which also benefit Catcher.

According to research report, the CAGR for metal casing sector is 14.6% from 2013-2015. Therefore, Catcher will take this index as the target and will aim at outpacing this target. In 2014, Catcher's sales revenue reached NTD 55.3 billion, up 28% from 43.2 billion in 2013. We had actually reached the target.

C. Future Market Supply, Demand, and Growth Potential

For mobile phone market in 2014, research reports states the Notebook shipments of 2014 were down 2.9% y-y to 173 million due to the replacement by smartphone and tablet PC. As for 2015, it will further down to 169 million units. Metal casing has the advantage of being light, robust, durable, better heat dissipation, better EMI, and recyclable. In addition to the stable commercial NB sector, we see brand customers increase the adoption rate of metal casing because of the lighter and thinner design trend. Some of them even switch toward higher end metal casing design. Therefore, Notebooks business is still a stable market for metal casing vendors.

On mobile phones side, research reports indicates that the smartphone shipment reached 1.288 billion, up 26% y-y. With the increasing penetration of 3G/4G, high adoption of internet, cheaper processor cost, and improved computing speed, the smartphone shipments of 2015 is estimated to reach 1.455 billion units.

From products point of view, it is a clear design trend of using larger size display, and being lighter and thinner. Compared with plastic, metal casing becomes a necessary functional parts which can provide lighter, thinner, narrow edge, and more robust protection. Together with the progress on surface treatment technologies, metal casing provides metallic color and feeling to attract end customers. High end market segment is still the most important sector to generate profits, and more and more brands are penetrating into this market, causing higher demand for metal casing.

On top of smartphone's fast growth, tablet PC also contributed to metal casing industry a lot. With the growth of Apple's iPad, many other brands also look into this market. Street reports show the shipment of Tablet PC in 2014 was around 224 million units, compared with 213 million in 2013, up by 5%.The growth rates are expected to be single digit respectively. The mobile devices obviously require stronger protection, like tablet PCs. High end brand still request metal casing and it should remain one of the key products for metal casing sector.

As the trend toward smart devices, portable products has expanded to smart watch, phone watch, and even image wearable devices. Wearables not only have four major applications, including entertainment, fitness, medical care, and industrial/ military use, but also become more versatile by adopting sensors and APPs. It shows the identity of users. Metal casing will be the main source of wearable devices in the long term, and creates another growth driver for metal casing sector.

With the fashionable design of mobile phone, NB, tablet and the other consumer electronic products, the precision the manufacture and surface treatment technologies can realize the concept of product design. Because of the structure and design of the metal casing, the requirement of customized and mass production capacity is important. However, there are few manufacturers with both diversified manufacture processes and advanced technology. Catcher has become few of metal casing and internal components manufacturers in Taiwan that are able to meet customers' expectations in quality, yield, mass production capability, customization, and innovative design ability. Catcher eyes on the future growth of metal parts, along with our leading technologies, mass production capabilities, and products, and will continuously expand capacity and develop new customers/products to achieve the growth target.

D. Competitive Advantages

The company focuses on the manufacture of metal casing (Al, Mg, Zn, Stainless Steel…), composite materials, and internal frame. It include the process of Die Casting, Extrusion, Forging, Stamping, CNC machining, Anodizing and many kinds of surface treatment technology. These technologies can be adopted in NB, mobile phone, Tablet, MP3 player and all the other 3C products. Catcher is one of the few metal casing and internal components manufacturers that are able to meet customers' expectations in quality, yield, mass production capability, customization, and innovative design ability. The following strengths contribute to Catcher's achievements aforementioned：

a. The Company possesses strong research and development programs and leverages its ability in technology development.

b. The comprehensive manufacturing capabilities of multi-materials, multi-process, and multi-surface treatment.

c. The Company provides one-stop-shopping solution, and ensures time-to-market and quality control issue due to highly in-house integration.

d. The Company's vertically integrated technology in mechanical design, precision mold design and fabrication, molding, decoration, second processing, and sub-assembly also enable it to meet time-to-market and volume production requirements while having the competence to handle the rapid changes in product designs.

e. The Company's technologies and quality have been proven and recognized by customers.

f. The Company consistently develops new products and new applications to meet customers' demand.

With the idea of steady growth and innovation commitment, Catcher builds competitive advantages in R&D, manufacturing, and sales. The Company also has a solid financial structure and fine-tuning of the manufacturing process accompanying with professional employees' recruiting programs. These factors make the Company a reliable and close partner to customers.

Since many of our main customers' headquarter are located in northern Taiwan, we also set up our operating center in Taipei. The operating center has been officially opened in March 2010. In the future, we will be able to serve our customers and recruit manpower for R&D, sales, finance, and marketing. We are also able to strengthen our relationship with financial institutes and investors' relationship. In addition, this office is also aim at attracting more talents.

E. Positive and Negative Factors Relating to Future Development

a. Favorable Factors

- **Wider metal casing application and optimistic industry outlook**

  Superior physical characteristics of metals result in the popular applications of metals. Metal casings provide better structure strength, save space, and make better outlook, which enable other portable devices, like NB, smartphone, tablet, camera, and 3C products, to adopt more and more metal. Therefore, the applications for metals are in growth and the industrial outlook is optimistic. There are three main growth drivers for the metal casing sector: 1. Increasing unit shipment from smart devices, 2. Increasing adoption rate of metal casing, and 3.Form factor change, including larger size, more complicated and difficult design. For Catcher, we expect three growth drivers for the near to mid-term; 1.Organic growth from existing customers,2.More allocation, and 3.Introduction of new customers and projects.

- **Downstream Applications and Diversified & Stable Customer Base**

Due to the boosting of Internet and multimedia, the market of mobile devices and 3C products is booming up. In addition, the effort in the information industry from private sectors and government being more than a decade, a completed and well-operating supply chain was established. As a result, the market shares of many kinds of 3C products in Taiwan achieve No.1 around the world. Catcher is one of few suppliers qualified in quality, yield rate, and capacity. The company already cooperated with brand companies and ODMs for many years. Because of the rapid growth of the smartphone in recent years, the Company also has cooperation with smartphone, mobile devices brand companies. The diversified and stable customers' base is the important factors for the sustainable development.

- **High Entry Barrier in the metal casing industry**

As per the technology progress of notebooks, smartphones, tablet PCs, MP3, digital cameras and the other consumer products, the demands for those products are also growing quickly. However, due to the highly customized structure and design, the key technologies, the ability to make the mold and tooling, and the variety of surface treatment technology require abundant mass production experience to improve the yield rate of products and processes. In recent years, more and more notebook and smartphones adopt Unibody design of aluminum metal casing, the extensive uses of extrusion and CNC machining is able to make more creative design of casing outlook. Meanwhile, there also build up high entry barriers of capital and technology in the metal casing manufacturing industry. In addition to a lot of machines and equipments, there are still complicated secondary operating and surface treatment process, which cannot be replaced by automatic robots or machines. It is not an easy thing to maintain long-term profitable operations if the company did not optimize the use of limited manpower and resources, and control the cost.

The life cycle of 3C products is getting shorter; the Company needs to have R & D ability and makes mass production within a short period in order to grasp the market momentum. The new manufacturers have to spend huge initial investment for equipments and face the insufficient technical experience. Thus, it is not easy for them to improve the yield rate of products and processes in short term, and it will take for quite long time to achieve breakeven. There might be the potential threat in medium-and long-term, but it is not simple thing to catch up with the Company in short-tem. The Company already entered in this industry for quite a long time, and had solid R&D team and experience for delivery and quality. All above competitive advantages can make the company become outstanding in the severe competition.

The metal casing industry has four entry barriers: 1.Highly uncertainty of business operation, 2.More complicated and difficult design trend, 3.Huge capacity and high automation needed, and 4.Compliance with higher standard from global tier one customers.

- **Research and Development Specialty**

Considering 3C products' characteristics as complicated in design and ever changing in research development, high quality requirement becomes the competitive advantage for the components manufacturers. The Company has excellent management team in this related field and strong R&D team for backing-up. Back to 1990's, the Company realized the importance of Mg alloy materials, and embarked the research since ever. With this accomplishment, the Company becomes the first mass production manufacturer in Taiwan for Mg alloy casing used for NBs. In recent years, the Company also actively makes efforts in research and development for new technologies, new processes, and new materials. Besides, we standardize our products into module, and it is recognized by the world's most prestigious companies, which represents that the technology skill experience of the Company achieves the worldwide standard. The Company will continue to invest in research based on past achievement and enhance employee quality to maintain the competitive advantages in innovation and new product development faster than other competitors.

- **Leading Position, Economies of Scale, and Time-to-market Capabilities**

We position ourselves as a one-stop-shopping service for metal technology and components manufacturing. We have developed vertically integrated manufacturing capabilities from design to manufacturing and logistics covering modeling design, multi-forming, CNC machining, variety of surface treatment, powder coating/painting and assembly, which enables the fast time-to-market capability, and quality assurance to meet global brand name clients' need. In addition to the development of special process and technology, the company's existing comprehensive manufacturing matrix enables the company to become one of the few metal casing manufactures with good quality, yield rate, production capacity and customized and innovative design, and all of these can achieve customer's requirements.

In addition, the Company expands its productivity in plastic products providing our customer in an integrity way. We are developing the service of integrating metal and plastic. Since the surface treatment in combining metal and plastic is complicated, we have been made more effort in developing new techniques in different surface treatment technology. We will make the investment for capacity according to the market situation and we believe that the potential growth is predictable in the upcoming year.

b. Negative Factors

- **Uncertainty of Global Economy , Industry Competition, and compressed Gross Margin**

After the financial crisis, the economy does not totally recover in recent years. Moreover, European sovereign debt crisis made the global economy in the uncertainty again and the demand for the 3C products was unstable. In addition, China economy growth has entered into a so called " New Normal" stage. The electronics products technology is advancing, given shorter products life cycle, resulting in margin contraction. In the view of potential metal casing growth, there are a handful of new entrants stepped into this industry. Those companies, who originally focus on stamping, plastic molding, stainless steel manufacture, molding and assembly, would like to make premium metal casing as well. Due to the severe competition, the Company may have some potential operating pressure in the following years.

Although, the general profit margin in the metal casing industry is relative higher than others, basically, the different products' profits may vary for new competitors, the attractive factors are that if they will be able to drive their growth in sales with a better profit margin, if they can get meaningful orders from customers, and if they have enough capacity for mass production.

- **Action Plans**

i. Expand the production capacity to lower production cost with economies of scale and enhance innovation of more value-added, diversified and premium products to sustain the Company's profitability.

ii. We are proud of providing existing clients with outstanding process technology by extending from handling products designing, mass production, back-up service, products distribution, to post-selling services. In addition, with superior production standard, we will aim at increasing yield rate to remain the Company's core competency.

iii. We will also emphasis on providing customers with one-stop shopping service, covering from mold design, rapid prototyping, mold flow analysis, mold development and forming, CNC processing, fine polishing, surface anticorrosion treatment, superior coating to assembly, to fulfill clients' need.

- **Price Pressure and actively Vertical Integration from Competitors**

Due to the increase of commercial notebook demand, the metal casing penetration rate is rising up. However, because of the high pressure of cost, most companies would like to adopt the cost saving solution, such as "stamping + Mg die casting internal frame" and "stamping + plastic internal frame". In this way, the product can meet the attractive outlook requirement, and reduce the price pressure as well. As smartphone and tablet being the main growth driver for the industry, every assembler is targeting at this sector and looks for opportunity to enter into casing business.

Considering ODM & OEM companies are aggressively conducting vertical integration and all the top 4 NB ODM companies have abilities to coordinate with casing vendors, in a long term, at least certain percentage of casings will be manufactured in-house in ODM. Thus, Catcher's market share does not have a clear improvement this year and benefits from transferred orders are still vague.

■ **Action Plans**

i. Given the current economics scale, we are putting efforts on product and process designs, automation, and efficiency improvement, to lower cost and improve quality.
ii. To adopt the design of “Stamping + Mg Die Casting Frame” or “Stamping + Plastic Internal Frame”, and focus more on value-added surface treatment.
iii. The major competitive factors in casing industry are mold development and surface treatment technology. Recently, most of domestic NB manufacturing companies strategically coordinated with casing manufacture companies, but most of them make plastic casing rather than metal one. Compared with plastic casing, the requirement for capital and technology know-how are important for metal casing manufacturing, and the yield rate cannot be improved easily in short-term. It may take quite a long time to achieve breakeven. Although there are some new competitors and they will become potential threat in the medium and long term, the Company still have the advantage of technology and quality.

➢ **Increase of Entry Level Smartphone.**

Currently, most of the smartphones are sold in US, Europe, and Japan. The penetration rate in west Europe is even more than 100%。The driver from those developed countries comes from the increasing demand for the upgrade to high end models. Emerging market, on the other hand, shows strong growth potential, particularly in China, India, east Europe, and mid east Asia etc., where mid to low end smartphones are getting popular.

■ **Action Plans**

i. Vertical integration: To reduce the outsourcing proportion to save production costs.
ii. In terms of the lower selling price of 3C products, the Company will not only make the high value-added products, but also provide the cost saving products & process solution. At the same time, we will improve the process and yield rate to reduce the prodcution cost.

➢ **Rising Production Cost in China; Shortage of Labors and Experienced Employees**

Labor force is limited on account of the change of social values; as a result, the recruitment and production costs are increasing. The demands in skilled and experienced employees are strong because the manufacturing process in metal casing are complicated, the quality requirement is strict, and manpower cannot be totally replaced by the automation. Moreover, in terms of the shorter life cycle, and the increase of product demand, the Company need an abundant manpower and experienced employees. In addition, as a result of China’s rapid economic growth, labor cost has been increased a lot; the appreciation of RMB currency, heavier tax, and the inflation.etc caused the labor costs increased dramatically as well.

■ **Action Plans**

i. Under the principle in economics scales, we will produce our new developed, high price, and high margin products in Taiwan. Through product and manufacture processing designs to reduce reliance on labor force with automation production to achieve high quality performance with lower cost.
ii. The Company has enough economics scales to lower production cost. With plenty orders and reasonable profitability, we are able to recruit and retain excellent employees by offering well benefits and satisfied salary.
iii. Increasing automatic production in order to reduce the demand for manpower and improve the production stability.

➢ **Potential Substitute Materials**

Metal alloy is not the only structure material for casing and the internal components of mobile devices and 3C products. Due to its cheaper cost, plastic casing had caused the demand of metal casing to slow down. Right now, plastic casing still has certain share in the market. And the development of new materials of carbon fiber, glass fiber, 3D glass, special metals, composite materials, and so on, may affect the long-term development of the metal casing as well.

■ **Action Plans**

i. Catcher focuses on R&D and continues to dedicate on developing new potential substitutes. Recently, besides magnesium alloy and aluminum alloy, the Company begins to provide all kinds of metal alloy, such as zinc alloy and stainless steel. The Company also aggressively extended special process and technology to accommodate into existing technique, creating a “comprehensive manufacturing matrix”. Thus, the Company provides injection, extrusion, forging as well as die-casting, and all kinds of surface treatments on metal alloy products, such as anode, PVD. Catcher will provide better quality and service diversely, enlarge the differentiation between metal and non-metal, and keep improving competence.

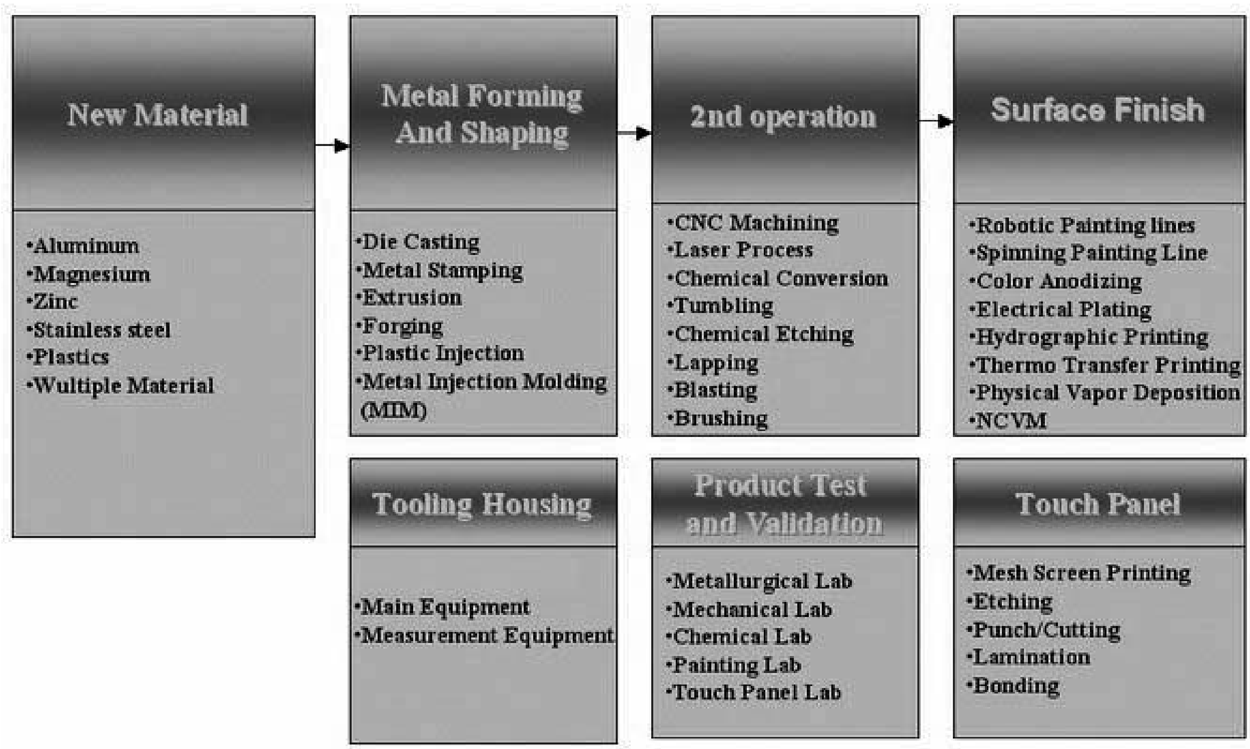
ii. Catcher’s R&D puts efforts on the exploitation and development of new material, and on the upgrading and development of non-metal material. In addition to metal casing, the Company starts to develop plastic casing and composite materials as well. We saw a remarkable growth in 2013. We are looking forward to providing customers with one-stop shopping and grow together to reach the goal of win-win situation.

(2) Usage and manufacture Processing in Main Products:

A. Usage in Main Products:

Catcher’s main products include the casing and internal components for mobile devices and 3C products. These products are used to protect the body, LCD Panel and components, to dissipate heat, to provide protection from shock, and to prevent EMI.

B. Major Product Technology Process：



(3) Supply situation for the major raw materials

Material Categories	Area	Supply Status
Magnesium Alloy Ingot	Mainland China	Sufficient

Aluminum and Zinc Alloy Ingot	Domestic firms, Mainland China	Sufficient
Stainless Steel Sheet	Domestic firms, Japan	Sufficient
Stainless Steel Powder	Domestic firms, Japan, Europe	Sufficient

(4) Major Vendors and Customers

A. Major Customers

Unit: in thousand NTD; %

	2014				2013			
Item	Supplier	Amount	〔%〕	Related party	Supplier	Amount	〔%〕	Related party
1	R	11,036,129	19.97%	No	O	8,768,886	20.28%	No
2	C	10,278,774	18.59%	No	R	6,568,160	15.19%	No
3	G	7,779,252	14.07%	No	I	6,492,120	15.01%	No
4	Q	6,812,000	12.32%	No	C	4,633,671	10.71%	No
	Others	19,371,210	35.05%		Others	16,782,713	38.81%	
	Net Sales	55,277,365	100.00%		Net Sales	43,245,550	100.00%	

Note: The variance is primarily resulted from the dynamic market and customer needs.

B. Major Vendors

Unit: in thousand NTD; %

	2014				2013			
Item	Supplier	Amount	〔%〕	Related party	Supplier	Amount	〔%〕	Related party
-	-	-	-	-	-	-	-	-

Note: There were no individual vendor with more than 10% of total purchases in 2013 and 2014

(5) Production Figures

Unit: in thousand NTD；Thousand pieces

Year / Value / Products	2014			2013		
	Capacity	Quantity	Amount	PCapacity	Quantity	Amount
Product Sales	69,188	60,885	29,168,739	151,585	122,784	24,917,413
Others	0	0	7,278	0	0	7,411
Total	69,188	60,885	29,176,017	151,585	122,784	24,924,824

(6) Sales Figures

Unit: in thousand NTD；Thousand pieces

Value / Year / Products	2014				2013			
	Domestic		Export		Domestic		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Product Sales	8,179	3,751,959	52,706	51,505,266	27,927	7,365,575	94,857	35,860,407
Rental Sales	0	20,140	0	0	0	19,568	0	0
Net Sales	8,179	3,772,099	52,706	51,505,266	27,927	7,385,143	94,857	35,860,407

3. Employee Analysis

Catcher Technology Co., Ltd. Employee Analysis				
Employees / Year		2012	2013	As of 2014/3/31
Numbers of Employees	Direct Labors	1,814	1851	1987
	Indirect Labors	1,186	1400	1412
	Total	3,000	3251	3399
Average Age		30.73	30.56	31.11
Average Years of Employment		2.49	2.73	2.66
Level of Education (%)	Ph.D.	0.37	0.28	0.26%
	Masters Degree	4.73	6.47	6.00%
	Bachelors/Associate Degree	29.30	31.42	29.16%
	High School	22.77	29.01	25.48%
	Others	42.83	32.82	39.10%

4. Environmental Protection Information

(1) Total losses and fines for environmental pollution for the two most recent fiscal years, and during the current fiscal year up to the date of printing of the annual report

None.

(2) Explanation of the measures to be taken and possible disbursements to be made in the future:

The Company complies with all related regulations of the governmental concerns and standards. We have certified vendors to process our factory wastes. We also reinforce in waste recovering and recycling process, improve the efficiency in the exhaust gas processing, control the Company's working area electricity's' consumption. We have special personnel to handle waste water and residues and take in charge in maintaining environmental protection equipments. There are no expected material expenditures for the environmental issues so far.

5. Labor Relations:

(1) Employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interest:

A. Employee benefit plans are as follows:

a. Subsidy for festivals, birthdays and consolation money
b. Subsidy or compensation for maternity, funeral, and wedding
c. Drawing for the Chinese New Year Eve Festival

d. Paid vacations, travel funds and family day
e. Subsidy for regular health examination program
f. Care for employees who live on site
g. Subsidy for insurance and expenses related to business travel
h. Education scholarship for employees' children

B. Continuing education and training: We encourage employees to pursue advanced knowledge and skills for career development. Employees have opportunities to participate in internal or external courses and forums and company will subsidy for those who pass certification programs.

C. Retirement systems: Company employees enjoy all benefits provided under labor insurance laws. Provisions have also been added to company regulations in accordance with the Labor Standards Law to provide benefits and security for employees when they retire.

D. Labor relations: The achievement of a company depends highly on the synergy created by human capital. In order to attract, train, and retain talents, Catcher provides great career development paths for our employees and always places importance on maintaining labor relation harmony. We possess the win-win philosophy and design a better working environment of attractive salary, welfares, and training systems in the hope to benefit both the Company and its employees.

(2) Loss sustained as a result of labor disputes in the most recent fiscal year, and during the current fiscal year up to the date of printing of the annual report, disclose an estimate of losses incurred to date and indicate mitigation measures being or to be taken:

A. Catcher has maintained a good relationship with our employees, and there is no loss sustained as a result of labor disputes in the most recent fiscal year, and during the current fiscal year up to the date of printing of the annual report. Catcher also estimates that no losses will be incurred in the future due to the labor disputes.

B. Mitigation measures being or to be taken: None

6. Major Agreements

Contract Type	Name of the Company	Contract Period	Major Content	Limitations
Lease	Taiwan Sugar Co., Ltd.	2000.4.20 | 2050.4.19	Land rental	The agreement will be terminated or cancelled if violate relative regulations or land pledged without agree written by the landlord.
Contract to purchase Catcher Technology (Suzhou)'s land, plants, dorms, partial equipment	Land Reserve Center of Suzhou Industrial Park	2014.11.28	Land Purchase	None
Contract for Transfer of the Right to the Use of Land-Topo Technology (Suzhou) Co., Ltd	China-Singapore Suzhou Industrial Park Development Co.Ltd	2005.01.12 | 2055.01.11	Transfer of the right to the use of land	None
Contract for Transfer of the Right to the Use of Land-Meeca Technology (Suzhou) Co., Ltd	China-Singapore Suzhou Industrial Park Development Co.Ltd	2006.04.30 | 2056.04.29	Transfer of the right to the use of land	None
Contract for Transfer of the Right to the	Bureau of Land Resources and Housing	2008.12.12 | 2058.12.11	Transfer of the right to the use of National-owned	None

Use of Land-Catcher Technology (Suqian) Co., Ltd	Management-Suqian		construction land	
Contract for Transfer of the Right to the Use of Land-Catcher Technology (Suqian) Co., Ltd	Bureau of Land Resources and Housing Management-Suqian	2010.01.05 | 2060.01.04	Transfer of the right to the use of National-owned construction land	None
Contract for Transfer of the Right to the Use of Land-Catcher Technology (Suqian) Co., Ltd	Bureau of Land Resources and Housing Management-Suqian	2012.07.24 | 2062.07.23	Transfer of the right to the use of National-owned construction land	None
Contract for Transfer of the Right to the Use of Land-Vito Technology (Suqian) Co., Ltd	Bureau of Land Resources and Housing Management-Suqian	2012.08.24 | 2062.08.23	Transfer of the right to the use of National-owned construction land	None
Contract for Transfer of the Right to the Use of Land-Vito Technology (Suqian) Co., Ltd	Bureau of Land Resources and Housing Management-Suqian	2014.04.19 | 2064.04.18	Transfer of the right to the use of National-owned construction land	None
Contract for Transfer of the Right to the Use of Land-Vito Technology (Suqian) Co., Ltd	Bureau of Land Resources and Housing Management-Suqian	2014.12.15 | 2064.12.14	Transfer of the right to the use of National-owned construction land	None
Contract for Transfer of the Right to the Use of Land-Topo Technology (Taizhou) Co., Ltd	Bureau of Land Resources and Housing Management-Taizhou	2013.02.14 | 2063.02.13	Transfer of the right to the use of National-owned construction land	None
Contract for Transfer of the Right to the Use of Land-Topo Technology (Taizhou) Co., Ltd	Bureau of Land Resources and Housing Management-Taizhou	2014.07.14 | 2064.07.13	Transfer of the right to the use of National-owned construction land	None

Six、Overview of the Financial Status

1. Abbreviated Balance Sheets and Income Statements -IFRS

(1) Abbreviated Consolidated Balance Sheet -IFRS

Unit：In thousand NTD

Item / Year		Past Five Fiscal Year (Note1)					As of 2015/03/31
		2014	2013	2012	2011	2010	(Note 3)
Current Assets		79,877,672	65,346,656	66,559,666			—
Property, Plant and Equipment		45,405,426	34,903,140	30,814,857			—
Intangible Assets		146,369	102,555	78,969			—
Other Assets		11,535,237	5,026,685	3,906,084			—
Total Assets		136,964,704	105,379,036	101,359,576	Not	Not	—
Current Liabilities	Before Distribution	32,180,086	31,574,568	36,791,877			—
	After Distribution	32,180,086	35,334,834	41,296,096			—
Long-term Liabilities		8,695,459	124,362	2,979,324			—
Total Liabilities	Before Distribution	40,875,545	31,698,930	39,771,201			—
	After Distribution	40,875,545	35,459,196	44,275,420	Applicable	Applicable	—
Equity attributed to parent company's shareholders		95,897,663	73,509,487	61,409,619			
Capital		7,703,911	7,507,031	7,507,031			—
Capital reserve		20,276,071	16,974,456	16,924,117			—
Retained earnings	Before Distribution	62,330,904	48,216,767	38,917,729			—
	After Distribution	62,330,904	44,456,501	34,413,510			—
Other equity		5,586,777	811,233	-1,939,258			—
Treasury stock		0	0	0			—
Minority equity		191,496	170,619	178,756			—
Total Equity Total Equity	Before Distribution After Distribution	96,089,159	73,680,106	61,588,375			—
	Before Distribution	96,089,159	69,919,840	57,084,156			—

Note 1: The financial information over the past 5 fiscal years has been audited by independent auditors.
Note 2: Because 2015 shareholders' meeting has not yet been convened, the amount after distribution in 2014 represents the same as the amount before distribution.
Note 3: Up until the printing date, Q1/2015 financial report is not yet available.

(2)Abbreviated Parent Company Balance Sheet -IFRS

Item \ Year		Past Five Fiscal Year (Note1)					As of 2015/03/31
		2014	2013	2012	2011	2010	(Note 3)
Current Assets		21,821,968	16,547,660	10,995,991			—
Property, Plant and Equipment		6,023,585	5,893,366	6,086,548			—
Intangible Assets		6,229	11,625	6,524			—
Other Assets		88,251,251	69,344,402	56,659,699			—
Total Assets		116,103,033	91,797,053	73,748,762	Not	Not	—
Current Liabilities	Before Distribution	20,010,906	18,165,528	11,231,743			—
	After Distribution	20,010,906	18,165,528	15,735,962			—
Long-term Liabilities		194,464	122,038	1,107,400			—
Total Liabilities	Before Distribution	20,205,370	18,287,566	12,339,143			—
	After Distribution	20,205,370	18,287,566	16,843,362	Applicable	Applicable	—
Equity attributed to parent company's shareholders		95,897,663	73,509,487	61,409,619			
Capital		7,703,911	7,507,031	7,507,031			—
Capital reserve		20,276,071	16,974,456	16,924,117			—
Retained earnings	Before Distribution	62,330,904	48,216,767	38,917,729			—
	After Distribution	62,330,904	48,216,767	34,413,510			—
Other equity		5,586,777	811,233	-1,939,258			—
Treasury stock		0	0	0			—
Minority equity		0	0	0			—
Total Equity Total Equity	Before Distribution After Distribution	95,897,663	73,509,487	61,409,619			—
	Before Distribution	95,897,663	73,509,487	56,905,400			—

Note 1: The financial information over the past 5 fiscal years has been audited by independent auditors.
Note 2: Because 2015 shareholders' meeting has not yet been convened, the amount after distribution in 2014 represents the same as the amount before distribution.
Note 3: Up until the printing date, Q1/2015 financial report is not yet available.

(3) **Abbreviated Consolidated Income Statement -IFRS**

Unit：in thousand NTD（EPS: NTD）

Item \ Year	Past Five Fiscal Year (Note1)					As at 2015/03/31
	2014	2013	2012	2011	2010	
Net Operating Revenues	55,277,365	43,245,550	37,028,798			(Note 3)
Gross Profit	26,101,348	18,320,726	16,043,907			—
Operating Income (Loss)	20,024,925	13,915,661	12,160,421			—
Net Non-operating Income (expenses)	3,519,678	3,612,614	1,783,562			—
Income (loss) Before Tax From Continuing Operations	23,544,603	17,528,275	13,943,983			—
Income (loss) From Continuing Operations	17,887,757	13,817,120	10,829,958			—
Income (loss) From Discontinued Operations	—	—	—	Not	Not	—
Net Profit (loss)	17,887,757	13,817,120	10,829,958			—
Other Comprehensive Income (loss)	4,783,066	2,760,864	-1,960,710			—
Total Comprehensive Income (loss)	22,670,823	16,577,984	8,869,248			—
Net Profit attributed to Parent Company's shareholders	17,877,167	13,801,184	10,811,975			—
Net Profit attributed to minority	10,590	15,936	17,983	Applicable	Applicable	—
Comprehensive Income attributed to Parent Company's shareholders	22,649,946	16,553,748	8,858,404			—
Comprehensive Income attributed to minority	20,877	24,236	10,844			—
Earnings Per Share (Note 2)	23.52	18.38	14.40			—

Note 1: The financial information over the past 5 fiscal years has been audited by independent auditors.
Note 2: The shares used for calculation are those after retroactive adjustment capital reserve, retained earnings, and employee's bonus distribution.
Note 3: Up until the printing date, Q1/2015 financial report is not yet available.

(4) Abbreviated Parent Company's Income Statement -IFRS

Item \ Year	Past Five Fiscal Year (Note1)					As at 2015/03/31
	2014	2013	2012	2011	2010	

Net Operating Revenues	14,880,243	22,228,284	11,743,036			(Note 3)
Gross Profit	4,446,051	2,429,922	3,006,961			—
Operating Income (Loss)	3,864,901	1,953,420	2,463,777			—
Net Non-operating Income (expenses)	15,654,274	12,745,508	9,375,413			—
Income (loss) Before Tax From Continuing Operations	19,519,175	14,698,928	11,839,190			—
Income (loss) From Continuing Operations	17,877,167	13,801,184	10,811,975			—
Income (loss) From Discontinued Operations	—	—	—	Not	Not	—
Net Profit (loss)	17,877,167	13,801,184	10,811,975			—
Other Comprehensive Income (loss)	4,772,779	2,752,564	-1,953,571			—
Total Comprehensive Income (loss)	22,649,946	16,553,748	8,858,404			—
Net Profit attributed to Parent Company's shareholders	—	—	—			—
Net Profit attributed to minority	—	—	—	Applicable	Applicable	—
Comprehensive Income attributed to Parent Company's shareholders	—	—	—			—
Comprehensive Income attributed to minority	—	—	—			—
Earnings Per Share (Note 2)	23.52	18.38	14.40			—

Note 1: The financial information over the past 5 fiscal years has been audited by independent auditors.
Note 2: The shares used for calculation are those after retroactive adjustment capital reserve, retained earnings, and employee's bonus distribution.
Note 3: Up until the printing date, Q1/2015 financial report is not yet available.

2. Abbreviated Balance Sheets and Income Statements –TW GAAP

(1) Abbreviated Parent Company's Balance Sheet –TW GAAP

Year / Item	Past Five Fiscal Year (Note1)				
	2014	2013	2012	2011	2010
Current Assets			11,015,029	12,869,507	3,549,586
Funds and Investments			55,901,800	48,150,506	34,431,611
Property, Plant and Equipment			5,889,284	4,951,078	2,628,268

Intangible Assets				7,928	9,009	10,090
Other Assets		Not	Not	542,374	558,512	535,916
Total Assets				73,356,415	66,538,612	41,155,471
Current Liabilities	Before Distribution			11,211,842	5,565,540	2,379,360
	After Distribution			15,716,061	9,322,121	6,135,941
Long-term Liabilities				1,000,000	5,048,489	6,018,433
Other Liabilities				113,315	113,064	81,301
Total Liabilities	Before Distribution			12,325,157	10,727,093	8,479,094
	After Distribution			16,829,376	14,483,674	12,235,675
Capital				7,507,031	7,506,394	6,649,085
Capital reserve		Applicable	Applicable	16,932,463	16,924,672	5,787,940
Retained earnings	Before Distribution			36,151,184	29,014,195	21,098,145
	After Distribution			31,646,965	25,257,614	17,341,564
Unrealized Gain or Loss on Financial Instruments				35,356	-11,644	-59,187
Cumulative Translation Adjustments				394,205	2,366,833	-810,625
Unrecognized Pension Cost				0	0	0
Total Equity Total Equity	Before Distribution After Distribution			61,031,258	55,811,519	32,676,377
	Before Distribution			56,527,039	52,054,938	28,919,796

(2) Abbreviated Consolidated Balance Sheet –TW GAAP

Year / Item		Past Five Fiscal Year (Note1)				
		2014	**2013**	**2012**	**2011**	**2010**
Current Assets				66,632,714	57,994,815	34,460,563
Funds and Investments				1,718,384	1,424,570	1,095,526
Property, Plant and Equipment				30,998,040	28,408,240	20,930,850
Intangible Assets				697,916	429,991	406,422
Other Assets		Not	Not	878,789	1,020,691	1,200,193
Total Assets				100,925,843	89,278,307	58,093,554
Current Liabilities	Before Distribution			36,741,374	25,750,911	19,146,823
	After Distribution			41,245,593	29,507,492	22,903,404
Long-term Liabilities				2,862,875	7,412,574	6,018,433
Other Liabilities				111,479	109,987	74,421
Total Liabilities	Before Distribution			39,715,728	33,273,472	25,239,677

	After Distribution			44,219,947	37,030,053	28,996,258
Capital				7,507,031	7,506,394	6,649,085
Capital reserve		Applicable	Applicable	16,932,463	16,924,672	5,787,940
Retained earnings	Before Distribution			36,151,184	29,014,195	21,098,145
	After Distribution			31,646,965	25,257,614	17,341,564
Unrealized Gain or Loss on Financial Instruments				35,356	-11,644	-59,187
Cumulative Translation Adjustments				394,205	2,366,833	-810,625
Unrecognized Pension Cost				0	0	0
Total Equity Total Equity	Before Distribution After Distribution			61,210,115	56,004,835	32,853,877
	Before Distribution			56,705,896	52,248,254	29,097,296

(3) Abbreviated Parent Company's Income Statement –TW GAAP

Year / Item	Past Five Fiscal Year (Note1)				
	2014	2013	2012	2011	2010
Net Operating Revenues			11,743,036	16,573,620	2,762,943
Gross Profit			3,008,899	4,272,479	684,457
Operating Income (Loss)	Not	Not	2,467,337	3,900,372	448,186
Non-operating Income			9,820,401	7,685,020	4,364,857
Non-operating expenses			369,973	246,752	185,567
Income (loss) Before Tax From Continuing Operations			11,917,765	11,338,640	4,627,476
Income (loss) From Continuing Operations			10,890,485	10,677,233	4,429,844
Income (loss) From Discontinued Operations			—	—	—
Extraordinary Items	Applicable	Applicable	—	—	—
Cumulative Effect of Change in Accounting Principle			—	—	—
Net income			10,890,485	10,677,233	4,429,844
Earnings Per Share (Note 2)			**14.51**	**14.93**	**6.66**

(4) Abbreviated Consolidated Income Statement –TW GAAP

Year / Item	Past Five Fiscal Year (Note1)				
	2014	2013	2012	2011	2010

Net Operating Revenues			37,028,798	35,913,842	21,844,638
Gross Profit			16,039,025	16,890,826	7,752,763
Operating Income (Loss)	Not	Not	12,158,274	13,213,277	5,087,353
Non-operating Income			2,137,556	1,082,156	759,592
Non-operating expenses			344,745	590,285	659,829
Income (loss) Before Tax From Continuing Operations			13,951,085	13,705,148	5,187,116
Income (loss) From Continuing Operations			10,909,043	10,664,784	4,447,197
Income (loss) From Discontinued Operations			—	—	—
Extraordinary Items	Applicable	Applicable	—	—	—
Cumulative Effect of Change in Accounting Principle			—	—	—
Net income			10,909,043	10,664,784	4,447,197
Earnings Per Share (Note 2)			14.51	14.93	6.66

3. Names of the Auditors and the Opinions:

Year	CPA Firm	CPA	Auditors' Opinion	Reason for change CPA
2010	Deloitte & Touche	Hung Ju Liao Chi Chen Lee	Revised unqualified opinion	Job rotation inside CPA firm
2011	Deloitte & Touche	Hung Ju Liao Chi Chen Lee	Revised unqualified opinion	
2012	Deloitte & Touche	Hung Ju Liao Chi Chen Lee	Revised unqualified opinion	
2013	Deloitte & Touche	Hung Ju Liao Chi Chen Lee	Revised unqualified opinion	
2014	Deloitte & Touche	Hung Ju Liao Chi Chen Lee	Revised unqualified opinion	

2. Financial Analysis for the Past Five Years

(1) Consolidated Financial Analysis -IFRS

Analysis Items \ Year		Financial Information For The Past 5 Years (Note 2)					As of 2015/03/31 (Note 3)
		2014	2013	2012	2011	2010	
Capital Structure (%)	Debt ratio	29.84	30.08	39.24			–
	Long-term Funds to Fixed Assets	211.20	210.61	208.58			–
Liquidity (%)	Current Ratio	248.22	206.96	180.91			–
	Quick Ratio	216.18	191.8	168.65			–
	Times Interest Earned	14,438.28	6,114.93	4,708.88	Not	Not	–
Operating	Accounts Collection Turnover (times)	2.87	2.65	2.69			–

Performance	Average Collection Days	127.17	137.74	135.69			–
	Inventory Turnover (times)	6.16	7.88	8.42			–
	Average Payable Turnover (times)	5.30	6.14	6.36			–
	Inventory Turnover Days	59.25	46.32	43.35			–
	Fixed asset Turnover (times)	1.22	1.24	1.20			–
	Total asset Turnover (times)	0.40	0.41	0.37			–
Profitability	Return on Assets (%)	14.87	13.59	11.58			–
	Return on Equity (%)	21.12	20.48	18.40			–
	Income Before Tax as ％ of Capital	305.62	233.49	185.75			–
	Net income to Sales (%)	32.36	31.95	29.25	Applicable	Applicable	–
	EPS（NTD）(Note 1）	23.52	18.38	14.40			–
Cash Flow (%)	Cash Flow Ratio	83.85	63.71	26.47			–
	Cash Flow Adequacy Ratio	105.78	107.75	80.15			–
	Cash flow Reinvestment Ratio	18.32	17.31	7.94			–
Leverage	Operating Leverage	1.97	2.16	2.12			–
	Financial Leverage	1.01	1.02	1.03			–

Note1: The shares used for calculation are those after retroactive adjustment capital reserve, retained earnings, and employee's bonus distribution.
Note2: The financial information over the past 5 years has been audited by independent auditors.
Note3: Up until the printing date, Q1/2015 financial report is not available

Explanations for Significant Changes (over 20%)

- Current ratio: The ratio increased due to improving profits, more inflow of account receivable, and cash.
- Times of Interest Coverage: The ratio improved due to better profits and less interest expenses because of repaying part of debts within that period.
- Inventory turnover rate (times)、average selling days(times): The turnover rate decreased because inventory had been build by the request of customers at the end of year.
- Income before Tax as % of Capita, Earnings per share: The figures increased primarily because of better profits through higher sales revenue.
- Cash flow ratio: The ratio increased primarily because of better profits through higher sales revenue and the cash flows from operating activities.

(2) Parent Company Financial Analysis -IFRS

Analysis Items / Year		Financial Information For The Past 5 Years (Note 2)					As of 2014/03/31 (Note 3)
		2014	2013	2012	2011	2010	
Capital Structure (%)	Debt ratio	17.40	19.92	16.73			–
	Long-term Funds to Fixed Assets	1,592.03	1,247.33	1,025.37			–
Liquidity (%)	Current Ratio	109.05	91.09	97.9			–
	Quick Ratio	107.00	88.72	94.45			–
	Times Interest Earned	13,075.50	11,487.19	13,685.93	Not	Not	–
Operating Performance	Accounts Collection Turnover (times)	2.22	4.41	2.10			–
	Average Collection Days	164.41	82.77	173.81			–
	Inventory Turnover (times)	27.81	53.87	24.99			–
	Average Payable Turnover (times)	7.01	12.50	3.74			–

	Inventory Turnover Days	13.12	6.78	14.61			–
	Fixed asset Turnover (times)	2.47	3.77	1.93			–
	Total asset Turnover (times)	0.13	0.24	0.16			–
Profitability	Return on Assets (%)	17.33	16.82	15.47			–
	Return on Equity (%)	21.11	20.46	18.37			–
	Income Before Tax as ％ of Capital	253.37	195.80	157.71			–
	Net income to Sales (%)	120.14	62.09	92.07	Applicable	Applicable	–
	EPS（NTD）(Note 1）	23.52	18.38	14.40			–
Cash Flow (%)	Cash Flow Ratio	16.81	0.39	30.15			–
	Cash Flow Adequacy Ratio	44.88	32.89	64.81			–
	Cash flow Reinvestment Ratio	-0.40	-5.59	-0.57			–
Leverage	Operating Leverage	2.57	6.71	3.07			–
	Financial Leverage	1.04	1.01	1.01			–

Note1: The shares used for calculation are those after retroactive adjustment capital reserve, retained earnings, and employee's bonus distribution.
Note2: The financial information over the past 5 years has been audited by independent auditors.
Note3: Up until the printing date, Q1/2015 financial report is not available

Explanations for Significant Changes (over 20%)

- Long-term Funds to Fixed Assets: As the Company continued to recognize investment gains so that the stockholders' equity has increased during the period.
- Current ratio, speed ratio: The ratio increased significantly because of increasing AR due to better sales, and also the full conversion of the second outstanding convertible bonds, which caused the current asset to outgrow current liability..
- Accounts receivable turnover rates(times): The rate decreased and turnover days increased because of much higher sales revenue accrued in Q4.
- Inventory turnover rates (times)、average selling days(times): The turnover rate decreased because inventory had been build by the request of customers at the end of year.
- Accounts payable turnover rates(times), fixed asset turnover (times), total assets turnover (times): The ratio decreased because the sales and COGs of parent company decreased in that period.
- Income before Tax as % of Capital, earnings per share: The ratios increased primarily as the Company continued to recognize investment gains and better profits.
- Cash flow ratio: The ratio increased due to better cash inflow from operating activities .
- Cash flow reinvestment ratio: The ratio increased due to better cash inflow from operating activities.
- Operating leverage: The figure decreased because of the increase of operating profits, and less cost due to decreasing sales.

Formula for Financial Analysis：

A. Capital Structure

- Debt ratio = Total liabilities/Total assets
- Long-term funds to fixed assets =（Stockholders' equity＋Long-term Liabilities）/ Net Fixed Assets

B. Liquidity

- Current ratio = Current assets/Current liability
- Quick ratio =（Current asset-Inventories-Prepaid Expense - Current Deferred Income Tax）/Current Liability
- Times interest earned = Earnings before interest and Taxes/Interest Expense

C. Operating Performance

- Accounts collection turnover(times)（including accounts receivable and notes receivable from operating）= Net Sales / Average Trade Receivable（including accounts receivable and notes receivable from operating）
- Average collection days = 365 / Average Collection Turnover (Times)
- Inventory turnover times = Cost of Goods Sold / Average Inventory
- Average payable turnover (times)（including accounts payable and notes payable from operating）= Cost of Goods Sold /Average Trade Payables（including accounts payable and notes payable from operating）
- Inventory turnover days = 365 / Inventory Turnover (times)
- Fixed assets turnover (times) = Net Sales / Average Fixed Assets
- Total assets turnover (times) = Net sales / Average Total Assets

D. Profitability

- Return on total assets =[Net Income after Tax+ Interest Expense× (1- Tax Rate)] / Average Total Assets
- Return on Equity = Net Income after Tax / Average Stockholders' Equity.
- Net income to sales = Net Income after Tax / Net Sales.
- EPS =（Net Income after Tax-Preferred Stock Dividend）/ Weighted Average Number of Shares Outstanding

E. Cash Flow

- Cash flow ratio = Net operating cash flow/Current liability.
- Cash flow adequacy ratio = Net operating cash flow over the last 5 years/over the last 5 years（capital expense + inventory + cash dividend）
- Cash flow reinvestment ratio =（Net operating cash flow-cash dividends）/（Gross fixed assets + long-term investment+other assets + working capital）

F. Leverage

- Operating leverage=(Net Sales-Variable Cost & expense) / Income from Operations
- Financial leverage=Income from Operations/(Income from Operations-Interest Expenses)

(3) Parent Company's Financial Analysis –TW GAAP

Analysis Items (Year)		Financial Information For The Past 5 Years (Note 2)				
		2014	2013	2012	2011	2010
Capital Structure (%)	Debt ratio			16.80	16.12	20.6
	Long-term Funds to Fixed Assets			1,053.29	1,229.23	1,472.26
Liquidity (%)	Current Ratio			98.24	231.24	149.18
	Quick Ratio			94.62	224.26	138.66
	Times Interest Earned	Not	Not	13,776.10	12,945.41	5,337.19
Operating Performance	Accounts Collection Turnover (times)			2.10	3.83	2.76
	Average Collection Days			173.80	95.3	132.24
	Inventory Turnover (times)			24.99	43	13.41
	Average Payable Turnover (times)			3.74	6.36	3.74
	Inventory Turnover Days			14.60	8.48	27.21
	Fixed asset Turnover (times)			1.99	3.35	1.05

	Total asset Turnover (times)				0.16	0.25	0.07
Profitability	Return on Assets (%)				15.67	19.96	10.88
	Return on Equity (%)				18.64	24.13	13.71
	% of Capital	Operating Income			32.87	51.96	6.74
		Income Before Tax			158.75	151.05	69.6
	Net income to Sales (%)		Applicable	Applicable	92.74	64.42	160.33
	EPS（NTD）（Note 1）				14.51	14.93	6.66
Cash Flow (%)	Cash Flow Ratio				30.35	22.68	-14.82
	Cash Flow Adequacy Ratio				32.13	13.73	8.18
	Cash flow Reinvestment Ratio				-0.55	-2.41	-4.23
Leverage	Operating Leverage				3.06	2.5	4
	Financial Leverage				1.04	1.02	1.25

Note1: The shares used for calculation are those after retroactive adjustment capital reserve, retained earnings, and employee's bonus distribution.
Note2: The financial information over the past 5 years has been audited by independent auditors.

Formula for Financial Analysis：

A. Capital Structure

- Debt ratio = Total liabilities/Total assets
- Long-term funds to fixed assets = （Stockholders' equity＋Long-term Liabilities） / Net Fixed Assets

B. Liquidity

- Current ratio = Current assets/Current liability
- Quick ratio = （Current asset-Inventories-Prepaid Expense - Current Deferred Income Tax） /Current Liability
- Times interest earned = Earnings before interest and Taxes/Interest Expense

C. Operating Performance

- Accounts collection turnover(times)（including accounts receivable and notes receivable from operating） = Net Sales / Average Trade Receivable （including accounts receivable and notes receivable from operating）
- Average collection days = 365 / Average Collection Turnover (Times)
- Inventory turnover times = Cost of Goods Sold / Average Inventory
- Average payable turnover (times)（including accounts payable and notes payable from operating）= Cost of Goods Sold /Average Trade Payables（including accounts payable and notes payable from operating）
- Inventory turnover days = 365 / Inventory Turnover (times)
- Fixed assets turnover (times) = Net Sales / Average Fixed Assets
- Total assets turnover (times) = Net sales / Average Total Assets

D. Profitability

- Return on total assets =[Net Income after Tax+ Interest Expense× (1- Tax Rate)] / Average Total Assets
- Return on Equity = Net Income after Tax / Average Stockholders' Equity.
- Net income to sales = Net Income after Tax / Net Sales.
- EPS = （Net Income after Tax-Preferred Stock Dividend） / Weighted Average Number of Shares Outstanding

E. Cash Flow

- Cash flow ratio = Net operating cash flow/Current liability.
- Cash flow adequacy ratio = Net operating cash flow over the last 5 years/over the last 5 years （capital expense + inventory + cash dividend）
- Cash flow reinvestment ratio =（Net operating cash flow-cash dividends）/（Gross fixed assets + long-term investment+other assets + working capital）

F. Leverage

- Operating leverage=(Net Sales-Variable Cost & expense) / Income from Operations
- Financial leverage=Income from Operations/(Income from Operations-Interest Expenses)

(2) Consolidated Financial Analysis –TW GAAP

Analysis Items			Financial Information For The Past 5 Years (Note 2)				
			2014	2013	2012	2011	2010
Capital Structure (%)	Debt ratio				39.35	37.27	43.45
	Long-term Funds to Fixed Assets				206.12	222.56	184.87
Liquidity (%)	Current Ratio				181.36	225.21	179.98
	Quick Ratio				168.88	210.28	143.40
	Times Interest Earned		Not	Not	5,616.71	6,596.44	2,871.83
Operating Performance	Accounts Collection Turnover (times)				2.69	3.29	2.77
	Average Collection Days				135.69	110.94	131.77
	Inventory Turnover (times)				8.42	8.14	6.51
	Average Payable Turnover (times)				6.45	5.93	5.37
	Inventory Turnover Days				43.35	44.84	56.07
	Fixed asset Turnover (times)				1.19	1.26	1.04
	Total asset Turnover (times)				0.37	0.40	0.38
Profitability	Return on Assets (%)				11.72	14.74	8.23
	Return on Equity (%)				18.67	24.10	13.76
	% of Capital	Operating Income			161.96	176.03	76.51
		Income Before Tax			185.84	182.58	78.01
	Net income to Sales (%)		Applicable	Applicable	29.46	29.70	20.36
	EPS（NTD）（Note 1）				14.51	14.93	6.66
Cash Flow (%)	Cash Flow Ratio				31.24	44.63	23.36
	Cash Flow Adequacy Ratio				111.13	121.91	141.58
	Cash flow Reinvestment Ratio				10.36	12.04	6.91
Leverage	Operating Leverage				2.12	1.94	2.81
	Financial Leverage				1.03	1.02	1.04

Note1: The shares used for calculation are those after retroactive adjustment capital reserve, retained earnings, and employee's bonus distribution.
Note2: The financial information over the past 5 years has been audited by independent auditors.

Formula for Financial Analysis：

A. Capital Structure

- Debt ratio = Total liabilities/Total assets
- Long-term funds to fixed assets = （Stockholders' equity＋Long-term Liabilities）/ Net Fixed Assets

B. Liquidity

- Current ratio = Current assets/Current liability
- Quick ratio = （Current asset-Inventories-Prepaid Expense - Current Deferred Income Tax）/Current Liability
- Times interest earned = Earnings before interest and Taxes/Interest Expense

C. Operating Performance

- Accounts collection turnover(times)（including accounts receivable and notes receivable from operating） = Net Sales / Average Trade Receivable（including accounts receivable and notes receivable from operating）
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- Average payable turnover (times)（including accounts payable and notes payable from operating）= Cost of Goods Sold /Average Trade Payables（including accounts payable and notes payable from operating）
- Inventory turnover days = 365 / Inventory Turnover (times)
- Fixed assets turnover (times) = Net Sales / Average Fixed Assets
- Total assets turnover (times) = Net sales / Average Total Assets

D. Profitability

- Return on total assets =[Net Income after Tax+ Interest Expense× (1- Tax Rate)] / Average Total Assets
- Return on Equity = Net Income after Tax / Average Stockholders' Equity.
- Net income to sales = Net Income after Tax / Net Sales.
- EPS = （Net Income after Tax-Preferred Stock Dividend） / Weighted Average Number of Shares Outstanding

E. Cash Flow

- Cash flow ratio = Net operating cash flow/Current liability.
- Cash flow adequacy ratio = Net operating cash flow over the last 5 years/over the last 5 years （capital expense + inventory + cash dividend）
- Cash flow reinvestment ratio =（Net operating cash flow-cash dividends）/（Gross fixed assets + long-term investment+other assets + working capital）

F. Leverage

- Operating leverage=(Net Sales-Variable Cost & expense) / Income from Operations
- Financial leverage=Income from Operations/(Income from Operations-Interest Expenses)

3. Audit Committee's Review Report

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2014 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:

March 19, 2015

4. Financial Statement

Please refer to appendix 1

5. Consolidated Financial Statements

Please refer to appendix 2

6. Financial Difficulties Information

None.

Seven、Financial Position, Business Performance and Risks

1. Financial Position

Analysis of Financial Position

Unit: in thousand NTD

Item \ Year	2014	2013	Difference	
			Amount	%
Current Assets	79,877,672	65,346,656	14,531,016	22%
Fixed Assets, Plant and Equipment	45,405,426	34,903,140	10,502,286	30%
Intangible Assets	146,369	102,555	43,814	43%
Other Assets	11,535,237	5,026,685	6,508,552	129%
Total assets	136,964,704	105,379,036	31,585,668	30%
Current Liabilities	32,180,086	31,574,568	605,518	2%
Long-term Liabilities	8,695,459	124,362	8,571,097	6892%
Total liabilities	40,875,545	31,698,930	9,176,615	29%
Equity attributed to parent company's shareholders	95,897,663	73,509,487	22,388,176	30%
Capital	7,703,911	7,507,031	196,880	3%
Capital Reserve	20,276,071	16,974,456	3,301,615	19%
Retained Earnings	62,330,904	48,216,767	14,114,137	29%
Shareholders' Equity - others	5,586,777	811,233	4,775,544	589%
Treasury stock	0	0	0	0%
Minority equity	191,496	170,619	20,877	12%
Total Equity	96,089,159	73,680,106	22,409,053	30%

(1) Explanations for Significant Changes in Financial Position

- Current asset increased due to increasing inventory build up at the year end by the request of customers.
- Increasing fixed assets due to the expansion of capacity, building construction, and equipment purchase.
- Increase in intangible assets and other assets due to increases in purchase of computer software, prepaid equipment, and deferred income.
- Increase in shareholders' equity-others result from higher cumulative foreign currency exchange difference on continuing NTD depreciation.
- Increasing retained earnings due to continuous recognizing investment income.

(2) Significant Influences by the Changes

No material influences.

(3) Action Plans for the Influences

Not Applicable

2. Operating Results

(1)Analysis of Operating Results

Unit: in thousand NTD

Item \ Year	2014	2013	Increase (Decrease) Amount	Percentage of change (%)
Net sales	55,277,365	43,245,550	12,031,815	28%
Gross Profit	26,101,348	18,320,726	7,780,622	42%
Operating Income (Loss)	20,024,925	13,915,661	6,109,264	44%
Non-Operating Income (Expenses)	3,519,678	3,612,614	-92,936	-3%
Income before Income Tax	23,544,603	17,528,275	6,016,328	34%
Profit from Continuing Operations	17,887,757	13,817,120	4,070,637	29%
Loss from Discontinued Operations	—	—	—	—
Net Income (Loss)	17,887,757	13,817,120	4,070,637	29%
Other Comprehensive Income	4,783,066	2,760,864	2,022,202	73%
Total Comprehensive Income	22,670,823	16,577,984	6,092,839	37%
Net Profit attributed to Parent Company's shareholders	17,877,167	13,801,184	4,075,983	30%
Net Profit attributed to Non-Controlling Equity	10,590	15,936	-5,346	-34%
Total Comprehensive Income attributed to Parent Company's shareholders	22,649,946	16,553,748	6,096,198	37%
Total Comprehensive Income attributed to Non-controlling Equity	20,877	24,236	-3,359	-14%
Earnings per Share	23.52	18.38	5.14	28%

A. Explanations for Significant Changes

- Increase in sales, gross margins, operating income, net profits were attributed to the increasing sales revenue and gross profits of the Company.
- Increase in other comprehensive income and total comprehensive income attributed to parent company's shareholders was because of continuing NTD depreciation to generate more foreign currency exchange difference.

B. Sales Quantities Estimation for Next Year

None.

C. Possible Impact on Future Business and Responsive Plans

No significant impact on financial and business.

3. Analysis on Cash Flow

Unit: in thousand NTD

Cash Balance at the Beginning of the Year (A) (2013.12.31)	Net Cash Provided by Operating Activities (B) (2014)	Impact from changes in Foreign Currency Exchange Rate (C)	Net cash Provided from Investing and Financing Activities (C) (2014)	Balance of Net Cash (A+B+C) (2014.12.31)	Remedy for cash shortfall	
					Investment Plan	Finance plan
$39,378,362	$26,983,303	- $21,359,128	$3,116,553	$48,119,090	—	—

(1)Analysis Cash Flow Changes during the Most Recent Fiscal Year

- **Operating Activities**

  Cash inflow approximately NTD 26,983,303 thousand was mainly due to the realization of account receivables and the cash flow from operating activities.

- **Investing Activities**

  Cash outflow approximately NTD 15,880,178 thousand was mainly due to the increase in purchasing real estate, plants and equipment.

- **Financing Activities**

  Cash outflow approximately NTD 5,478,950 thousand was mainly from distribution of cash dividend and repaying the long-term and short-term loans

- **Action Plans to Improve the Cash Flow**

  Not Applicable

4. Impact on the Company's Financial Operations and Contingency Action Regarding Major Capital Expenditures

(1) Major Capital Expenditures

Unit: in thousand NTD

Plan	Actual or Expected Sources of Capital	Actual or Planned Completion Date	Expected Benefits
-Construction of Factories -Machinery and Equipment	-Self owned capital -Bank loans -Bonds	In progress	To plan better working environment for the Company's long-term management.
			For capacity expansion to enhance the competitiveness of Catcher and improve the operating efficiency, which shall benefit shareholders.

(2) Expected Benefits from Capital Expenditures

A. Construction of Factories

In order to sustain the Company's operation and provide a good working environment.

B. Purchase of Machinery and Equipment

Capacities expansion can increase the Company's competiveness, operation efficiency, and benefit the shareholders.

5. Investment Policy, Causes of Profit/Loss and Future Investment Plans

(1) Investment Policy

Our investment policy focuses on the related industry to strengthen the competitiveness. Every investment case is only executed after comprehensive analysis and consideration. In addition, the Company carefully monitors and evaluates its investment companies' operation and performance.

(2) Causes of Profit / Loss

The Company has recognized investment gains of $14,355,611 thousand in 2014. These gains were mostly contributed from related parties.

(3) Investment Plans

Based on the Company's global strategy, the Company will set up manufacturing site or sales centers in key global area which will be able to provide service and inventory to our customers in a timely basis. In addition, depending on the business development, the Company may expand its scale by setting up subsidiaries.

6. Risk Management and Evaluation

(1)Impact on Corporate Profitability from Fluctuating Interest Rates, Exchange Rates, and Inflation

A. Interest Rate Risk

The Company's interest rate risk is generated from the short-term liabilities of operating activities. The risk is low because of adopting stable rate and low-cost financial instruments. For the respect of assets, we mostly invest in high-liquidity, short-term fixed-income bonds or term deposits in order to protect capital and reduce risks.

B. Exchange Rate Risk

The Company mostly charges US dollars from sales, and most payable for machinery/equipment by Japanese yen. The Company 's foreign currency policy is relative conservative by dynamically adjusting assets and liabilities positions and engaging in hedge instruments to lower exchange rate risk.

C. Inflation Risk

The international gasoline and raw material prices have been returned to a normal level and the inflation risk has been turned down as well. In the long term, the Company will adjust its inventory stock level to reduce possible impact from inflation risk.

(2)Profit or Loss from Activities in High Risk and Highly Leveraged Investments, Loans Provided to Others, Endorsements and Guarantees, and Derivatives

Catcher did not engage in any high-risk investment or any leveraged investment. Parties who were given endorsements or loans by Catcher were all subsidiaries or operation needed. The endorsements and loans policy are all followed by the Company's Endorsement and Guarantee Procedure and Lending of Capital Procedure. All the derivatives engaged by the Company were under non-trading purpose. They are mainly to lower the risk of the exchange rate. We comply with the Company's Procedures of Asset Acquisition and Disposition where regulates in conducting derivatives transactions.

(3)Upcoming R&D Plans and Their Status

Please refer to the disclosure information of R&D status in the section of "Reports to the Shareholders" for details.

(4)Impact on the Company's Financial Operation and Contingency Action Regarding Recent Changes in Domestic and International Policies and Regulations

The Company has dedicated staff to follow the important domestic and international policy and legal changes at any time; responding for seeking professional advices such as lawyer and accountant and plan preventative actions. During 2014, such changes have no major impact on our operation.

(5)Impact on the Company's Financial Operations and Contingency Action Regarding Recent Changes in Technology

We pay full attention on collecting and analyzing the market and technology's development changes of various alloy products. Thus, we are able to minimize the impact from technology changes. In addition to enhance in value-added and high profit products' developments, we continue to focus on diversity in product and profit improvement. . Also we emphasize on keeping long-term relationship with our customers by providing total solutions of product designs, mass production, logistic supports, sales distribution, and customer services. Thus, we can reduce the impacts on changes in technology.

(6)Impact on the Company's Risk Management and Contingency Action Regarding Recent Changes in Corporate Image

Our Company has always upheld integrity and abides by the law and fulfills social responsibility; hence our corporation image has been superior. As of the date of publishing this annual report there are no matters risking the Company's normal operation or corporate image.

(7)Risk from the Company's Any Merger and Acquisitions

As of the date of publishing this annual report there is no such issues incurred.

(8)Risk of Excess Capacity from Fluctuating Economics Conditions

After appropriate analysis in the industry, market status, cost, and production of the Company in different bases, we has maintained a leading position in technology and processing within the industry. We aim to improve the productivity and yield for cost advantages, as well as decreasing the risk of expanding the plants; hopefully this would significantly boost the corporation profit performance.

(9)Risk of Profit/Loss if Sales/Material are Concentrated on a Single or Few Customers/Suppliers, and a Major Customers/Supplier Reduces its Orders/Supplies

A. Risk of Sales Concentrated

Major customers are disclosed in operation overview section. Although the major operating revenues are from international big brand customers, there is no material risk in sales concentrated. However, the Company's sales still depends on the status of prosperity of the economics status, customers' product designs, outsourcing strategy and inventory adjustment.

B. Risk of Suppliers concentrated

The major vendors are disclosed in operation overview section. There is no material purchase concentrated situation.

From the perspective of Catcher and the industry, it is better toward to dispersion in purchase and sales. We will continue putting efforts and keeping the business in a balance and conservative status.

(10) Risk of Change of Control and Stock Price Fluctuation from Large Scale Transfer of Shares

Directors and major shareholders all keep a positive perspective to Company. However, shareholders may have their personal considerations regarding their portfolios or tax concerns. When our directors and major shareholders (>10% holding) are planning to take a major transfer, they might communicate with the Board and managements. Thus, there is no negative impact to the Company's operation and shareholders' equity. We follow the regulations and consider the Company's profit and shareholders' benefit at first priority. Up until the printing date, there is no shareholders with more than 10% shareholdings.

(11) Risk of the Company Losing One or More Key Personnel without Adequate Replacement Due to Any Change of Company Control

There is no change in governance personnel being taken during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report.

(12) Litigation and Non-litigated Incidents

The financial report has full disclosure the related litigation and non-litigation matters and their effects.

(13) Other Significant Risks

Part of the production processes were suspended due to the environmental issues (smell problem) involving odors generated in our subsidiaries - Topo Technology Co., Ltd. and Meeca Technology Co., Ltd. and will be tested and approved on a regional basis. So far, we have not received the formal document approval for resumption from the Government.

The Company keeps its improvement, including equipment and tasks, and tries to communicate with the authorities. Currently, there is no significant impact to the Company's operating and production.

7. Other Necessary Supplements

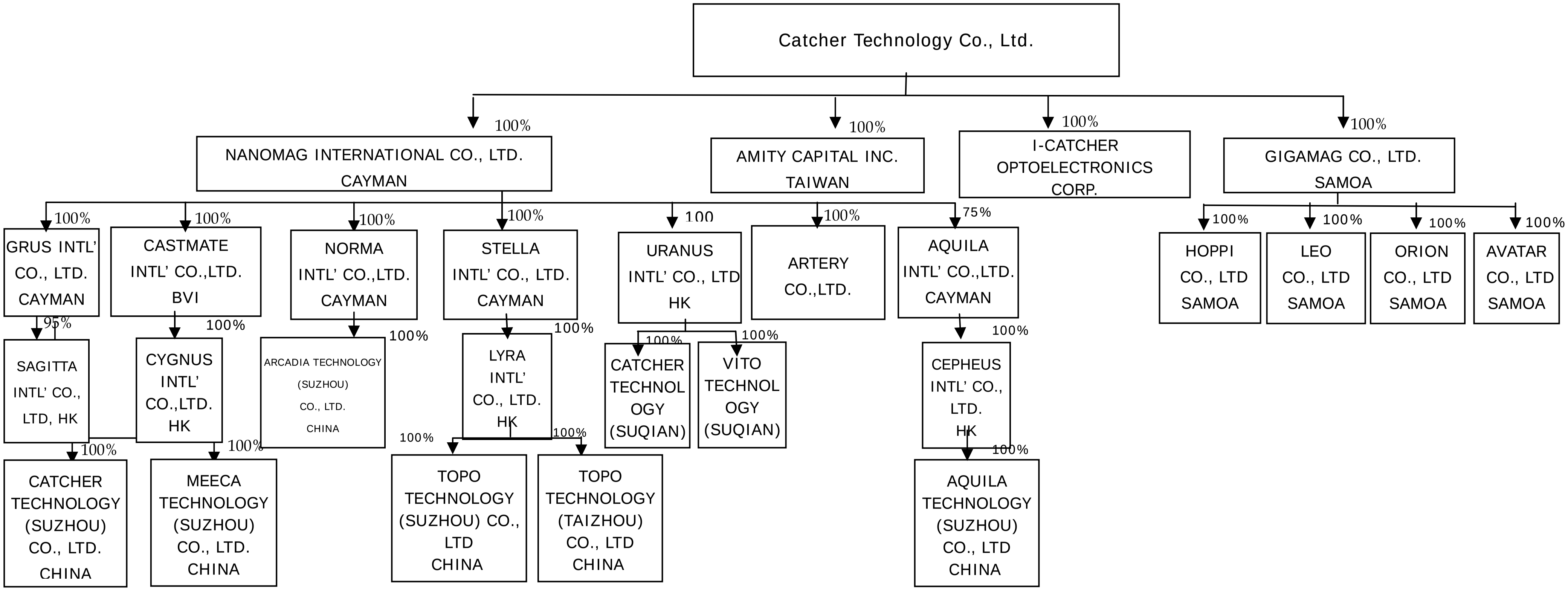
None

Eight、 Special items to be included

1. Summary of Affiliated Enterprises

(1)The Consolidated Operating Report

A. Organizational Chart (2014.12.31)



B. Basic Information of the Company's Affiliated Enterprises:

2014/12/31; Unit: in thousand NTD

Name of Corporation	Date of incorporation	Address	Capital	Major Business
Nanomag International Co., Ltd.	2001.07.19	Scotia Centre, 4th Floor, P.O. Box 2804.George Town, Grand Cayman, Cayman Islands	3,678,144	Investment activities
Gigamag Co., Ltd.	2000.12.15	Offshore Chambers,P.O.Box 217, Apia,Samoa	484,941	Investment activities
Amity Capital Inc.	2007.06.13	1F., No.10, Ln. 138, Ren-Ai St., Yongkang District, Tainan City 710, Taiwan (R.O.C.)	29,000	Investment activities
I-Catcher Optoelectronics Corp.	2007.09.26	1F., No.10, Ln. 138, Ren-Ai St., Yongkang District, Tainan City 710, Taiwan (R.O.C.)	5,000	Manufacturing and marketing of aluminum and magnesium alloy parts/molds
Grus international Co., Limited	2009.09.24	Scotia Centre, 4th Floor, P.O.Box 2804, George Town,Grand Cayman,Cayman Islands	949,615	Investment activities
Castmate International Co., Ltd.	1998.04.15	P.O. Box 3443 Road Town, Tortola, British Virgin Islands	1,087,165	Investment activities
Stella International Co., Ltd.	2003.11.13	Scotia Centre, 4th Floor, P.O. Box 2804.George Town, Grand Cayman, Cayman Islands	6,674,834	Investment activities
Uranus International Co., Limited	2007.11.07	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	10,258,011	Investment activities
Artery Co., Ltd.	2001.11.01	Offshore Chambers,P.O.Box 217, Apia Samoa	20,018	Investment activities
Aquila International Co., Ltd.	2005.01.06	Scotia Centre, 4th Floor, P.O.Box 2804, George Town,Grand Cayman,Cayman Islands	35,448	Investment activities
Sagitta International Co., Limited	2009.10.21	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	946,770	Investment activities
Cygnus International Co., Limited	2007.11.07	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	4,410,277	Investment activities
Lyra International Co., Limited	2007.11.07	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	7,623,520	Investment activities
Cepheus International Co., Limited	2007.11.09	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	44,310	Investment activities
Norma International Co., Limited	2014.09.18	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	31,650	Investment activities
Catcher Technology Phils Inc.	2000.11.08	＃24 Innovative Street Subic Bay Industrial Park Phase-1, Subic Bay Freeport Zone, Philippines	3,926	Manufacturing and marketing of aluminum and magnesium alloy parts/molds
Hoppi Co., Ltd.	2001.07.18	Offshore Chambers,P.O.Box 217, Apia Samoa	145,550	International Trading

Avatar Co., Ltd.	2001.07.18	Offshore Chambers,P.O.Box 217, Apia Samoa	219,591	International Trading
Leo Co., Ltd.	2008.11.20	Offshore Chambers,P.O.Box 217, Apia Samoa	474,750	International Trading
Orion Co., Ltd.	2008.11.20	Offshore Chambers,P.O.Box 217, Apia Samoa	158,250	International Trading
Catcher Technology (Suzhou) Co., Ltd.	2001.04.20	No 111, ChangYang St. Suzhou Industrial Park, Suzhou City, Jingsu Province, the PRC	316,817	Research and developing, manufacturing and marketing of aluminum and magnesium alloy parts/mold
Topo Technology (Suzhou) Co., Ltd.	2003.12.22	No 111, ChangYang St. Suzhou Industrial Park, Suzhou City, Jingsu Province, the PRC	2,437,367	Research and developing, manufacturing and marketing of aluminum and magnesium alloy parts/mold
Topo Technology (Taizhou) Co., Ltd.	2012.06.12	Taizhou Economic Development Zone North of West Zhenxing Road, Economic Standard factory) West of South Wuling Road(Photoelectronic Industrial Park of Taizhou	6,290,756	Research and developing, manufacturing and marketing of aluminum and magnesium alloy parts/mold
Meeca Technology（Suzhou）Co., Ltd.	2006.03.14	No 107, ChangYang St. Suzhou Industrial Park, Suzhou City, Jingsu Province, the PRC	3,354,900	Research and developing, manufacturing and marketing of aluminum and magnesium alloy parts/mold
Catcher Technology (Suqian) Co., Ltd.	2008.12.09	No.21, Gucheng Road,SU-SU Industrial Park Suqian City, Jiangsu Province	6,330,000	Research and developing, manufacturing and marketing of aluminum and magnesium alloy parts/mold
VITO Technology (Suaian) Co., Ltd.	2012.07.11	No.21, Gucheng Road,SU-SU Industrial Park Suqian City, Jiangsu Province	3,927,765	Research and developing, manufacturing and marketing of aluminum and magnesium alloy parts/mold
Arcadia Technology (Suaian) Co., Ltd.	2014.10.23	NO 12,Zijinshan Road, Suzhou Suqian Industrial Park, Suqian, China.	31,650	Research and developing, manufacturing and marketing of aluminum and magnesium alloy parts/mold
Aquila Technology (Suzhou） Co., Ltd.	2005.03.21	N0.439 Fengting avenue Industrial park,SUZHOU	44,310	Manufacturing and marketing of electronic parts and molds

C. Information for Common Shareholders of Treated-as Controlled Companies and Affiliates

None.

D. Business of Catcher's Affiliates and their relationship

Major Business	Name of Affiliated Enterprises	Relationship in between
Investment activities	Nanomag International Co., Ltd.	Invest in Artery Co., Ltd., Castmate International Co., Ltd., Stella International Co., Ltd., Aquila International Co., Ltd., Uranus International Co., Limited, Grus international Co., Limited, Norma International Co., Limited
Investment activities	Gigamag Co., Ltd.	Invest in Hoppi Co., Ltd.、Avatar Co., Ltd.、Leo Co., Ltd.、Orion Co., Ltd.
Investment activities	Amity Capital Inc.	100% owned by Catcher Technology Co., Ltd.

Manufacturing and sales of electronics products	I-Catcher Optoelectronics Corp.	100% owned by Catcher Technology Co., Ltd.
Investment activities	Grus international Co., Limited	Invest in Sagitta International Co., Limited
Investment activities	Castmate International Co., Ltd.	Invest in Cygnus International Co., Limited
Investment activities	Stella International Co ., Ltd.	Invest in Lyra International Co., Limited
Investment activities	Uranus International Co., Limited	Invest in Catcher Technology (Suqian) Co., Ltd., Vito Technology (Suqian) Co., Ltd.
Investment activities	Artery Co., Ltd.	Invest in Catcher Technology Phils Inc.
Investment activities	Aquila International Co., Ltd.	Invest in Cepheus International Co., Limited
Investment activities	Sagitta International Co., Limited	95% owned by Grus international Co., Limited
Investment activities	Cygnus International Co., Limited	Invest in Catcher Technology (Suzhou) Co., Ltd. and Meeca Technology（Suzhou）Co., Ltd.
Investment activities	Lyra International Co., Limited	Invest in Topo Technology (Suzhou) Co., Ltd., Topo Technology (Taizhou) Co., Ltd
Investment activities	Cepheus International Co., Limited	Invest in Aquila Technology (Suzhou)Co., Ltd.
Investment activities	Nomra International Co., Limited	Invest in Arcadia Technology (Suqian) Co., Ltd
Manufacturing and sales of electronics products	Catcher Technology Phils Inc.	Manufacturing and sales of alloying products
International Trading	Hoppi Co., Ltd.	Sales of business group’s products
International Trading	Avatar Co., Ltd.	Procurement logistics base of business group
International Trading	Leo Co., Ltd.	Sales of business group’s products
International Trading	Orion Co., Ltd.	Procurement logistics base of business group
Manufacturing and sales of electronics products	Catcher Technology (Suzhou) Co., Ltd.	Manufacturing and sales of alloying products
Manufacturing and sales of electronics products	Topo Technology (Suzhou) Co., Ltd.	Manufacturing and sales of alloying products
Manufacturing and sales of electronics products	Meeca Technology（Suzhou）Co., Ltd.	Manufacturing and sales of alloying products
Manufacturing and sales of electronics products	Aquila Technology (Suzhou）Co., Ltd.	Manufacturing and sales of alloying products and molds
Manufacturing and sales of electronics products	Catcher Technology (Suqian) Co., Ltd.	Manufacturing and sales of alloying products
Manufacturing and sales of electronics products	VITO Technology (Suaian) Co., Ltd.	Manufacturing and sales of alloying products
Manufacturing and sales of electronics products	Arcadia Technology (Suaian) Co., Ltd.	Manufacturing and sales of alloying products
Manufacturing and sales of electronics products	Topo Technology (Taizhou) Co., Ltd.	Manufacturing and sales of alloying products

E. Directors, Supervisors and General Manager of Affiliated Enterprises

Unit: Share; %

Name of Corporation	Title	Name or Representative	Shareholding	
			Shares	%
Nanomag International Co., Ltd.	Director & General Manager	Catcher Technology Co., Ltd. Representative: Shui-Shu Hung	—	—
	Director	Catcher Technology Co., Ltd. Representative: Tien Szu Hung	—	—
Gigamag Co., Ltd.	Director & General Manager	Catcher Technology Co., Ltd Representative: Shui-Shu Hung	—	—
	Director	Catcher Technology Co., Ltd Representative: Tien Szu Hung	—	—
Amity Capital Inc.	Director & Chairman	Catcher Technology Co., Ltd. Representative: Shui-Shu Hung	—	—
	Director	Catcher Technology Co., Ltd. Representative: Peter Su	—	—
	Director	Catcher Technology Co., Ltd. Representative: Amy Chen	—	—
	Supervisor	Catcher Technology Co., Ltd. Representative: Irene Lin	—	—
I-Catcher Optoelectronics Corp.	Director & Chairman	Catcher Technology Co., Ltd. Representative: Shui-Shu Hung	—	—
	Director	Catcher Technology Co., Ltd. Representative: Amy Chen	—	—
	Director	Catcher Technology Co., Ltd. Representative: Peter Su	—	—
	Supervisor	Catcher Technology Co., Ltd. Representative: Irene Lin	—	—
Grus international Co., Ltd.	Director	Nanomag International Co., Ltd. Representative: Shui-Shu Hung	—	—
Castmate International Co., Ltd.	Director & General Manager	Nanomag International Co., Ltd. Representative: Shui-Shu Hung	—	—
	Director	Nanomag International Co., Ltd. Representative: Tien Szu Hung	—	—
Stella International Co., Ltd.	Director & General Manager	Nanomag International Co., Ltd. Representative: Shui-Shu Hung	—	—
	Director	Nanomag International Co., Ltd. Representative: Tien Szu Hung	—	—
Artery Co., Ltd.	Director & General Manager	Nanomag International Co., Ltd. Representative: Shui-Shu Hung	—	—
	Director	Nanomag International Co., Ltd. Representative: Tien Szu Hung	—	—
Aquila International Co., Ltd.	Director & Chairman	Nanomag International Co., Ltd. Representative: Shui-Shu Hung	—	—
	Director	Nanomag International Co., Ltd. Representative: Tien Szu Hung	—	—
Uranus International Co., Ltd	Director	Amy Chen	—	—
Sagitta International Co., Ltd.	Director	Amy Chen	—	—
Cygnus International Co., Ltd	Director	Amy Chen	—	—
Lyra International Co., Limited	Director	Amy Chen	—	—
Cepheus International Co., Limited	Director	Amy Chen	—	—
Norma International Co., Limited	Director	Amy Chen		
Catcher Technology Phils Inc.	Director & General Manager	Artery Co., Ltd. Representative: Shui-Shu Hung	—	—
	Director	Artery Co., Ltd. Representative: Tien Szu Hung	—	—
Hoppi Co., Ltd.	Director & General Manager	Gigamag Co., Ltd. Representative: Shui-Shu Hung	—	—
	Director	Gigamag Co., Ltd. Representative: Tien Szu Hung	—	—
Avatar Co., Ltd.	Director & General Manager	Gigamag Co., Ltd. Representative: Shui-Shu Hung	—	—

Name of Corporation	Title	Name or Representative	Shareholding	
			Shares	%
	Director	Gigamag Co., Ltd. Representative: Tien Szu Hung	—	—
Leo Co., Ltd.	Director	Gigamag Co., Ltd. Representative: Brian Lee	—	—
Orion Co., Ltd.	Director	Gigamag Co., Ltd. Representative: Jinnifer Lin	—	—
Catcher Technology（Suzhou）Co., Ltd.	Director & Chairman	Cygnus International Co., Limited Representative: Jodan Yang	—	—
	Director	Cygnus International Co., Limited Representative: Magic Liu	—	—
	Director	Cygnus International Co., Limited Representative: Jay Tseng	—	—
	Supervisor	Cygnus International Co., Limited Representative: Pi-Fen Huang	—	—
Topo Technology (Suzhou) Co., Ltd.	Director & Chairman	Lyra International Co., Limited Representative: Lawrence Kuo	—	—
	Director	Lyra International Co., Limited Representative: Magic Liu	—	—
	Director	Lyra International Co., Limited Representative: Jay Tseng	—	—
	Supervisor	Lyra International Co., Limited Representative: Pi-Fen Huang	—	—
Meeca Technology (Suzhou) Co., Ltd.	Director & Chairman	Cygnus International Co., Limited Representative: Jeff Cheng	—	—
	Director	Cygnus International Co., Limited Representative: Magic Liu	—	—
	Director	Cygnus International Co., Limited Representative: Jay Tseng	—	—
	Supervisor	Cygnus International Co., Limited Representative: Pi-Fen Hung	—	—
Aquila Technology (Suzhou) Co., Ltd.	Director & Chairman	Cepheus International Co., Limited Representative: ANG KAH KWEE	—	—
	Director	Cepheus International Co., Limited Representative: Lawerence Kuo	—	—
	Director	Cepheus International Co., Limited Representative: Jeff Cheng	—	—
	Supervisor	Cepheus International Co., Limited Representative: Pi-Fen Huang	—	—
Catcher Technology (Suqian) Co., Ltd.	Director & Chairman	Uranus International Co., Ltd. Representative: Jay Tseng	—	—
	Director	Uranus International Co., Ltd. Representative: Lawrence Kuo	—	—
	Director	Uranus International Co., Ltd. Representative: Jodan Yang	—	—
	Supervisor	Uranus International Co., Ltd. Representative: Pi-Fen Huang	—	—
VITO Technology (Suaian) Co., Ltd.	Director & Chairman	Uranus International Co., Ltd. Representative: Jay Tseng	—	—
	Director	Uranus International Co., Ltd. Representative: Magic Liu	—	—
	Director	Uranus International Co., Ltd. Representative: Jodan Yang	—	—
	Supervisor	Uranus International Co., Ltd. Representative: Pi-Fen Huang	—	—
TOPO Technology (Taizhou) Co., Ltd.	Director & Chairman	Lyra International Co., Ltd. Representative: Jodan Yang	—	—
	Director	Lyra International Co., Ltd. Representative: Magic Liu	—	—
	Director	Lyra International Co., Ltd. Representative: Jeff Cheng	—	—
	Supervisor	Lyra International Co., Ltd. Representative: Pi-Fen Huang	—	—
Arcadia Technology (Taizhou) Co., Ltd.	Director & Chairman	Norma International Co., Limited Representative: Jay Tseng		
	Director	Norma International Co., Limited Representative: Magic Liu		
	Director	Norma International Co., Limited Representative: Jeff Cheng		
	Supervisor	Norma International Co., Limited Representative: Pi-Fen Huang		

F. Summarized Operation Results of Affiliated Enterprises

2014/12/31; Unit: in thousand; NTD

Name of Corporation	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenues	Operating Income (Loss)	Net Income (Loss)	Earnings Per Share ($)
Amity Capital Inc.	29,000	9,209	0	9,209	0	-13	66	0.02
I-Catcher Optoelectronics Corp.	5,000	4,052	0	4,052	0	-12	22	0.04
Nanomag International Co.,Ltd.	3,678,144	77,870,280	6,173,401	71,696,879	0	-302	10,235,504	341,183,466.67
Gigamag Co.,Ltd.	484,941	17,611,998	118,327	17,493,671	12,449	-100,971	4,369,587	303.92
Grus International Co.,Ltd.	949,615	933,817	0	933,817	0	-130	-68,222	-2.27
Sagitta International Co., Limited	999,576	983,466	67	983,399	0	-103	-71,903	-2.40
Castmate International Co.,Ltd.	1,087,165	23,432,988	0	23,432,988	0	-47	-550,201	-16.02
Cygnus International Co., Limited	4,410,277	26,146,238	3,484,428	22,661,810	0	-114	-577,598	-4.15
Stella International Co.,Ltd.	6,674,834	24,760,142	1,070,403	23,689,739	0	-136	961,127	4.56
Lyra International Co., Limited	7,623,520	22,822,523	70	22,822,453	0	-106	906,847	3.76
Uranus International Co., Limited	10,258,011	29,987,977	0	29,987,977	0	0	10,221,629	31.54
Norma International Co., Limited	31,650	31,632	0	31,632	0	0	-185	-0.19
Aquila International Co.,Ltd.	44,310	558,357	66	558,291	0	-237	57,545	54.80
Cepheus International Co., Limited	44,310	561,024	4,459	556,565	0	-4,345	57,770	41.26
Artery Co.,Ltd.	20,018	1,562	507	1,055	0	0	-89	-0.14
Catcher Technology Phils Inc.	3,697	1,581	28	1,553	0	-101	-89	-0.15

Catcher Technology (Suzhou) Co., Ltd.	316,817	2,320,065	7,833	2,312,232	35,253	-689,328	-302,376	0
Meeca Technology (Suzhou) Co., Ltd.	3,354,900	15,588,634	5,046,381	10,542,253	7,033,203	-447,544	-140,045	0
Topo Technology (Suzhou) Co., Ltd.	2,437,367	10,789,187	1,272,588	9,516,599	6,634,020	778,335	796,754	0
Topo Technology (Taizhou) Co., Ltd.	6,390,101	27,631,809	20,959,175	6,672,634	4,741,929	590,143	406,720	0
Catcher Technology (Suqian) Co., Ltd.	6,330,000	34,982,255	10,006,980	24,975,275	26,788,240	11,160,939	9,154,098	0
VITO Technology (Suqian) Co., Ltd.	3,927,765	9,367,640	4,354,955	5,012,685	4,043,337	1,254,071	1,067,531	0
Arcadia Technology (Suqian) Co., Ltd.	31,650	109,106	77,474	31,632	0	-42	-185	0
Aquilia Technology (Suzhou) Co., Ltd.	44,310	530,899	171,677	359,222	493,446	95,938	73,602	0

(2)Consolidated Financial Statements Covering Affiliated Enterprises

Letter of Representation

The Companies represented in the consolidated financial statements of "Catcher Technology Co., Ltd. and its Affiliated Enterprises" for the year ended December 31, 2014 made in accordance with "The Rules Governing Preparation of Affiliated Enterprises Consolidated Operating Report, Affiliated Enterprises Consolidated Financial Statements and Relationship Report" are the identical companies represented in the consolidated financial statements of Catcher Technology Co., Ltd. and Subsidiaries made in accordance with International Accounting Standards No. 27. The disclosures to the consolidated financial statements of affiliated enterprises are fully presented in the consolidated financial statements of "Catcher Technology Co., Ltd. and Subsidiaries". Accordingly, we will not present separately consolidated financial statements of affiliated enterprises".

Catcher Technology Co., Ltd.
Chairman: Shui-Shu Hung
2015/03/19

(3) Report on Affiliations:

None.

2. Issuance of Private Placement Securities

None.

3. Acquisition or Disposal of Catcher's Shares by Subsidiaries

None.

4. Other Necessary Supplements

None.

Nine、Disclosures of Events which may Have a Significant Influence on Stockholders Equity or Share Price, in Compliance with Item 2, Paragraph 2 In Article 36 of the Securities and Exchange Law of the R.O.C.

None.

Catcher Technology Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2014 and 2013 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2014 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Accounting Standard 27 “Consolidated and Separate Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

CATCHER TECHNOLOGY CO., LTD.

By

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SHUI-SHU HUNG
Chairman
March 19, 2015

Deloitte.
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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, 2014 and 2013 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2014 and 2013. 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, 2014 and 2013 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$415,531 thousand and NT$585,733 thousand, or 0.30%, 0.56% of the consolidated total assets as of December 31, 2014 and 2013, respectively. Comprehensive income recognized under the equity method was NT$82,634 thousand and NT$120,728 thousand, or 0.36% and 0.73% of the consolidated comprehensive income for the years ended December 31, 2014 and 2013, 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, 2014 and 2013, and their consolidated financial performance and their consolidated cash flows for the years ended December 31. 2014 and 2013, 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, 2014 and 2013 on which we have issued an unqualified opinion modified report.

Deloitte & Touche

March 19, 2015

<u>*Notice to Readers*</u>

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

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

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2014 Amount	%	December 31, 2013 Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 48,119,090	35	$ 39,378,362	37
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	-	-	22,087	-
Available-for-sale financial assets - current (Notes 4 and 8)	-	-	49,975	-
Debt investment with no active market - current (Notes 9)	18,103	-	3,192,697	3
Notes receivable (Notes 4 and 10)	-	-	560	-
Accounts receivable (Notes 4 and 10)	21,027,297	15	17,504,791	17
Other receivables	402,715	-	261,179	-
Current tax assets (Notes 27)	21	-	149,397	-
Inventories (Notes 4 and 11)	5,600,468	4	3,873,173	4
Prepayments for lease (Notes 17)	22,260	-	17,812	-
Non-current assets held for sale (Notes 12)	634,185	1	-	-
Other current assets (Note 18)	4,053,533	3	896,623	1
Total current assets	79,877,672	58	65,346,656	62
NON-CURRENT ASSETS				
Investments accounted for using equity method (Notes 4 and 13)	1,545,197	1	1,730,683	2
Property, plant and equipment (Notes 4, 14 and 32)	45,405,426	33	34,903,140	33
Investment properties (Notes 4, 15 and 34)	255,006	-	259,831	-
Other intangible assets (Notes 4 and 16)	146,369	-	102,555	-
Deferred tax assets (Notes 4 and 27)	2,407,730	2	1,394,675	1
Long-term prepayments for lease (Notes 17)	953,967	1	770,070	1
Other non-current assets (Notes 18)	6,373,337	5	871,426	1
Total non-current assets	57,087,032	42	40,032,380	38
TOTAL	$ 136,964,704	100	$ 105,379,036	100

LIABILITIES AND EQUITY	December 31, 2014 Amount	%	December 31, 2013 Amount	%
CURRENT LIABILITIES				
Short-term borrowings (Note 19)	$ 15,527,000	11	$ 16,155,655	16
Notes payable (Note 21)	139,707	-	249,963	-
Accounts payable (Note 21)	6,084,001	5	4,245,813	4
Accounts payable - related parties (Note 33)	-	-	286,540	-
Other payables (Note 22)	5,519,528	4	3,665,484	4
Current tax liabilities (Notes 27)	2,865,378	2	2,165,528	2
Current portion of bonds payable (Note 4 and 20)	-	-	3,492,625	3
Current portion of long-term borrowings (Notes 19 and 34)	-	-	1,000,000	1
Other current liabilities (Note 22)	2,044,472	2	312,960	-
Total current liabilities	32,180,086	24	31,574,568	30
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 27)	183,799	-	116,744	-
Accrued pension liabilities (Notes 4 and 23)	4,188	-	854	-
Other non-current liabilities (Note 22)	8,507,472	6	6,764	-
Total non-current liabilities	8,695,459	6	124,362	-
Total liabilities	40,875,545	30	31,698,930	30
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Capital stock - common stock	7,703,911	6	7,507,031	7
Capital surplus	20,276,071	15	16,974,456	16
Retained earnings				
Legal reserve	6,921,593	5	5,541,474	6
Special reserve	2,377,902	2	2,377,902	2
Unappropriated earnings	53,031,409	38	40,297,391	38
Total retained earnings	62,330,904	45	48,216,767	46
Other equity	5,586,777	4	811,233	1
Total equity attributable to owners of the Company	95,897,663	70	73,509,487	70
NON - CONTROLLING INTERESTS	191,496	-	170,619	-
Total equity	96,089,159	70	73,680,106	70
TOTAL	$ 136,964,704	100	$ 105,379,036	100

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

(With Deloitte & Touche audit report dated March 19, 2015)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	2014		2013	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4 and 25)	$ 55,277,365	100	$ 43,245,550	100
OPERATING COSTS (Notes 11, 23, 26 and 33)	29,176,017	53	24,924,824	58
GROSS PROFIT	26,101,348	47	18,320,726	42
OPERATING EXPENSES (Notes 23 and 26)				
Selling and marketing expenses	600,724	1	326,495	1
General and administrative expenses	4,415,469	8	3,235,360	7
Research and development expenses	1,060,230	2	843,210	2
Total operating expenses	6,076,423	11	4,405,065	10
PROFIT FROM OPERATIONS	20,024,925	36	13,915,661	32
NON-OPERATING INCOME AND EXPENSES				
Interest income	825,643	1	658,600	2
Other income (Note 26)	1,472,203	3	641,222	2
Foreign exchange gain, net (Notes 4 and 26)	1,174,355	2	2,435,378	6
Other gains and losses (Note 26)	209,763	-	113,021	-
Interest Expense (Note 26)	(164,208)	-	(291,413)	(1)
Share of profit of associates	1,922	-	55,806	-
Total non-operating income and expenses	3,519,678	6	3,612,614	9
PROFIT BEFORE INCOME TAX	23,544,603	42	17,528,275	41
INCOME TAX EXPENSE (Notes 4 and 27)	5,656,846	10	3,711,155	9
NET PROFIT	17,887,757	32	13,817,120	32
OTHER COMPREHENSIVE INCOME (LOSS)				
Exchange differences on translating foreign operations	4,788,697	9	2,788,824	6
Unrealized loss on available-for-sale financial assets	(14,077)	-	(36,667)	-
Actuarial gain and loss arising from defined benefit plans	(3,332)	-	2,533	-
Share of the other comprehensive income of associates	11,211	-	6,634	-
Income tax relating to components of other comprehensive income (loss)	567	-	(460)	-

(Continued)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	2014		2013	
	Amount	**%**	**Amount**	**%**
Other comprehensive income for the year, net of income tax	$ 4,783,066	9	$ 2,760,864	6
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 22,670,823	41	$ 16,577,984	38
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 17,877,167		$ 13,801,184	
Non - controlling interests	10,590		15,936	
	$ 17,887,757		$ 13,817,120	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 22,649,946		$ 16,553,748	
Non - controlling interests	20,877		24,236	
	$ 22,670,823		$ 16,577,984	
EARNINGS PER SHARE (Note 28)				
Basic	$ 23.52		$ 18.38	
Diluted	$ 23.21		$ 17.91	

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

(With Deloitte & Touche audit report dated March 19, 2015) (Concluded)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owner of the Company									
			Retained Earnings			Other Equity				
	Capital Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Total	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2013	$ 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 distributed by the Company - 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 Profit 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 by 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
Appropriation of the 2013 earnings :										
Legal reserve	-	-	1,380,119	-	(1,380,119)	-	-	-	-	-
Cash dividends distributed by the Company - 60%	-	-	-	-	(3,760,265)	-	-	(3,760,265)	-	(3,760,265)
Change in capital surplus from investments in associates accounted for by using equity method	-	2,739	-	-	-	-	-	2,739	-	2,739
Net profit for the year ended December 31,2014	-	-	-	-	17,877,167	-	-	17,877,167	10,590	17,887,757
Other comprehensive income (loss) for the year ended December 31,2014, net of income tax	-	-	-	-	(2,765)	4,789,621	(14,077)	4,772,779	10,287	4,783,066
Total comprehensive income (loss) for the year ended December 31,2014	-	-	-	-	17,874,402	4,789,621	(14,077)	22,649,946	20,877	22,670,823
Convertible bonds converted to ordinary shares	196,880	3,317,174	-	-	-	-	-	3,514,054	-	3,514,054
Disposal of investments accounted for by using equity method	-	(18,298)	-	-	-	-	-	(18,298)	-	(18,298)
BALANCE, DECEMBER 31, 2014	$ 7,703,911	$ 20,276,071	$ 6,921,593	$ 2,377,902	$ 53,031,409	$ 5,586,777	$ -	$ 95,897,663	$ 191,496	$ 96,089,159

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

(With Deloitte & Touche audit report dated March 19, 2015)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 23,544,603	$ 17,528,275
Adjustments for:		
Depreciation expenses	6,007,119	5,178,520
Amortization expenses	59,765	46,691
Reversal of impairment loss on accounts receivable	(4,311)	-
Net gain on fair value change of financial assets and liabilities designated as at fair value through profit or loss	(4,846)	(600)
Interest expenses	164,208	291,413
Interest income	(825,643)	(658,600)
Dividend income	38,500	37,341
Shae of profit of associates	(1,922)	(55,806)
(Gain) loss on disposal of property, plant and equipment	102,637	(10,547)
Gain on disposal of investment	(210,566)	(78,015)
Write-down of inventories	326,347	-
Impairment loss of non-financial assets	310,809	-
Unrealized loss (gain) on foreign currency exchange	(878,601)	2,001,582
Loss on redeeming bonds payable	-	2,504
Changes in operating assets and liabilities		
Financial assets held for trading	20,585	(17,000)
Notes receivable	560	(530)
Accounts receivable	(3,320,318)	(2,254,617)
Other receivable	(219,965)	(95,998)
Inventories	(2,053,944)	(1,424,079)
Other current assets	(3,155,646)	1,144,525
Financial liabilities held for trading	-	(21,758)
Notes payable	(110,256)	(58,039)
Accounts payable	1,837,479	1,267,148
Accounts payable - related parties	(278,221)	228,959
Other payables	1,319,795	740,163
Other current liabilities	1,615,917	28,210
Accrued pension liabilities	-	152
Other non-current liabilities	8,452,271	-
Cash generated from operations	32,736,356	23,819,894
Income tax paid	(5,753,053)	(3,704,288)
Net cash generated from operating activities	26,983,303	20,115,606
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)
Proceeds from disposal of available-for-sale financial assets	50,000	1,037,551
Decrease (Increase) in purchase of debt investments with no active market	3,205,272	(2,796,751)

(Continued)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	2014	2013
Acquisition of investments accounted for using equity method	$ -	$ (2,010)
Proceeds from disposal of investments accounted for using equity method	359,985	79,172
Proceeds from the capital reduction of investments accounted for using equity method	36,000	-
Acquisition of property, plant and equipment	(20,211,875)	(9,629,360)
Proceeds from disposal of property, plant and equipment	82,412	26,532
Increase in refundable deposits	(52,834)	(4,157)
Decrease in refundable deposits	50,848	18,431
Acquisition of intangible assets	(92,197)	(47,446)
Proceeds from disposal of intangible assets	19,822	-
Increase in other non-current assets	-	(851)
Increase in prepayments for lease	(298,812)	(63,918)
Decrease in prepayments for lease	54,020	-
Interest received	917,181	706,164
Net cash used in investing activities	(15,880,178)	(10,728,198)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	41,937,500	59,599,342
Decrease in short-term borrowings	(42,667,807)	(68,535,659)
Repayments of bonds	-	(50,854)
Proceeds from long-term borrowings	-	2,178,364
Repayments of long-term borrowings	(1,000,000)	(4,927,490)
Increase in guarantee deposits received	891,678	136,705
Decrease in guarantee deposits received	(744,225)	(200,740)
Cash dividends	(3,760,265)	(4,504,219)
Interest paid	(135,831)	(248,895)
Decrease in non-controlling interests	-	(32,373)
Net cash used in financing activities	(5,478,950)	(16,585,819)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	3,116,553	1,177,238
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,740,728	(6,021,173)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	39,378,362	45,399,535
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ 48,119,090	$ 39,378,362

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

(With Deloitte & Touche audit report dated March 19, 2015) (Concluded)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

The Company issued unsecured convertible bonds which are traded on the Taiwan GreTai Securities Market since April 2011. Since all the unsecured convertible bonds issued in 2011 had been converted into common stocks, those unsecured convertible bonds were stopped being traded on the Taiwan GreTai Securities Market in November 2014.

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

The consolidated financial statements are presented in the Company's functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on March 19, 2015.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. The amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC not yet effective

   Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC on April 3, 2014, stipulated that the Group should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

The New IFRSs included in the 2013 IFRSs version not yet endorsed by the FSC	Effective Date Announced by IASB (Note)
Improvements to IFRSs (2009) - amendment to IAS 39	January 1, 2009 and January 1, 2010, as appropriate
Amendment to IAS 39 "Embedded Derivatives"	Effective for annual periods ending on or after June 30, 2009
Improvements to IFRSs (2010)	July 1, 2010 and January 1, 2011, as appropriate
Annual Improvements to IFRSs 2009-2011 Cycle	January 1, 2013
Amendment to IFRS 7 "Disclosure - Offsetting Financial Assets and Financial Liabilities"	January 1, 2013
Amendment to IFRS 7 "Disclosure - Transfer of Financial Assets"	July 1, 2011
IFRS 10 "Consolidated Financial Statements"	January 1, 2013
IFRS 11 "Joint Arrangements"	January 1, 2013
IFRS 12 "Disclosure of Interests in Other Entities"	January 1, 2013
Amendments to IFRS 10, IFRS 11 and IFRS 12 "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance"	January 1, 2013
Amendments to IFRS 10 and IFRS 12 and IAS 27 "Investment Entities"	January 1, 2014
IFRS 13 "Fair Value Measurement"	January 1, 2013
Amendment to IAS 1 "Presentation of Other Comprehensive Income"	July 1, 2012
Amendment to IAS 12 "Deferred tax: Recovery of Underlying Assets"	January 1, 2012
IAS 19 (Revised 2011) "Employee Benefits"	January 1, 2013
IAS 28 (Revised 2011) "Investments in Associates and Joint Ventures"	January 1, 2013
Amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities"	January 1, 2014
IFRIC 20 "Stripping Costs in Production Phase of a Surface Mine"	January 1, 2013

Note : Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after the respective effective dates.

Except for the following, whenever applied, the initial application of the above 2013 IFRSs version and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers would not have any material impact on the Group's accounting policies:

1) IFRS 10 "Consolidated Financial Statements"

   IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation - Special Purpose Entities". The Group considers whether it has control over other entities for consolidation. The Group has control over an investee if and only if it has i) power over the investee; ii) exposure, or rights, to variable returns from its involvement with the investee and iii) the ability to use its power over the investee to affect the amount of its returns. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

2) IFRS 12 “Disclosure of Interests in Other Entities”

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than in the current standards.

3) Revision to IAS 28 “Investments in Associates and Joint Ventures”

Revised IAS 28 requires when a portion of an investment in an associate meets the criteria to be classified as held for sale, that portion is classified as held for sale. Any retained portion that has not been classified as held for sale is accounted for using the equity method. Under current IAS 28, when a portion of an investment in associates meets the criteria to be classified as held for sale, the entire investment is classified as held for sale and ceases to apply the equity method.

4) IFRS 13 “Fair Value Measurement”

IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only will be extended by IFRS 13 to cover all assets and liabilities within its scope.
The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015.

5) Amendments to IAS 1 “Presentation of Items of Other Comprehensive Income”

The amendments to IAS 1 requires items of other comprehensive income to be grouped into those items that (1) will not be reclassified subsequently to profit or loss; and (2) may be reclassified subsequently to profit or loss. Income taxes on related items of other comprehensive income are grouped on the same basis. Under current IAS 1, there were no such requirements.

The Group will retrospectively apply the above amendments starting from 2015. Items not expected to be reclassified to profit or loss are remeasurements of the defined benefit plans. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gains (loss) on available-for-sale financial assets, cash flow hedges, and share of the other comprehensive income (except the share of the remeasurements of the defined benefit plans) of accounted for using the equity method. However, the application of the above amendments will not result in any impact on the net profit for the year, other comprehensive income for the year (net of income tax), and total comprehensive income for the year.

6) Amendments to IFRS 7 “Disclosure - Offsetting Financial Assets and Financial Liabilities”

The amendments to IFRS 7 require disclosure of information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under enforceable master netting arrangements and similar arrangements.

7) Amendments to IAS 32 “Offsetting Financial Assets and Financial Liabilities”

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realization and settlement”.

8) Annual Improvements to IFRSs: 2009-2011 Cycle

Several standards including IFRS 1 "First-time Adoption of International Financial Reporting Standards", IAS 1 "Presentation of Financial Statements", IAS 16 "Property, Plant and Equipment", IAS 32 "Financial Instruments: Presentation" and IAS 34 "Interim Financial Reporting" were amended in this annual improvement.

The amendments to IAS 1 clarify that an entity is required to present a balance sheet as at the beginning of the preceding period when a) it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassifies items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the balance sheet at the beginning of the preceding period. The amendments also clarify that related notes are not required to accompany the balance sheet at the beginning of the preceding period.

The amendments to IAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be recognized in accordance with IAS 16 when they meet the definition of property, plant and equipment and otherwise as inventory.

The amendments to IAS 32 clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 "Income Taxes".

The amendments to IAS 34 clarify that a measure of total liabilities for a reportable segment would be disclosed in interim financial reporting when such amounts are regularly provided to the chief operating decision maker of the Group and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 IFRSs version in 2015 is expected to have material effect on the consolidated balance sheet as of January 1, 2014. In preparing the consolidated financial statements for the year ended December 31, 2015, the Group would present the consolidated balance sheet as of January 1, 2014 in accordance of the above amendments to IAS 1 and disclose related information in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", but not required to make disclosures about the line items of the balance sheet as of January 1, 2014.

9) Recognition and measurement of financial liabilities designated as at fair value through profit or loss

In accordance with the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, for financial liabilities designated as at fair value through profit or loss, the amount of change in the fair value attributable to changes in the credit risk of that liability is presented in other comprehensive income and the remaining amount of change in the fair value of that liability is presented in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. If the above accounting treatment would create or enlarge an accounting mismatch, all gains or losses on that liability are presented in profit or loss.

b. New IFRSs in issue but not yet endorsed by the FSC

The Group has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC. As of the date the consolidated financial statements were authorized for issue, the FSC has not announced their effective dates.

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 4)
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2017
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The amendment to IFRS 2 applies to share-based payment transactions with grant date on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition date on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: Prospectively applicable to transactions occurring in annual periods beginning on or after January 1, 2016.

Note 4: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

The initial application of the above New IFRSs, whenever applied, would not have any material impact on the Group's accounting policies, except for the following:

1) IFRS 9 "Financial Instruments"

   Recognition and measurement of financial assets

   With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Group's debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;

b) For debt instruments, if they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for above, all other financial assets are measured at fair value through profit or loss. However, the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

<u>The impairment of financial assets</u>

IFRS 9 requires that impairment loss on financial assets is recognized by using the "Expected Credit Losses Model". The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 "Revenue from Contracts with Customers", certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Group takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

2) Amendment to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

In issuing IFRS 13 "Fair Value Measurement", the IASB made consequential amendment to the disclosure requirements in IAS 36 "Impairment of Assets", introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that such disclosure of recoverable amounts is required only when an impairment loss has been recognized or reversed during the period. Furthermore, the Group is required to disclose the discount rate used in measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

3) Annual Improvements to IFRSs: 2010-2012 Cycle

Several standards including IFRS 8 “Operating Segments” were amended in this annual improvement.

The amended IFRS 8 requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have “similar economic characteristics”. The amendment also clarifies that a reconciliation of the total of the reportable segments’ assets to the entity’s assets should only be provided if the segments’ assets are regularly provided to the chief operating decision-maker.

IFRS 13 was amended to clarify that the issuance of IFRS 13 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of not discounting is immaterial.

IAS 24 was amended to clarify that a management entity providing key management personnel services to the Group is a related party of the Group. Consequently, the Group is required to disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

4) Annual Improvements to IFRSs: 2011-2013 Cycle

Several standards, including IFRS 3, IFRS 13 and IAS 40 “Investment Property”, were amended in this annual improvement.

The scope in IFRS 13 of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis was amended to clarify that it includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

5) IFRS 15 “Revenue from Contracts with Customers”

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersedes IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations from January 1, 2017.

When applying IFRS 15, an entity shall recognize revenue by applying the following steps:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognize revenue when the entity satisfies a performance obligation.

When IFRS 15 is effective, an entity may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this Standard recognized at the date of initial application.

6) Annual Improvements to IFRSs: 2012-2014 Cycle

Several standards including IFRS 5 “Non-current assets held for sale and discontinued operations”, and IFRS 7 were amended in this annual improvement.

IFRS 5 was amended to clarify that reclassification between non-current assets (or disposal group) "held for sale" and non-current assets "held for distribution to owners" does not constitute a change to a plan of sale or distribution. Therefore, previous accounting treatment is not reversed. The amendment also explains that assets that no longer meet the criteria for "held for distribution to owners" and do not meet the criteria for "held for sale" should be treated in the same way as assets that cease to be classified as held for sale.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset.

7) Amendment to IAS 1 "Disclosure Initiative"

The amendment clarifies that the consolidated financial statements should be prepared for the purpose of disclosing material information. To improve the understandability of its consolidated financial statements, the Group should disaggregate the disclosure of material items into their different natures or functions, and disaggregate material information from immaterial information.

The amendment further clarifies that the Group should consider the understandability and comparability of its consolidated financial statements to determine a systematic order in presenting its footnotes.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within twelve months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to

refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

1) Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Attribution of total comprehensive income to non-controlling interests

Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2) Subsidiary included in consolidated financial statements

			% of Ownership December 31		
Investor	**Investee**	**Main Business**	**2014**	**2013**	**Remark**
Catcher Technology Co., Ltd.	Nanomag International Co., Ltd.	Investing activities	100	100	
	Gigamag Co., Ltd.	Investing activities	100	100	
	Amity Capital Inc.	Investing activities	100	100	
	I-Catcher Optoelectronics Corp.	Manufacturing and selling molds and electronic parts	100	100	
Nanomag International Co., Ltd.	Castmate International Co., Ltd.	Investing activities	100	100	
	Gemini International Co., Ltd.	Investing activities	-	100	(a)
	Stella International Co., Ltd.	Investing activities	100	100	
	Uranus International Co., Ltd.	Investing activities	100	100	
	Artery Co., Ltd.	Investing activities	100	100	
	Aquila International Co., Ltd.	Investing activities	75	75	
	Grus International Co., Ltd.	Investing activities	100	100	
	Norma International Co, Ltd.	Investing activities	100	-	(b)
Castmate International Co., Ltd.	Cygnus International Co., Ltd.	Investing activities	100	100	
Cygnus International Co., Ltd.	Catcher Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	
	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	

(Continued)

Investor	Investee	Main Business	% of Ownership December 31 2014	2013	Remark
Stella International Co., Ltd.	Lyra International Co., Ltd.	Investing activities	100	100	
Lyra International Co., Ltd.	Topo Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	
	Topo Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	
Uranus International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	
	Vito Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	
Artery Co., Ltd.	Catcher Technology Phils Inc.	Manufacturing, selling and developing varied metal products	-	100	(c)
Aquila International Co., Ltd.	Cepheus International Co., Ltd.	Investing activities	100	100	
Cepheus International Co., Ltd.	Aquila Technology (Suzhou) Co., Ltd.	Manufacturing and selling molds and electronic parts	100	100	
Norma International Co. Ltd.	Arcadia Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	-	(d)
Grus International Co., Ltd.	Sagitta International Co., Ltd.	Investing activities	95	95	
Gigamag Co., Ltd.	Hoppi Co., Ltd.	International trade	100	100	
	Avatar Co., Ltd.	International trade	100	100	
	Leo Co., Ltd.	International trade	100	100	
	Orion Co., Ltd.	International trade	100	100	

(Concluded)

a) Gemini International Co., Ltd. was liquidated and dissolved in September 2014.

b) Nanomag International Co., Ltd. incorporated Norma International Co., Ltd. (a 100% owned subsidiary) in September 2014 in Hong Kong.

c) Catcher Technology Phils Inc. was liquidated and dissolved in December 2014.

d) Norma International Co., Ltd. incorporated Arcadia Technology (Suqian) Co., Ltd. (a 100% owned subsidiary) in October 2014 in China.

e. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including of the subsidiaries and associates in other countries' currencies used different with the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

f. Inventories

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

g. Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of equity of associates.

When the Group subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which it ceases to have significant influence. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group' consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

Any gain or loss arising on derecognition of the property is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the property is derecognized.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2) Derecognition of intangible assets

Gains or losses arising from derecognition of an intangible asset, which are measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

k. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Recognition of depreciation of those assets would cease.

m. Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a settlement date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss, available-for-sale financial assets, and loans and receivables.

i. Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset may be designated as at fair value through profit or loss upon initial recognition if:

i) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

ii) The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

iii) The contract contains one or more embedded derivatives so that the entire hybrid (combined) contract can be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset.

ii Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of or is determined to be impaired.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established.

iii Loans and receivables

Loans and receivables (including accounts receivables, cash and cash equivalents, and debt investment with no active market trade and others) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalent includes time deposits with original maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as accounts receivable, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counterparty; breach of contract, such as a default or delinquency in interest or principal payments; it becoming probable that the borrower will enter bankruptcy or financial re-organization; the disappearance of an active market for that financial asset because of financial difficulties.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available-for-sale debt securities, the impairment loss is subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of account receivables where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible account receivables that are written off again the allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income in equity is recognized in profit or loss.

2) Equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except for the financial liabilities at fair value through profit or loss, all the financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid , including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The component parts of compound instruments (convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to capital surplus - share premium. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premium.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

n. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Sales returns are recognized at the time of sale provided the seller can reliably estimate future returns and recognizes a liability for returns based on previous experience and other relevant factors.

1) Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

a) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

b) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c) The amount of revenue can be measured reliably;

d) It is probable that the economic benefits associated with the transaction will flow to the Group; and

e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of risks and rewards of materials ownership.

2) Dividend and interest income

Dividend income from investments is recognized when the shareholder’s right to receive payment has been established provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

o. Leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1) The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortized on a straight-line basis over the lease term. Contingent rents arising under operating leases are recognized as income in the period in which they are incurred.

2) The Group as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term. Contingent rents arising under operating leases are recognized as an expense in the period in which they are incurred.

3) Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element as finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group. The minimum lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

If the allocation of the lease payments can be made reliably, lease interest of land under operating leases is amortized over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

p. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as a deduction from the carrying amount of the relevant asset and recognized in profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

r. Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method. All actuarial gains and losses on the defined benefit obligation are recognized immediately in other comprehensive income. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the consolidated balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the unrecognized past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Curtailment or settlement gains or losses on the defined benefit plan are recognized when the curtailment or settlement occurs.

s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

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

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Estimated impairment of account receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Useful lives of property, plant and equipment

As described in Note 4, the Group reviews the estimated useful lives of property, plant and equipment and investment properties at each balance sheet date. The useful lives of property, plant and equipment and investment properties are determined on the basis of the expected usage of the asset, the expected physical wear and tear, technical or commercial obsolescence, and legal or similar limits on the use of the asset, which may result in significant adjustments.

Income taxes

As of December 31,2014 and 2013, the Company’s management resolved that the unappropriated retained earnings of overseas subsidiaries as of December 31, 2014 will be used for permanent investment to support subsidiaries’ operating fund; this was approved by the board of directors on March 19, 2015. Therefore, no deferred income tax liabilities were recognized on the subsidiaries’ unappropriated earnings. If the retained earnings of overseas subsidiaries will be appropriated in the future, a material recognition of deferred tax liability may arise, which would be recognized in profit or loss for the period in which such appropriation takes place.

6. CASH AND CASH EQUIVALENTS

	December 31 2014	December 31 2013
Cash on hand	$ 6,101	$ 6,728
Savings accounts in the banks	6,030,793	5,402,285
Cash equivalent (investments with original maturities less than three months)		
Time deposits	41,368,881	33,307,068
Repurchase agreements	713,315	662,281
	$ 48,119,090	$ 39,378,362

The range of interest rates of time deposit and repurchase agreements were as follows:

	December 31 2014	December 31 2013
Time deposit	0.01% - 4.20%	0.07% - 4.13%
Repurchase agreements	1.30% - 1.50%	1.30% - 1.50%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS－December 31, 2013

Financial assets at FVTPL- current

Financial assets designated as at FVTPL	
Convertible bonds	$ 20,640
Financial assets held for trading	
Derivative financial assets (not under hedge accounting)	
Put and call option for convertible bonds	1,447
	$ 22,087

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS－CURRENT－December 31, 2013

Listed convertible bonds	$ 49,975

9. DEBT INVESTMENTS WITH NO ACTIVE MARKET－CURRENT

	December 31 2014	December 31 2013
Time deposits with original maturity more than 3 months	$ 18,103	$ 3,192,697
The range of interest rates	2.80%~3.30%	0.85%~3.30%

10. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31	
	2014	2013
Notes receivable		
Notes receivable - operating	$ -	$ 560
Accounts receivable		
Accounts receivable - operating	$ 21,036,305	$ 17,518,034
Less: Allowance for impairment loss	9,008	13,243
	$ 21,027,297	$ 17,504,791

The average credit period on sales of goods was 30 to 180 days. The allowance for impairment loss was based on estimated irrecoverable amounts individually determined by reference to an analysis of their current financial position.

For the accounts receivable balances that were past due at the end of the reporting period, the Group did not recognize an allowance for impairment loss, because there was not a significant change in credit quality and the amounts were still considered recoverable. The Group did not hold any collateral or other credit enhancements for these balances.

The aging schedule which based on the invoice date of receivables that were past due but not impaired was as follows:

	December 31	
	2014	2013
121 to 150 days	$ -	$ 63
151 to 180 days	-	77,728
181 to 240 days	57,635	2,244
More than 241 days	22,772	10,657
	$ 80,407	$ 90,692

The movements of in the allowance for impairment loss recognized on accounts receivable were as follows:

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2013	$ 12,980	$ -	$ 12,980
Foreign exchange translation gains and losses	263	-	263
Balance at December 31, 2013	$ 13,243	$ -	$ 13,243
Balance at January 1, 2014	$ 13,243	$ -	$ 13,243
Less: Impairment losses reversed	(4,311)	-	(4,311)
Foreign exchange translation gains and losses	76	-	76
Balance at December 31, 2014	$ 9,008	$ -	$ 9,008

11. INVENTORIES

	December 31	
	2014	2013
Merchandise	$ 12,846	$ 44,834
Finished goods	2,054,366	1,789,684
Work in process and semi-finished goods	2,596,530	1,337,452
Raw materials and supplies	936,726	701,203
	$ 5,600,468	$ 3,873,173

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2014 and 2013 was NT$28,784,350 thousand and NT$24,927,960 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the year ended December 31, 2014 included inventory write-downs of NT$326,347 thousand.

12. NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE－December 31, 2014

The major classes of assets and liabilities classified as held for sale are disclosed as follows:

Property, plant and equipment held for sale	
Land use right and Buildings	$ 620,690
Miscellaneous equipment	13,495
	$ 634,185

On November 28, 2014, the Group signed an agreement with the buyer of land use right and buildings; the transfer of land use right and buildings is expected to be completed within 3 months. The Group is actively seeking a buyer of miscellaneous equipment and expects to complete the sale within 12 months. The sales proceeds substantially exceed the carrying amount of the related net assets and, accordingly, no impairment loss was recognized on the reclassification of these assets as held for sale.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
Investments in associates	2014	2013
Listed companies		
Epileds Technology Inc. (“Epileds”)	$ 150,516	$ 142,973
Sinher Technology Co., Ltd. (“Sinher”)	401,924	524,881
Unlisted companies		
Chaohu Yunhai Magnesium Co., Ltd. (“Chaohu Yunhai”)	983,285	999,897
Kon-Cheng Accuracy Co., Ltd. (Kon-Cheng)	13,607	60,852
Yue-Kang Heath Control Technology Inc. (“Yue-Kang”)	(4,135)	2,080
	$ 1,545,197	$ 1,730,683

As the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group were as follows:

	December 31	
	2014	2013
Epileds	7.3%	7.3%
Sinher	15.1%	22.8%
Chaohu Yunhai	49%	49%
Kon-Cheng	40%	40%
Yue-Kang	40%	40%

The Group can exercise significant influence over Epileds because the chairman of the Group was elected as the chairman of Epileds and the Company appointed two out of the seven directors of that company.

In May 2013, the Company subscribed for newly issued shares of Sinher at a percentage different from its pre-subscription percentage of ownership and also disposed of some stocks of Sinher. Therefore, the ownership decreased to 24.3% and the Company credited to capital surplus the amount of NT$55,574 thousand. Besides, the Company disposed of some stocks of Epileds during 2014; thus, the ownership decreased to 15.1%. The Group can exercise significant influence over Sinher because the Company appointed two out of the seven directors of Sinher. Due to the disposal of shares, capital surplus for the years ended December 31, 2014 and 2013 increased by NT$18,298 thousand and NT$4,504 thousand, and gain on disposal of investment was NT$196,233 thousand and NT$41,531 thousand, respectively.

Fair values of investments in associates for which there are published price quotation are summarized as follows, based on the closing price of those investments at the balance sheet date.

	December 31	
	2014	2013
Epileds	$ 154,290	$ 175,964
Sinher	$ 678,329	$ 1,010,597

The summarized financial information in respect of the Group’s associates is set out as below:

	December 31	
	2014	2013
Total assets	$ 10,140,988	$ 10,209,878
Total liabilities	$ 3,398,293	$ 3,749,007

	For the Year Ended December 31	
	2014	2013
Revenue	$ 5,672,018	$ 5,088,273
Profit for the year	$ 426,072	$ 352,006
Other comprehensive income	$ 69,156	$ 23,394

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2014 and 2013 was based on the associates’ financial statements audited by auditors for the same years.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and equipment	Transportation equipment	Furniture and fixtures	Miscellaneous equipment	Leasehold improvement	Construction in progress and equipment to be inspected	Total
Cost									
Balance at January 1, 2013	$ 2,179,324	$ 7,826,304	$ 28,604,725	$ 75,976	$ 918,890	$ 718,595	$ 8,784	$ 1,724,643	$ 42,057,241
Additions	-	361,917	3,328,997	8,516	411,825	172,047	289	2,848,627	7,132,218
Disposals	-	(268,645)	(55,947)	(8,136)	(23,662)	(46,121)	-	-	(402,511)
Reclassification	-	1,736,120	2,101,645	-	-	27,856	-	(1,744,764)	2,120,857
Effect of foreign currency exchange differences	-	252,529	319,220	3,698	55,220	23,237	514	111,126	765,544
Balance at December 31, 2013	$ 2,179,324	$ 9,908,225	$ 34,298,640	$ 80,054	$ 1,362,273	$ 895,614	$ 9,587	$ 2,939,632	$ 51,673,349
Accumulated depreciation									
Balance at January 1, 2013	$ -	$ 2,048,734	$ 8,223,170	$ 46,449	$ 516,057	$ 400,757	$ 7,217	$ -	$ 11,242,384
Disposals	-	(268,295)	(41,105)	(7,565)	(23,440)	(46,121)	-	-	(386,526)
Depreciation	-	669,081	4,158,380	9,508	161,501	173,887	545	-	5,172,902
Effect of foreign currency exchange differences	-	119,626	577,776	2,020	29,800	11,798	429	-	741,449
Balance at December 31, 2013	$ -	$ 2,569,146	$ 12,918,221	$ 50,412	$ 683,918	$ 540,321	$ 8,191	$ -	$ 16,770,209
Carrying amounts at December 31, 2013	$ 2,179,324	$ 7,339,079	$ 21,380,419	$ 29,642	$ 678,355	$ 355,293	$ 1,396	$ 2,939,632	$ 34,903,140
Cost									
Balance at January 1, 2014	$ 2,179,324	$ 9,908,225	$ 34,298,640	$ 80,054	$ 1,362,273	$ 895,614	$ 9,587	$ 2,939,632	$ 51,673,349
Additions	-	866,860	11,586,545	18,497	541,735	301,825	1,086	1,751,142	15,067,690
Disposals	-	(228,248)	(385,521)	(11,577)	(101,388)	(263,053)	-	-	(989,787)
Reclassified as held for sale	-	(1,083,065)	(232,559)	-	(13,609)	-	-	-	(1,329,233)
Reclassification	-	2,926,849	442,233	1,812	8,770	4,421	-	(2,929,352)	454,733
Effect of foreign currency exchange differences	-	697,587	2,029,511	4,347	86,839	30,142	622	79,143	2,928,191
Balance at December 31, 2014	$ 2,179,324	$ 13,088,208	$ 47,738,849	$ 93,133	$ 1,884,620	$ 968,949	$ 11,295	$ 1,840,565	$ 67,804,943
Accumulated depreciation									
Balance at January 1, 2014	$ -	$ 2,569,146	$ 12,918,221	$ 50,412	$ 683,918	$ 540,321	$ 8,191	$ -	$ 16,770,209
Depreciation	-	793,635	4,807,770	11,251	204,485	183,705	628	-	6,001,474
Impairment losses recognized in profit or loss	-	-	239,761	-	56	70,992	-	-	310,809
Disposals	-	(189,876)	(322,510)	(7,901)	(78,987)	(205,464)	-	-	(804,738)
Reclassified as held for sale	-	(554,566)	(220,256)	-	(12,416)	-	-	-	(787,238)
Reclassification	-	-	-	-	(334)	334	-	-	-
Effect of foreign currency exchange differences	-	165,958	687,750	2,241	39,054	13,491	507	-	909,001
Balance at December 31, 2014	$ -	$ 2,784,297	$ 18,110,736	$ 56,003	$ 835,776	$ 603,379	$ 9,326	$ -	$ 22,399,517
Carrying amounts at December 31, 2014	$ 2,179,324	$ 10,303,911	$ 29,628,113	$ 37,130	$ 1,048,844	$ 365,570	$ 1,969	$ 1,840,565	$ 45,405,426

The above items of property, plant and equipment were depreciated on a straight-line basis over the estimated useful life of the asset:

Building	
Main building	20-50 years
Mechanical and electrical power equipment	5 years
Engineering systems	2-5 years
Machinery and equipment	2-10 years
Transportation equipment	5 years
Furniture and fixtures	2- 10 years
Miscellaneous equipment	2-15 years
Leasehold improvements	4-5 years

For the year ended December 31, 2014, the Company estimated future cash flows expected to arise from the use of equipment to be lower than past estimate. The Group carried out a review of the recoverable amount of the equipment and determined that the carrying amount exceeded the recoverable amount. The review led to the recognition of an impairment loss of $310,809 thousand, which was recognized as operating cost.

Refer to Note 34 for the carrying amount of property, plant and equipment pledged by the Group to secure bank loans granted to the Group.

15. INVESTMENT PROPERTIES

	Land	Buildings	Total
Cost			
Balance at January 1, 2013, and December 31, 2013	$ 203,363	$ 155,225	$ 358,588
Accumulated depreciation			
Balance at January 1, 2013	$ -	$ 93,139	$ 93,139
Depreciation expense	-	5,618	5,618
Balance at December 31, 2013	$ -	$ 98,757	$ 98,757
Carrying amounts at December 31, 2013	$ 203,363	$ 56,468	$ 259,831
Cost			
Balance at January 1, 2014	$ 203,363	$ 155,225	$ 358,588
Additions	-	820	820
Balance at December 31, 2014	$ 203,363	$ 156,045	$ 359,408
Accumulated depreciation			
Balance at January 1, 2014	$ -	$ 98,757	$ 98,757
Depreciation expense	-	5,645	5,645
Balance at December 31, 2014	$ -	$ 104,402	$ 104,402
Carrying amounts at December 31, 2014	$ 203,363	$ 51,643	$ 255,006

The investment properties held by the Group were depreciated over their estimated useful lives, using the straight-line method:

Main buildings	25-35 years
Elevators	15 years
Heat radiation system	5 years

The fair value of the Company's investment properties as of January 1, 2013 was $413,462 thousand. The fair value had been arrived at on the basis of a valuation carried out at that date by CCIS Real Estate Appraisers Firm, independent qualified professional values not connected to the Group. The fair value of land was measured using the sales comparison approach and income approach; the fair value of buildings was measured using the cost comparison approach. Since the valuation of land was measured by comparing with the market value in last year and there was no huge movement of rents and the usage of the buildings during this period, neither was the fair value of the investment properties.

Refer to Note 34 for the carrying amount of investment property pledged by the Group to secure bank loans granted to the Group.

16. OTHER INTANGIBLE ASSETS

	Computer software
Cost	
Balance at January 1, 2013	$ 209,466
Additions	47,446
Effect of foreign currency exchange differences	11,470
Balance at December 31, 2013	$ 268,382
Accumulated amortization	
Balance at January 1, 2013	$ 130,497
Amortization expense	28,361
Effect of foreign currency exchange differences	6,969
Balance at December 31, 2013	$ 165,827
Carrying amounts at December 31, 2013	$ 102,555
Cost	
Balance at January 1, 2014	$ 268,382
Additions	93,677
Disposals	(88,053)
Effect of foreign currency exchange differences	13,582
Balance at December 31, 2014	$ 287,588
Accumulated amortization	
Balance at January 1, 2014	$ 165,827
Amortization expense	37,385
Disposals	(68,231)
Effect of foreign currency exchange differences	6,238
Balance at December 31, 2014	$ 141,219
Carrying amounts at December 31, 2014	$ 146,369

The above items of other intangible assets were depreciated on a straight-line basis over the estimated useful life of 2 to 10 years.

17. PREPAYMENTS FOR LEASE OBLIGATIONS

	December 31	
	2014	2013
Current asset	$ 22,260	$ 17,812
Non-current asset	953,967	770,070
	$ 976,227	$ 787,882

In April 2000, the Company obtained the usage right of the land on which its buildings are situated under an agreement with Taiwan Sugar Corporation which will expire in 2050. The annual rental is 10% of the government appraised price of the land. The Company is required to pay for the land use right every twenty years, as determined by the government. As of December 31, 2014 and 2013, prepaid lease payments include land use right with carrying amount of NT$7,098 thousand and NT$6,847 thousand.

Catcher Suzhou, Topo Suzhou and Meeca Suzhou obtained the usage rights on the land on which their buildings stand under agreements with the Suzhou Industrial Park, Catcher Suqian and Vito Suqian obtained the usage rights on the land on which their buildings stand under agreements with the Suzhou Suqian Industrial Park , and Topo obtained the usage rights on the land on which their buildings stand under agreements with the Bureau of Land Resources Taizhou which will expire in succession before 2082. The rights were paid in the year the agreement was signed. On November 28, 2014,the Company signed an agreement with buyer the transfer of land use right and reclassified NT$92,190 thousand into non-current assets held for sale. As of December 31, 2014 and 2013, prepaid lease payments include land use right with carrying amount of NT$969,129 thousand and NT$781,035 thousand respectively, which are located in Mainland China.

18. OTHER ASSETS

	December 31	
	2014	2013
Current		
VAT retained	$ 3,473,076	$ 615,725
Prepayments to suppliers	243,794	58,977
Prepaid expenses	145,796	44,215
Office supplies	99,906	28,533
Refundable deposits	12,230	9,419
Others	78,731	139,754
	$ 4,053,533	$ 896,623
Non-current		
Prepaid equipment	$ 6,365,061	$ 862,517
Refundable deposits	8,276	8,058
Others	-	851
	$ 6,373,337	$ 871,426

19. BORROWINGS

a. Short-term borrowings

	December 31	
	2014	2013
Secured borrowings (Note 34)		
Bank secured loans	$ -	$ 2,682,450
Unsecured borrowings		
Bank unsecured loans	15,527,000	13,473,205
	$ 15,527,000	$ 16,155,655

Annual interest rate of short-term borrowings as follows:

	December 31	
	2014	2013
Bank secured loans	-	1.2% - 2.31%
Bank unsecured loans	0.950% - 0.999%	0.91% - 1.85%

b. Long-term borrowings－December 31, 2013

Secured borrowings (Note 34)

Bank mortgage loans	$ 1,000,000
Less: current portion	1,000,000
	$ -

Long-term borrowings of the Group including:

	Mature date	Repaying conditions	Annual interest rates	December 31, 2013
Floating-rates bank borrowings:				
Bank secured loans in NTD	April 2014	Repayable in April 2014	1.254%	$ 1,000,000

20. BONDS PAYABLE

	December 31, 2013
Second domestic unsecured bond	$ 3,492,625
Less: current portion	3,492,625
	$ -

Second Domestic Unsecured Bond

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

	December 31, 2013
Liability component	
Unsecured bonds payable	$ 3,617,100
Deduct: Discount of bonds payable (1.2% effective rate)	124,475
	$ 3,492,625
Financial assets (liabilities) held for trading: Call and put option	$ 1,447
Equity component	
Capital surplus - stock option of convertible bonds	$ 212,810

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

Periods restricted for conversion:

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

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

c. Other stipulated non-transferring periods.

After issuing the bonds, conversion prices should be adjusted if the Company increases capital by contributing cash, stock dividends, capital surplus, employees' bonus, consolidation or acquisition, stock split and issuing of GDR, etc., except stock issued from exercise of conversion option of bonds. The conversion price was adjusted to NT$181.27 per share because of cash dividends for 2011 to 2014.

The bondholders can request the Company to redeem at 101.5056% of par value (0.75% effective rate) and 102.2669% on April 27, 2013 (the day after two years from issuance date) and 2014 (the day after three years from issuance date), respectively. The bondholders can exercise put option within one year; therefore, the Company reclassified bonds payable as current liability as of December 31, 2013.

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

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

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

In accordance with IAS No. 32, the Company has bifurcated the bonds into a liability component and an equity component.

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

The Company recognized the related valuation gain of NT$4,846 thousand and NT$38,758 thousand as other gains and losses on consolidate statements of comprehensive income for the year ended December 31, 2014 and 2013, respectively.

In April 2013, the Company redeemed the bonds with face value NT$50,100 thousand, the amount of redemption was NT$ 50,854 and attribute to liability component. The difference between the face value and the redemption was NT$2,504 thousand as the loss on redemption (included in non-operating income and expenses- other gains and losses); meanwhile, the Company transferred the invalid stock option of NT$2,948 thousand from capital surplus- stock option of convertible bonds to additional paid- in capital from issuance of common shares).

As of December 31, 2014, bonds with aggregate face value of NT$4,449,900 thousand had been converted into the Company's common shares as follows:

	December 31, 2013	For the Year Ended December 31, 2014	December 31, 2014
The total amount of bonds converted	$ 832,800	$ 3,617,100	$ 4,449,900
Less: Common shares at conversion price	41,227	196,880	238,107
Premium on conversion	791,573	3,420,220	4,211,793
Add: Capital surplus - stock option of convertible bonds	48,998	212,810	261,808
Financial liabilities at FVTPL	3,097	-	3,097
Less: Discount of bonds payable	57,184	96,753	153,937
Financial assets at FVTPL	-	6,293	6,293
The portion of issued common stock recognized as capital surplus - bond conversion premium	$ 786,484	$ 3,529,984	$ 4,316,468

As of December 31, 2014, the above 23,811 thousand common shares were issued to the bondholders and recorded as common stock amounting to NT$238,107 thousand. The registration process of the above 2,967 thousand common shares with the government had not been completed.

21. NOTES PAYABLE AND ACCOUNTS PAYABLE

Both notes payable and accounts payable were resulted from operating.

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

22. OTHER LIABILITIES

	December 31	
	2014	2013
Current		
Other payables		
Payable for purchase of equipment	$ 800,940	$ 286,602
Salaries or bonus	3,194,371	2,195,191
Bonus to employees	160,892	160,255
Payable for annual leave	82,602	63,858
Payable for utilities	51,572	29,276
Payable for commission fee	209,177	33,668
Payable for benefits	100,558	5,737
Payable warranties	101,758	744
Payable for meal	75,817	56,695
Payable for labor and health insurance	26,002	24,659
Payable for shipping expenses and warehousing	31,468	38,409
Remuneration to director and supervisors	16,480	13,070
Payable for interest	5,993	8,176
Others	661,898	749,144
	$ 5,519,528	$ 3,665,484
Other liabilities		
Deferred revenue	$ 1,690,454	$ -
Guarantee deposits received	277,870	161,497
Others	76,148	151,463
	$ 2,044,472	$ 312,960
Non-Current		
Other liabilities		
Deferred revenue	$ 8,452,271	$ -
Guarantee deposits received	54,423	6,764
Others	778	-
	$ 8,507,472	$ 6,764

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The Company adopted the defined benefit plan under the Labor Standards Law, under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name.

The actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out by qualifying actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2014	**2013**
Discount rate	2.125%	2.000%
Expected return on plan assets	1.750%	2.000%
Expected rate of salary increase	2.375%	2.375%

Amounts recognized in profit or loss in respect of these defined benefit plans are as follows:

	For the Year Ended December 31	
	2014	**2013**
Current service cost	$ 1,893	$ 2,123
Interest cost	1,427	1,171
Expected return on plan assets	(1,428)	(1,307)
	$ 1,892	$ 1,987
An analysis by function		
Operating cost	$ 1,328	$ 1,326
Selling and marketing expenses	86	81
General and administration expenses	276	258
Research and development expenses	202	322
	$ 1,892	$ 1,987

Actuarial losses and gains recognized in other comprehensive income for the years ended December 31, 2014 and 2013 was NT$2,768 thousand and NT$2,244 thousand, respectively. The cumulative amount of actuarial losses recognized in other comprehensive income as of December 31, 2014 and 2013 was NT$14,009 thousand and NT$11,241 thousand, respectively.

The amount included in the consolidated balance sheet arising from the Group's obligation in respect of its defined benefit plans was as follows:

	December 31	
	2014	**2013**
Present value of funded defined benefit obligation	$ 65,425	$ 71,637
Fair value of plan assets	(61,237)	(70,783)
Net liability arising from defined benefit obligation	$ 4,188	$ 854

Movements in the present value of the defined benefit obligations were as follows:

	For the Year Ended December 31	
	2014	2013
Opening defined benefit obligation	$ 71,637	$ 72,059
Current service cost	1,893	2,123
Interest cost	1,427	1,171
Actuarial losses (gains)	3,548	(3,127)
Benefits paid	(13,080)	(589)
Closing defined benefit obligation	$ 65,425	$ 71,637

Movements in the fair value of the plan assets were as follows:

	For the Year Ended December 31	
	2014	2013
Opening fair value of plan assets	$ 70,783	$ 68,653
Expected return on plan assets	1,428	1,307
Gain (loss) on the plan assets	213	(424)
Contributions from the employer	1,893	1,836
Benefits paid	(13,080)	(589)
Closing fair value of plan assets	$ 61,237	$ 70,783

For the years ended December 31, 2014 and 2013, the actual returns on plan assets were NT$1,641 thousand and NT$883 thousand, respectively.

The major categories of plan assets at the end of the reporting period for each category were disclosed based on the information announced by Bureau of Labor Funds, Ministry of Labor:

	December 31	
	2014	2013
Self-utilization		
Deposits in financial institution	19	23
Short-term bills	12	8
Government, financial or corporate bonds and securitization products	12	9
Overseas investment	10	12
Others	2	5
Domestic delegated management	19	21
Overseas delegated management	26	22
	100	100

The Group chose to disclose the history of experience adjustments as the amounts determined for each accounting period prospectively from the date of transition to IFRSs (January 1, 2012):

	December 31, 2014	December 31, 2013	December 31, 2012	January1, 2012
Present value of defined benefit obligation	$ (65,425)	$ (71,637)	$ (72,059)	$ (55,665)
Fair value of plan assets	$ 61,237	$ 70,783	$ 68,653	$ 65,908
Surplus (Deficit)	$ (4,188)	$ (854)	$ (3,406)	$ 10,243
Experience adjustments on plan liabilities	$ (3,548)	$ 3,716	$ (15,077)	$ -
Experience adjustments on plan assets	$ 213	$ (1,273)	$ (315)	$ -

24. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2014	2013
Numbers of shares authorized (in thousands)	1,000,000	1,000,000
Shares authorized	$ 10,000,000	$ 10,000,000
Number of shares issued and fully paid (in thousands)	770,391	750,703
Shares issued	$ 7,703,911	$ 7,507,031

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

23,000 thousand shares of the Company's shares authorized was reserved for the issuance of employee share options.

2) Global depositary receipts

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

As of December 31, 2014 and 2013, the outstanding depositary receipts were 1,264 units and 1,747 units, equivalent to 6,322 ordinary shares and 8,736 ordinary shares, respectively.

b. Capital surplus

	December 31	
	2014	2013
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital		
Arising from issuance of common shares	$ 7,460,295	$ 7,460,295
Arising from conversion of bonds	12,775,052	9,245,068
May not be used for any purpose		
Arising from share warrants	-	212,810
Arising from share of changes in capital surplus of associates	40,724	56,283
	$ 20,276,071	$ 16,974,456

The capital surplus arising from shares issued in excess of par (including share premium from issuance of common shares and conversion of bonds) may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

The capital surplus arises from investments accounted for using equity method and stock options may not be used for any purpose.

c. Retained earnings and dividend policy

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

1) Offset against deficit, if any;

2) 10% of the remainder as legal reserve, until the accumulated amount equals the Company's paid-in capital;

3) Special reserve may be appropriated as required;

4) The remainder, no more than 1% as remuneration to directors; not less than 1% as bonus to employees. The remaining portion plus reversal of special reserve and the accumulated unappropriated earnings generated from prior years should be deemed as the distributable earnings, the distribution plan of which should be proposed by the Board of Directors and approved in the shareholders meeting. The Company may issue stock bonuses to employees of an affiliated company meeting the conditions set by the management and the balance shall be distributed to stockholders as proposed by the board of directors.

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

For the years ended December 31, 2014 and 2013, the bonus to employees was NT$160,892 thousand and NT$124,211 thousand representing 1% of net income (net of the bonus to employees and bonus to directors and supervisors). The bonus to directors and supervisors was NT$16,480 thousand and NT$13,070 thousand estimated based on the actual amounts of prior year appropriation. Material differences between such estimated amounts and the amounts proposed by the board of directors on or before the consolidated financial statements are authorized for issue are adjusted in the year the bonus and remuneration were recognized. If there is a change in the proposed amounts after the consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate. If a share bonus is resolved to be distributed to employees, the number of shares is determined by dividing the amount of the share bonus by the fair value of the shares. The fair value of the shares refer to the closing price (after considering the effect of cash and stock dividends) of the shares on the day immediately preceding the stockholders' meeting.

Under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Company should appropriate or reverse to a special reserve. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

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

The appropriations of earnings for 2013 and 2012 had been approved in the stockholders' meetings on June 12, 2014, and June 13, 2013, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share	
	2013	2012	2013	2012
Legal reserve	$ 1,380,119	$ 1,089,048		
Cash dividends	3,760,265	4,504,219	$ 5	$ 6

Bonuses to employees and the remuneration to directors and supervisors for 2013 and 2012 approved in the stockholders' meetings on June 12, 2014 and June 13, 2013, respectively, were as follows:

	For the Year Ended December 31			
	2013		2012	
	Cash	Stock	Cash	Stock
Bonus to employees	$ 124,211	$ -	$ 99,034	$ -
Remuneration to directors and supervisors	12,240	-	6,785	-

The appropriations of earnings for 2012 were proposed according to the Company's financial statements for the years ended December 31, 2012, which were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the Generally Accepted Accounting Standard in the Republic of China ("ROC GAAP"), and by reference to the balance sheet for the year ended December 31, 2012, which was prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (revised) and International Financial Reporting Standards.

There was no difference between the amounts of the bonus to employees and the remuneration to directors and supervisors approved in the stockholders' meetings in 2013 and the amounts recognized in the financial statements for the years ended December 31, 2012. There was no difference between the amounts of the bonus to employees approved in the shareholders' meetings in 2014 and the amounts recognized in the financial statements for the years ended December 31, 2013.The differences of

NT$830 thousand between the approved amounts of the remuneration to directors and supervisors and the accrued amounts reflected in the consolidated financial statements for the years ended December 31, 2013 was NT$13,070 thousand ; they was adjusted in profit and loss for the years ended December 31, 2014.

As of March 19, 2015, the board of directors had not proposed appropriations of earnings for 2014.

Information on the bonus to employees, directors and supervisors proposed by the Company's board of directors or approved by the stockholders' meeting is available on the Market Observation Post System website of the Taiwan Stock Exchange.

d. Special reserves

On first-time adoption of IFRS, the Company appropriated for special reserve, the amounts that were the same as the unrealized revaluation increment and cumulative translation differences transferred to retained earnings, which were NT$11,019 thousand and NT$2,366,883 thousand, respectively.

e. Others equity items

1) Exchange differences on translating foreign operations

	For the Year Ended December 31	
	2014	**2013**
Balance at January 1	$ 797,156	$ (1,990,002)
Exchange differences arising on translating the foreign operations	4,778,408	2,780,524
Share of exchange difference of associates accounted for using the equity method	11,174	6,541
Disposal of exchange difference on associates accounted for using the equity method	39	93
Balance at December 31	$ 5,586,777	$ 797,156

2) Unrealized gain (loss) on available-for-sale financial assets

	For the Year Ended December 31	
	2014	**2013**
Balance at January 1	$ 14,077	$ 50,744
Unrealized gain arising on revaluation of available-for-sale financial assets	-	(187)
Cumulative (gain) loss reclassified to profit or loss on sale of available-for-sale financial assets	(14,077)	(36,480)
Balance at December 31	$ -	$ 14,077

Non-controlling interests

	For the Year Ended December 31	
	2014	2013
Balance at January 1	$ 170,619	$ 178,756
Attributable to non-controlling interests:		
Share of profit for the year	10,590	15,936
Exchange difference arising on translation of foreign entities	10,287	8,300
Partial disposal of subsidiaries	-	(32,365)
Acquisition of non-controlling interests in subsidiaries	-	(8)
Balance at December 31	$ 191,496	$ 170,619

25. REVENUE

	For the Year Ended December 31	
	2014	2013
Revenue from the sale of goods	$ 55,257,225	$ 43,225,982
Rental income from property	20,140	19,568
	$ 55,277,365	$ 43,245,550

26. PROFIT BEFORE INCOME TAX

The details of profit before tax were as follows:

a. Other income

	For the Year Ended December 31	
	2014	2013
Government grants	$ 1,284,851	$ 290,733
Recycling income	91,979	62,280
Others	95,373	288,209
	$ 1,472,203	$ 641,222

b. Other gains and losses

	For the Year Ended December 31	
	2014	2013
Net gain(loss) arising on financial assets and liabilities at FVTPL	$ 4,846	$ 39,358
Gain on disposal of investments	210,566	78,015
Others	(5,649)	(4,352)
	$ 209,763	$ 113,021

c. Interest expense

	For the Year Ended December 31	
	2014	2013
Interest on bank loans	$ 136,486	$ 254,345
Interest on convertible bonds	27,722	52,593
Total interest expense for financial liabilities measured at amortized cost	164,208	306,938
Less: Amounts included in the cost of qualifying assets	-	15,525
	$ 164,208	$ 291,413

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2014	2013
Capitalized interest	$ -	$ 15,525
Capitalization rate	-	1.4209%~1.82%

d. Depreciation and amortization

	Year Ended December 31	
	2014	2013
Property, plant and equipment	$ 6,001,474	$ 5,172,902
Investment property	5,645	5,618
Intangible assets and prepayments for lease	59,765	46,691
Total	$ 6,066,884	$ 5,225,211
An analysis of depreciation by function		
Operating costs	$ 5,565,203	$ 4,821,700
Operating expenses	441,916	356,820
	$ 6,007,119	$ 5,178,520
An analysis of amortization by function		
Operating costs	$ 9,136	$ 10,443
Selling and marketing expenses	14	17
General and administrative expenses	45,147	29,151
Research and development expenses	5,468	7,080
	$ 59,765	$ 46,691

e. Employee benefits expense

	Year Ended December 31	
	2014	2013
Short-term employee benefits		
Salaries	$ 10,548,703	$ 8,755,743
Labor and health insurance	137,116	125,026
Others	1,182,804	902,355
	11,868,623	9,783,124
Post-employment benefits (refer to Note 23)		
Defined contribution plans	863,605	688,194
Defined benefit plans	1,892	1,987
	865,497	690,181
	$ 12,734,120	$ 10,473,305
An analysis of employee benefits expense by function		
Operating costs	$ 9,396,697	$ 8,081,158
Operating expenses	3,337,423	2,392,147
	$ 12,734,120	$ 10,473,305

f. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2014	2013
Foreign exchange gains	$ 4,344,773	$ 10,969,766
Foreign exchange losses	(3,170,418)	(8,534,388)
	$ 1,174,355	$ 2,435,378

g. Non-financial assets impairment loss - 2014

Property, plant and equipment (Included in cost of sales)	$ 310,809

27. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense (income) were as follows:

	For the Year Ended December 31	
	2014	2013
Current tax		
In respect of the current year	$ 5,676,415	$ 3,807,366
Additional income tax on unappropriated earnings	866,080	529,722
Adjustment for prior periods	(9,664)	74,419
	6,532,831	4,411,507
Deferred tax		
In respect of the current year	(875,985)	(700,352)
Income tax expense recognized in profit or loss	$ 5,656,846	$ 3,711,155

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2014	2013
Profit before income tax	$ 23,544,603	$ 17,528,275
Income tax expense calculated at the statutory rate	$ 4,086,575	$ 3,144,005
Add (deduct) tax effects of:		
Temporary differences		
Depreciation	(10,678)	(83,238)
Others	(2,735)	3,872
Permanent differences		
Withholding tax on remittance of earnings	711,489	99,557
Amortization of discount on bonds payable	4,389	8,941
Tax-exempt income	(33,333)	(10,384)
Unrealized valuation gain on financial instruments	(645)	(6,769)
Others	2,048	10,154
Additional income tax on unappropriated earnings	866,080	529,722
Research and development tax credits from China	(52,464)	(52,603)
Tax - exempt income	(14,491)	(7,150)
Deferred income tax expense		
Temporary differences	117,917	-
Adjustments for prior years' tax	(9,664)	74,419
Effects of exchange rate changes	(7,642)	629
Income tax expense recognized in profit or loss	$ 5,656,846	$ 3,711,155

The applicable tax rate used above is the corporate tax rate of 17% payable by the Group in ROC, while the applicable tax rate used by subsidiaries in China is 25%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

As the status of 2015 appropriations of earnings is uncertain, the potential income tax consequences of 2014 unappropriated earnings are not reliably determinable.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2014	2013
Deferred tax		
In respect of the current year:		
Actuarial gains and losses on defined benefit plan	$ 567	$ (460)

c. Current tax assets and liabilities

	December 31	
	2014	2013
Current tax assets		
Tax refund receivable	$ 21	$ 149,397
Current tax liabilities		
Income tax payable	$ 2,865,378	$ 2,165,528

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2014

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred Tax Assets					
Provision for loss on inventories	$ 55,852	$ (31,213)	$ -	$ 2,838	$ 27,477
Depreciation difference	474,110	335,065	-	30,399	839,574
Unrealized intercompany profit	760,164	519,307	-	37,207	1,316,678
Unrealized sales return	5,612	83,904	-	-	89,516
Defined benefit obligation	145	-	567	-	712
Payable for annual leave	12,232	3,415	-	492	16,139
Property, plant and equipment impairment loss	-	15,663	-	-	15,663
Others	36,930	40,570	-	2,187	79,687
	1,345,045	966,711	567	73,123	2,385,446
Tax losses	49,630	(29,971)	-	2,625	22,284
	$ 1,394,675	$ 936,740	$ 567	$ 75,748	$ 2,407,730
Deferred Tax Liabilities					
Depreciation difference	$ 87,077	$ (13,193)	$ -	$ -	$ 73,884
Financial assets at FVTPL	16,610	80,708	-	-	97,318
Unrealized foreign exchange gain	12,597	-	-	-	12,597
Reserve for land value increment tax	460	(460)	-	-	-
	$ 116,744	$ 67,055	$ -	$ -	$ 183,799

For the year ended December 31, 2013

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred Tax Assets					
Provision for loss on inventories	$ 44,025	$ 9,241	$ -	$ 2,586	$ 55,852
Depreciation difference	127,333	332,671	-	14,106	474,110
Unrealized intercompany profit	413,182	333,599	-	13,383	760,164
Unrealized sales return	1,968	3,644	-	-	5,612
Unrealized foreign exchange loss	15,819	(15,819)	-	-	-
Defined benefit obligation	579	26	(460)	-	145
Payable for annual leave	11,033	754	-	445	12,232
Doubtful debts	1,135	(1,178)	-	43	-
Others	26,529	8,690	-	1,711	36,930
	641,603	671,628	(460)	32,274	1,345,045
Tax losses	-	48,649	-	981	49,630
	$ 641,603	$ 720,277	$ (460)	$ 33,255	$ 1,394,675
Deferred Tax Liabilities					
Depreciation difference	$ 84,222	$ 2,855	$ -	$ -	$ 87,077
Unrealized foreign exchange gain	-	16,610	-	-	16,610
Reserve for land value increment tax	12,597	-	-	-	12,597
Others	-	460	-	-	460
	$ 96,819	$ 19,925	$ -	$ -	$ 116,744

e. Information about unused tax-exemption

As of December 31, 2014, profits attributable to the following expansion projects were exempted from income tax for a five-year period:

Expansion of Construction project	**Tax- exemption period**
Five years tax - exemption expansion project approved by No. 1010231575 issued by Tainan City Government	From January 1, 2011 to December 31, 2015

f. The aggregate amount of temporary difference associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2014 and, 2013 the taxable temporary differences associated with investment in subsidiaries for which no deferred tax liabilities have been recognized were NT$14,454,669 thousand and NT$11,149,348 thousand, respectively.

g. Integrated income tax

	December 31	
	2014	2013
Unappropriated earnings		
Generated before January 1, 1998	$ 11,609	$ 11,609
Generated on and after January 1, 1998	53,019,800	40,285,782
	$ 53,031,409	$ 40,297,391
Imputation credits accounts	$ 2,414,401	$ 2,056,013

The creditable ratio for distribution of earnings of 2014 and 2013 was 7.43% (expected ratio) and 6.86%, respectively.

Under the Income Tax Law, for distribution of earnings generated after January 1, 1998, the imputation credits allocated to ROC resident stockholders of the Company was calculated based on the creditable ratio as of the date of dividend distribution. The actual imputation credits allocated to stockholders of the Company was based on the balance of the Imputation Credit Accounts (ICA) as of the date of dividend distribution. Therefore, the expected creditable ratio for the 2014 earnings may differ from the actual creditable ratio to be used in allocating imputation credits to the stockholders.

h. Income tax assessments

The tax returns through 2013 have been assessed by the tax authorities.

28. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2014	2013
Profit for the period attributable to owners of the Company	$ 17,877,167	$ 13,801,184
Effect of potentially dilutive ordinary shares:		
Interest on convertible bonds (after tax)	22,552	15,448
Earnings used in the computation of diluted earnings per share	$ 17,899,719	$ 13,816,632

Weighted average number of ordinary shares outstanding (in thousand shares)

	For the Year Ended December 31	
	2014	**2013**
Weighted average number of ordinary shares in computation of basic earnings per share	760,097	750,703
Effect of potentially dilutive ordinary shares:		
Convertible bonds	10,294	19,635
Bonus issue to employees	859	958
Weighted average number of ordinary shares used in the computation of diluted earnings per share	771,250	771,296

If the Group offered to settle bonuses paid to employees in cash or shares, the Group assumed the entire amount of the bonus would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

29. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In April 2013, the Company acquired an additional 0.02% of I-Catcher Optoelectronics Corp., and increased its continuing interest from 99.98% to 100%.

The above transactions was accounted for as equity transaction, since the Group did not cease to have control over the subsidiary.

	I-Catcher Optoelectronics Corp.
Cash consideration paid	$ (10)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	8
Differences arising from equity transaction	$ (2)

In 2013, the difference of the consideration paid and the share of the carrying amount of the subsidiary was NT$2 thousand was considered insignificant and adjusted to the investment loss of current year.

30. OPERATING LEASE ARRANGEMENTS

a. The Group as lessee

Aquila Technology (Suzhou) Co., Ltd. entered into an agreement to lease building from Hwa-Sheng Technology (Suzhou) Co., Ltd. The leasing period is from November 2010 to October 2015 and the future minimum lease payments of operating lease commitments were as follows:

	December 31	
	2014	**2013**
Not later than 1 year	$ 9,657	$ 10,953
Later than 1 year and not later than 5 years	-	9,127
	$ 9,657	$ 20,080

b. The Group as lessor

Operating leases relate to the investment property owned by the Group with lease terms from March 2011 to June 2018. The lessee does not have a bargain purchase option to acquire the property at the expiry of the lease period.

The future minimum lease payments of operating lease were as follows:

	December 31	
	2014	**2013**
Not later than 1 year	$ 20,688	$ 20,268
Later than 1 year and not later than 5 years	41,850	37,260
	$ 62,538	$ 57,528

31. CAPITAL MANAGEMENT

The Group requires significant amounts of capital to build and expand its production facilities and equipment. The Group manages its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, capital asset purchases, research and development activities, dividend payments, debt service requirements and other business requirements associated with its existing operations over the next 12 months.

32. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

1) Fair value of financial instruments not carried at fair value

Except as detailed in the following table, management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values :

	December 31, 2013	
	Carrying Amount	**Fair Value**
Financial liabilities		
Convertible bonds	$ 3,492,625	$ 3,498,459

2) Fair value measurements recognized in the consolidated balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	**Level 2**	**Level 3**	**Total**
December 31, 2013				
Financial assets at FVTPL				
Financial assets designated as at fair value through profit or loss	$ 20,640	$ -	$ -	$ 20,640
Financial assets held for trading	-	1,447	-	1,447
	$ 20,640	$ 1,447	$ -	$ 22,087
Available-for-sale financial assets				
Convertible bonds	$ 49,975	$ -	$ -	$ 49,975

There were no transfers between Level 1 and 2 in 2013.

3) Valuation techniques and assumptions applied for the purpose of measuring fair value

The fair values of financial assets and financial liabilities were determined as follows:

a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;

b) The fair values of derivative instruments were calculated using quoted prices. Where such prices were not available, a discounted cash flow analysis was performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

c) The fair values of other financial assets and financial liabilities (excluding those described above) were determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The fair value of the liability component of convertible bonds was determined assuming redemption on April 27, 2016 and using the interest rate based on a quoted swap rate for a 2 years and a 5 years government bonds yield rate and holding the credit risk margin constant.

b. Categories of financial instruments

	December 31	
	2014	**2013**
<u>Financial assets</u>		
Fair value through profit or loss (FVTPL)		
Held for trading	$ -	$ 1,447
Designated as at FVTPL	-	20,640
Loans and receivables (i)	69,587,711	60,355,066
Available-for-sale financial assets	-	49,975
<u>Financial liabilities</u>		
Amortized cost (ii)	27,602,529	29,264,341

(i) The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, debt investments with no active market, notes and accounts receivable, (including related parties) other receivables and refundable deposits.

(ii) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, notes and accounts payable (including related parties), other payables, refund of guarantee deposits and bonds issued.

c. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, accounts receivable, accounts payable, bonds payable and borrowings. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The plans for material treasury activities are reviewed by Board of Directors in accordance with procedures required by relevant regulations or internal controls. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below), interest rates (see (2) below) and other price (see (3) below).

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 36.

Sensitivity analysis

The Group mainly exposed to the currency of United Stated dollars ("USD") and Renminbi ("RMB").

The following table details the Group's sensitivity to a 5% increase and decrease in New Taiwan dollars ("NTD", the functional currency) against the relevant foreign currencies. A positive number below indicates an increase in profit before income tax associated with NTD strengthens 5% against the relevant currency. For a 5% weakening of NTD against the relevant currency, there would be an equal and opposite impact on the profit before income tax and the balances below would be negative.

	USD impact		
	For the Year Ended December 31		
	2014	2013	
Profit or loss	$ (1,712,701)	$ (752,596)	i

	RMB impact		
	For the Year Ended December 31		
	2014	2013	
Profit or loss	$ (494,630)	$ (250,993)	ii

i. This was mainly attributable to the exposure to outstanding on USD cash and cash equivalent, bank deposits, receivables and payables which were not hedged, at the end of the reporting period.

ii. This was mainly attributable to the exposure outstanding on RMB cash, cash equivalent and bank deposits, which were not hedged at the end of the reporting period.

The Group's sensitivity to foreign currency increased during the current period mainly due to the increase in net assets denominated in Currency USD and Currency RMB. In management's opinion, sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period. In addition, Currency USD sales increase or decrease with customers' orders, and Currency RMB is depend on the amount of investments and capital expenditures.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2014	**2013**
Fair value interest rate risk		
Financial assets	$ 42,100,299	$ 37,162,046
Financial liabilities	-	3,492,625
Cash flow interest rate risk		
Financial assets	6,030,793	5,402,285
Financial liabilities	15,527,000	17,155,655

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Group's profit before tax for the years ended December 31, 2014 and 2013 would decrease by NT$9,496 thousand and NT$11,753 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

The Group's sensitivity to interest rates decreased during the current period mainly due to the decrease in variable rate debt instruments.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities shares, emerging market shares, mutual funds and convertible bonds.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 5% higher/lower, the pre-tax profit for the years ended December 31, 2013 would increase/decrease by NT$1,104 thousand, and the pre-tax other comprehensive income for the years ended December 31, 2013 would increase/decrease by NT$ 2,499 thousand, as a result of the changes in fair value of available-for-sale assets.

The Group's sensitivity to equity prices decreased because of reduction in available-for-sale investments held by the Group.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The counterparties to the foregoing financial instruments are reputable business organizations. Management does not expect the Group's exposure to default by those parties to be material; ongoing credit evaluation is performed on the financial condition of accounts receivable as well.

Information on credit risk concentration as of December 31, 2014 and 2013 as follows:

	December 31			
	2014		**2013**	
	Amount	**%**	**Amount**	**%**
Custom A	$ 5,096,250	24	$ 3,170,420	18
Custom B	4,627,756	22	3,182,890	18
Custom C	2,526,297	12	17,551	-
Custom D	1,755,989	8	1,838,494	11
Custom E	1,724,796	8	4,426,781	25
Custom F	975,157	5	2,187,521	13

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

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

a) Liquidity and interest risk rate tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2014

	Weighted Average Effective Interest Rate (%)	Less than 3months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	-	$ 8,754,657	$ 2,962,885	$ 25,694	$ -
Variable interest rate liabilities	0.9397	9,413,044	6,160,973	-	-
		$ 18,167,701	$ 9,123,858	$ 25,694	$ -

December 31, 2013

	Weighted Average Effective Interest Rate (%)	Less than 3months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	-	$ 5,825,850	$ 2,397,197	$ 224,753	$ -
Variable interest rate liabilities	1.327	4,281,174	12,988,912	-	-
Fixed interest rate liabilities	1.2	-	3,492,625	-	-
		$ 10,107,024	$ 18,878,734	$ 224,753	$ -

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities was subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Financing facilities

	December 31	
	2014	**2013**
Unsecured bank overdraft facility, reviewed annually and payable at call:		
Amount used	$ 17,025,303	$ 13,473,205
Amount unused	17,964,170	12,889,325
	$ 34,989,473	$ 26,362,530
Secured bank overdraft facility:		
Amount used	$ -	$ 3,682,450
Amount unused	-	7,824,510
	$ -	$ 11,506,960

33. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a. Operating Transactions - Purchases of goods

	For the Year Ended December 31	
	2014	2013
Related parties types		
Associates	$ 51,706	$ 460,211

The purchase prices were not significantly different from those with third parties and the payment terms of each was 90 days after next month's closing.

	December 31	
	2014	2013
Related parties types		
Associates	$ -	$ 286,540

The outstanding accounts payable from related parties are unsecured.

b. Compensation of key management personnel

	For the Year Ended December 31	
	2014	2013
Short-term employee benefits	$ 294,855	$ 213,578
Post-employment benefits	16,510	20,329
	$ 311,365	$ 233,907

The remuneration of directors, supervisor and key executives was determined by the remuneration committee having regard to the performance of individuals, the performance of the Group, and the risk of the future.

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for long-term bank borrowings:

	December 31	
	2014	2013
Land	$ 1,547,865	$ 1,547,865
Buildings	473,771	500,473
Investment properties	192,565	197,035
	$ 2,214,201	$ 2,245,373

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2014 and 2013 were as follows:

a. As of December 31, 2014 and 2013 the unused letters of credit of the Group for purchasing of raw materials and equipment were NT$1,291,846 thousand and NT$78,356 thousand.

b. Unrecognized commitments are as follows:

	December 31	
	2014	2013
Acquisition of property, plant and equipment	$ 12,866,367	$ 5,219,911

36. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities denominated in foreign currencies were as follows:

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
RMB	$ 1,924,044	5.0670～5.1495	$ 9,892,596
USD	667,941	31.60 (USD:NTD)	21,106,947
USD	4,086,864	6.1190 (USD:RMB)	129,144,905
Financial liabilities			
Monetary items			
USD	65,450	31.70 (USD:NTD)	2,074,773
USD	3,605,160	6.1190 (USD:RMB)	113,923,052

December 31, 2013

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
RMB	$ 1,033,526	4.8493～4.894	$ 5,019,853
USD	519,829	29.755 (USD:NTD)	15,467,515
USD	527,650	6.0969 (USD:RMB)	15,472,932
JPY	2,949,132	0.2819～0.2824	832,756
Financial liabilities			
Monetary items			
USD	35,198	29.855 (USD:NTD)	1,050,834
USD	505,987	6.0969 (USD:RMB)	14,837,697

37. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others. (Table1)

2) Endorsements/guarantees provided. (Table 2)

3) Marketable securities held (excluding investment in subsidiaries and associates). (N/A)

4) Marketable securities acquired and disposed at costs or prices at least NT$300 million or 20% of the paid-in capital. (Table 3)

5) Acquisition of individual real estate at costs of at least NT $300 million or 20% of the paid-in capital. (N/A)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (N/A)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 4)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 5)

9) Trading in derivative instruments. (Notes 7 and 20)

10) Intercompany relationships and significant intercompany transactions. (Table 9)

11) Information on investees. (Table 6)

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, net income or loss of the investee and investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment in the mainland China area. (Table 7)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Tables 1,2,4,5,8 and 9):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

38. SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, the Group's chief operating decision maker reviews operating results and financial information on a plant by plant basis with focus on the operating result of each plant. As each plant shares similar economic characteristics, produces similar products using similar production process and all products are distributed and sold to same level of customers through a central sales function, the Group's operating segments are aggregated into a single reportable segment. The Group's chief operating decision maker reviews segment information measured on the same basis as the financial statements. Information about reportable segment sales, profit or loss and assets refer to consolidated balance sheets and consolidated statements of comprehensive income as of December 31, 2014 and 2013.

a. Geographical information

The Group operates in two principal geographical areas - Taiwan and China.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from External Customers	
	Year Ended December 31	
	2014	2013
China	$ 38,263,472	$ 27,509,946
United States	6,997,388	929,431
Singapore	4,658,051	3,943,559
Taiwan	3,772,099	7,403,718
Sweden	1,050,170	344,019
Mexico	250	2,388,888
Others	535,935	725,989
	$ 55,277,365	$ 43,245,550

	Non-current Assets	
	December 31, 2014	December 31, 2013
Taiwan	$ 7,631,777	$ 8,002,399
China	47,047,525	30,635,306
	$ 54,679,302	$ 38,637,705

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

b. Information about major customers

Single customers contributed 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2014	2013
Custom A	$ 11,036,129	$ 6,568,160
Custom B	10,278,774	4,633,671
Custom C	7,779,252	475,186
Custom D	6,812,000	3,434,312
Custom E	3,671,938	8,768,886
Custom F	4,595,678	6,492,120
	$ 44,173,771	$ 30,372,335

TABLE 1

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 2)
													Item	Value		
1	Castmate International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Temporary payments	Yes	$ 1,238,000	$ 633,000	$ 633,000	1.447～3.0551	For short-term financing	$ -	Operating capital	$ -	—	$ -	$ 95,897,663	
		Stella International Co., Ltd.	Ditto	Yes	943,351	-	-	-	Ditto	-	Ditto	-	—	-	95,897,663	
		Lyra International Co., Ltd.	Ditto	Yes	258,727	-	-	-	Ditto	-	Ditto	-	—	-	95,897,663	
						$ 633,000										$ 95,897,663
2	Lyra International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Temporary payments	Yes	1,889,140	$ -	-	2.834～2.847	For short-term financing	-	Operating capital	-	—	-	95,897,663	
		Orion Co., Ltd.	Ditto	Yes	1,582,500	1,582,500	-	-	Ditto	-	Ditto	-	—	-	95,897,663	
		Castmate International Co., Ltd.	Ditto	Yes	576,599	-	-	-	Ditto	-	Ditto	-	—	-	95,897,663	
		Vito Technology (Suqian) Co., Ltd.	Ditto	Yes	633,000	633,000	633,000	3.433～3.4551	Ditto	-	Ditto	-	—	-	95,897,663	
		Cygnus International Co., Ltd.	Ditto	Yes	3,133,350	3,133,350	3,116,892	-	Ditto	-	Ditto	-	—	-	95,897,663	
						$ 5,348,850										$ 95,897,663
3	Avatar Co., Ltd.	Lyra International Co., Ltd.	Temporary payments	Yes	121,880	$ -	-	-	For short-term financing	-	Operating capital	-	—	-	95,897,663	
		Orion Co., Ltd.	Ditto	Yes	7,912,500	7,912,500	6,627,510	-	Ditto	-	Ditto	-	—	-	95,897,663	
						$ 7,912,500										$ 95,897,663
4	Cygnus International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Temporary payments	Yes	853,160	$ -	-	2.834～2.847	For short-term financing	-	Operating capital	-	—	-	95,897,663	
		Orion Co., Ltd.	Ditto	Yes	1,319,560	-	-	-	Ditto	-	Ditto	-	—	-	95,897,663	
		Vito Technology (Suqian) Co., Ltd.	Ditto	Yes	633,000	633,000	633,000	3.434～3.4551	Ditto	-	Ditto	-	—	-	95,897,663	
		Topo Technology (Taizhou) Co., Ltd.	Ditto	Yes	8,893,650	8,893,650	8,893,650	2.834～3.4551	Ditto	-	Ditto	-	—	-	95,897,663	
						$ 9,526,650										$ 95,897,663
5	Stella International Co., Ltd.	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Temporary payments	Yes	1,727,100	$ -	-	1.447～2.847	For short-term financing	-	Operating capital	-	—	-	95,897,663	
		Catcher Technology (Suqian) Co., Ltd.	Ditto	Yes	1,899,000	1,899,000	1,899,000	1.447～3.0551	Ditto	-	Ditto	-	—	-	95,897,663	
						$ 1,899,000										$ 95,897,663
6	Hoppi Co., Ltd.	Cygnus International Co., Ltd.	Temporary payments	Yes	1,012,800	$ 1,012,800	-	-	For short-term financing	-	Operating capital	-	—	-	95,897,663	
		Castmate International Co., Ltd	Ditto	Yes	609,400	-	-	-	Ditto	-	Ditto	-	—	-	95,897,663	
		Orion Co., Ltd.	Ditto	Yes	1,589,470	1,582,500	927,345	-	Ditto	-	Ditto	-	—	-	95,897,663	
		Stella International Co., Ltd.	Ditto	Yes	1,076,100	1,076,100	1,070,403	-	Ditto	-	Ditto	-	—	-	95,897,663	
		Nanomag International Co., Ltd.	Ditto	Yes	3,269,445	3,269,445	3,009,915	-	Ditto	-	Ditto	-	—	-	95,897,663	
						$ 6,940,845										$ 95,897,663

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 2)
													Item	Value		
7	Gigamag Co., Ltd.	Leo Co., Ltd.	Temporary payments	Yes	$ 1,247,359	$ -	$ -	-	For short-term financing	$ -	Operating capital	$ -	—	$ -	$ 95,897,663	
		Hoppi Co., Ltd.	Ditto	Yes	420,945	420,945	-	-	Ditto	-	Ditto	-	—	-	95,897,663	
		Orion Co., Ltd.	Ditto	Yes	2,148,013	1,582,500	457,659	-	Ditto	-	Ditto	-	—	-	95,897,663	
		Cygnus International Co., Ltd.	Ditto	Yes	1,371,150	506,400	367,457	-	Ditto	-	Ditto	-	—	-	95,897,663	
		Nanomag International Co., Ltd.	Ditto	Yes	6,936,800	3,165,000	3,163,418	-	Ditto	-	Ditto	-	—	-	95,897,663	
						$ 5,674,845										$ 95,897,663
8	Topo Technology (Suzhou) Co., Ltd.	Topo Technology (Taizhou) Co., Ltd.	Temporary payments	Yes	992,300	$ -	-	3.25	For short-term financing	-	Operating capital	-	—	-	95,897,663	
		Catcher Technology (Suqian) Co., Ltd.	Ditto	Yes	2,171,392	-	-	3.25	Ditto	-	Ditto	-	—	-	95,897,663	
		Orion Co., Ltd.	Other receivables	Yes	978	978	978	-	Business transactions	20,129	-	-	—	-	20,129	
						$ 978										$ 95,897,663
9	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Other receivables	Yes	282,197	$ -	-	-	Business transactions	23,744	-	-	—	-	23,744	
		Catcher Technology (Suqian) Co., Ltd.	Temporary payments	Yes	3,100,938	-	-	3.25	For short-term financing	-	Operating capital	-	—	-	95,897,663	
		Topo Technology (Taizhou) Co., Ltd.	Ditto	Yes	488,850	-	-	-	Ditto	-	Ditto	-	—	-	95,897,663	
		Vito Technology (Suqian) Co., Ltd.	Ditto	Yes	496,150	-	-	3.25	Ditto	-	Ditto	-	—	-	95,897,663	
						$ -										$ 95,897,663
10	Catcher Technology (Suqian) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Temporary payments	Yes	129,310	$ 129,310	-	3.25	For short-term financing	-	Operating capital	-	—	-	95,897,663	$ 95,897,663
11	Orion Co., Ltd.	Nanomag International Co., Ltd.	Temporary payments	Yes	30,435	$ -	-	-	For short-term financing	-	Operating capital	-	—	-	95,897,663	
		Stella International Co., Ltd.	Ditto	Yes	30,950	-	-	-	Ditto	-	Ditto	-	—	-	95,897,663	
						$ -										$ 95,897,663

(Concluded)

Note 1: The upper limit of the 100% subsidiaries held directly or indirectly by the Company is equivalent to 100% of the net asset value of financier as of December 31, 2014, but the upper limit of ones who have business transactions with is no more than the needed amount for operation.

Note 2: The upper limit of the 100% subsidiaries held directly or indirectly by the Company is equivalent to 100% of the net asset value of financier as of December 31, 2014.

Note 3: The net asset value as the above mentioned was the equity attributable to owners of the Company on the consolidated balance sheet.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity In Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement /Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement /Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement /Guarantee Given On behalf of Companies in Mainland China
		Name	Relationship										
0	Catcher Technology Co., Ltd.	Orion Co., Ltd.	Subsidiary (indirect held 100%)	$ 47,948,832	$ 11,378,325	$ 10,154,250	$ 647,175	$ -	10.59		Y	N	N
		Topo Technology (Taizhou) Co., Ltd.	Subsidiary (indirect held 100%)	47,948,832	605,800	-	-	-	-		Y	N	Y
		Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Subsidiary (indirect held 100%)	47,948,832	2,086,350	-	-	-	-		Y	N	Y
		Catcher Technology (Suqian) Co., Ltd.	Subsidiary (indirect held 100%)	47,948,832	1,514,500	-	-	-	-		Y	N	Y
						$ 10,154,250	$ 647,175	$ -		$ 95,897,663			

Note 1: The upper limit for the Company is equivalent to 50% of the net asset value of the Company as of December 31, 2014.

Note 2: The upper limit for the Company is equivalent to 100% of the net asset value of the Company as of December 31, 2014.

Note 3: The net asset value as the above mentioned was the equity attributable to owners of the Company on the consolidated balance sheet.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST $300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares	Amount
Topo Technology (Suzhou) Co., Ltd.	RMB Financial Products	Other financial assets			-	$ -	191,000,000	$ 942,394 (RMB 191,000,000)	191,000,000	$ 944,152 (RMB 191,356,274)	$ 942,394 (RMB 191,000,000)	$ 1,758 (RMB 356,274)	-	$ -
	RMB Financial Products	Other financial assets			-	-	72,500,000	357,715 (RMB 72,500,000)	72,500,000	359,927 (RMB 72,948,367)	357,715 (RMB 72,500,000)	2,212 (RMB 448,367)	-	-
	RMB Financial Products	Other financial assets			-	-	453,500,000	2,237,569 (RMB 453,500,000)	453,500,000	2,245,994 (RMB 455,207,622)	2,237,569 (RMB 453,500,000)	8,425 (RMB 1,707,622)	-	-
	RMB Financial Products	Other financial assets			-	-	154,500,000	762,303 (RMB 154,500,000)	154,500,000	764,374 (RMB 154,919,655)	762,303 (RMB 154,500,000)	2,071 (RMB 419,655)	-	-
	RMB Financial Products	Other financial assets			-	-	403,000,000	1,988,402 (RMB 403,000,000)	403,000,000	1,996,397 (RMB 404,620,453)	1,988,402 (RMB 403,000,000)	7,995 (RMB 1,620,453)	-	-
	RMB Financial Products	Other financial assets			-	-	60,500,000	298,507 (RMB 60,500,000)	60,500,000	300,764 (RMB 60,957,479)	298,507 (RMB 60,500,000)	2,257 (RMB 457,479)	-	-
Meeca Technology (Suzhou Industrial Park) Co., Ltd.	RMB Financial Products	Other financial assets			-	-	2,111,000,000	10,415,674 (RMB 2,111,000,000)	2,111,000,000	10,455,141 (RMB 2,118,999,038)	10,415,674 (RMB 2,111,000,000)	39,467 (RMB 7,999,038)	-	-
	RMB Financial Products	Other financial assets			-	-	1,095,000,000	5,402,730 (RMB 1,095,000,000)	1,095,000,000	5,426,726 (RMB 1,099,863,463)	5,402,730 (RMB 1,095,000,000)	23,996 (RMB 4,863,463)	-	-
	RMB Financial Products	Other financial assets			-	-	1,090,000,000	5,378,060 (RMB 1,090,000,000)	1,090,000,000	5,398,421 (RMB 1,094,126,745)	5,378,060 (RMB 1,090,000,000)	20,361 (RMB 4,126,745)	-	-
	RMB Financial Products	Other financial assets			-	-	200,000,000	986,800 (RMB 200,000,000)	200,000,000	993,985 (RMB 201,456,219)	986,800 (RMB 200,000,000)	7,185 (RMB 1,456,219)	-	-
Topo Technology (Taizhou) Co., Ltd.	RMB Financial Products	Other financial assets			-	-	1,133,060,000	5,590,518 (RMB 1,133,060,000)	1,133,060,000	5,603,568 (RMB 1,135,704,874)	5,590,518 (RMB 1,133,060,000)	13,050 (RMB 2,644,874)	-	-
Catcher Technology (Suqian) Co., Ltd.	RMB Financial Products	Other financial assets			-	-	2,538,900,000	12,526,933 (RMB 2,538,900,000)	2,538,900,000	12,546,341 (RMB 2,542,833,622)	12,526,933 (RMB 2,538,900,000)	19,408 (RMB 3,933,622)	-	-
Catcher Technology (Suzhou) Co., Ltd.	RMB Financial Products	Other financial assets			-	-	165,600,000	817,070 (RMB 165,600,000)	165,600,000	820,173 (RMB 166,228,911)	817,070 (RMB 165,600,000)	3,103 (RMB 628,911)	-	-
	RMB Financial Products	Other financial assets			-	-	231,900,000	1,144,195 (RMB 231,900,000)	231,900,000	1,148,589 (RMB 232,790,699)	1,144,195 (RMB 231,900,000)	4,395 (RMB 890,669)	-	-
Vito Technology (Suqian) Co., Ltd.	RMB Financial Products	Other financial assets			-	-	361,750,000	1,784,875 (RMB 361,750,000)	361,750,000	1,787,163 (RMB 362,213,819)	1,784,875 (RMB 361,750,000)	2,288 (RMB 463,819)	-	-
Nanomag International Co., Ltd.	Stella International Co., Ltd.	Investments accounted for using equity method		100% owned subsidiary	111,244,098	19,509,508 (USD 654,571,658)	99,651,135	3,794,083 (USD 81,718,738) (Note 1)	-	-	-	-	210,895,233	23,303,591 (USD 736,290,396)
Stella International Co., Ltd.	Lyra International Co., Ltd.	Investments accounted for using equity method		100% owned subsidiary	141,218,366	17,711,397 (USD 594,242,492)	99,651,135	5,111,056 (USD 126,846,063) (Note 2)	-	-	-	-	240,869,501	22,822,453 (USD 721,088,555)
Lyra International Co., Ltd.	Topo Technology (Taizhou) Co., Ltd.	Investments accounted for using equity method		100% owned subsidiary	-	2,927,627 (USD 98,226,048)	-	3,745,007 (USD 112,599,670) (Note 3)	-	-	-	-	-	6,672,634 (USD 210,825,718)
Nanomag International Co., Ltd.	Uranus International Co., Ltd.	Investments accounted for using equity method		100% owned subsidiary	199,007,763	14,328,208 (USD 480,731,696)	125,100,000	15,512,459 (USD 462,101,397) (Note 4)	-	-	-	-	324,107,763	29,840,667 (USD 942,833,093)
Uranus International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Investments accounted for using equity method		100% owned subsidiary	-	11,515,626 (USD 386,365,576)	-	13,459,649 (USD 402,742,643) (Note 5)	-	-	-	-	-	24,975,275 (USD 789,108,219)
	Vito Technology (Suqian) Co., Ltd.	Investments accounted for using equity method		100% owned subsidiary	-	2,925,074 (USD 98,140,383)	-	2,087,611 (USD 60,238,281) (Note 6)	-	-	-	-	-	5,012,685 (USD 158,378,664)

Note 1: Including incremental investment US$99,651,135, remittance of earnings US$34,792,399, share of profit of associates accounted using equity method US$17,378,378, and exchange loss on translating foreign operations US$518,376.

Note 2: Including incremental investment US$99,651,135, share of profit of associates accounted using equity method US$29,238,599, and exchange loss on translating foreign operations US$2,043,671.

Note 3: Including incremental investment US$99,651,135, share of profit of associates accounted using equity method US$12,776,236, and exchange gain on translating foreign operations US$172,299.

Note 4: Including incremental investment US$125,100,100, share of profit of associates accounted using equity method US$336,930,757, and exchange gain on translating foreign operations US$70,640.

Note 5: Including incremental investment US$100,000,000, share of profit of associates accounted using equity method US$302,071,112, and exchange gain on translating foreign operations US$671,531.

Note 6: Including incremental investment US$25,100,000, share of profit of associates accounted using equity method US$35,243,665, and exchange loss translating foreign operations US$105,384.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Catcher Technology Co., Ltd.	Orion Co., Ltd.	Subsidiary	Sales	$ 114,398	1	Net 120 days after monthly closing	No comparable sales prices for general suppliers	Equivalent	$ 110,219	1	
	Leo Co., Ltd.	Ditto	Purchases	6,119,399	83	Net 90 days after next month closing	No comparable sales prices for general suppliers	Equivalent	(818,837)	(49)	
	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Ditto	Purchases	600,853	8	Net 90 days after next month closing	No comparable purchase prices for general supplies	Equivalent	(609,115)	(36)	
Topo Technology (Suzhou) Co., Ltd.	Leo Co., Ltd.	Same ultimate parent company	Sales	$ 105,947	2	Net 30 days after monthly closing	Equivalent	Net 60 to 180 days after monthly closing for general customers	$ -	-	
	Aquila Technology (Suzhou) Co., Ltd.	Ditto	Purchases	304,519	16	Net 120 days after monthly closing	Equivalent	Net 30 to 90 days after month closing for general suppliers	(119,090)	18	
Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Topo Technology (Taizhou) Co., Ltd.	Same ultimate parent company	Sales	$ 696,175	10	Net 90 days after monthly closing	Equivalent	Net 60 to 180 days after monthly closing for general customers	$ 691,219	29	
	Leo Co., Ltd.	Ditto	Sales	5,596,431	80	Net 30 days after monthly closing	Equivalent	Net 60 to 180 days after monthly closing for general customers	922,366	39	
	Orion Co., Ltd.	Ditto	Purchases	112,901	2	Net 90 days after monthly closing	Equivalent	Net 60 to 120 days after month closing for general suppliers	(58,033)	2	
Aquila Technology (Suzhou) Co., Ltd.	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Same ultimate parent company	Sales	$ 144,954	29	Net 90 days after monthly closing	Equivalent	Net 60 to 180 days after monthly closing for general customers	$ 169,162	53	
Catcher Technology (Suqian) Co., Ltd.	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Same ultimate parent company	Purchases	$ 235,955	3	Net 90 days after monthly closing	Equivalent	Equivalent	$ (115,409)	4	
	Leo Co., Ltd.	Ditto	Sales	1,367,441	5	Net 90 days after monthly closing	Equivalent	Ditto	-	-	
	Orion Co., Ltd.	Ditto	Purchases	126,516	2	Net 90 days after monthly closing	Equivalent	Equivalent	(75,053)	3	
Topo Technology (Taizhou) Co., Ltd.	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Same ultimate parent company	Sales	$ 4,714,188	99	Net 90 days after monthly closing	Equivalent	No comparable payment terms for non-related parties	$ 2,439,950	99	
Vito Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same ultimate parent company	Sales	$ 1,258,456	31	Net 120 days after monthly closing	Equivalent	Net 60 to 180 days after monthly closing for general customers	$ 305,258	21	

TABLE 5

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Ratio	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Catcher Technology Co., Ltd.	Orion Co., Ltd.	Parent	$ 110,219	0.71	$ -	Not applicable	$ 102,779	$ -
			308,011	- (Note 2)	-	Not applicable	260,575	
Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same parent company	355,933	- (Note 2)	-	Not applicable	52,071	-
			115,409	1.05	-	Not applicable	82,430	-
	Topo Technology (Taizhou) Co., Ltd.	Ditto	318,382	- (Note 2)	-	Not applicable	75,736	-
			691,219	1.43	-	Not applicable	256,518	-
	Vito Technology (Suqian) Co., Ltd.	Ditto	435,140	- (Note 2)	-	Not applicable	-	-
	Leo Co., Ltd.	Ditto	922,366	9.84	-	Not applicable	922,366	-
	Cather Technology Co., Ltd.	Subsidiary	609,115	2.01	-	Not applicable	608,153	-
Aquila Technology (Suzhou) Co., Ltd.	Topo Technology (Suzhou) Co., Ltd.	Same parent company	119,090	1.85	-	Not applicable	4,423	-
	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Ditto	169,162	1.62	-	Not applicable	54,117	-
Catcher Technology (Suqian) Co., Ltd.	Topo Technology (Taizhou) Co., Ltd.	Same parent company	1,232,012	- (Note 2)	-	Not applicable	-	-
Catcher Technology (Suzhou) Co., Ltd.	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Same parent company	652,332	- (Note 2)	-	Not applicable	-	-
	Catcher Technology (Suqian) Co., Ltd.	Ditto	162,203	- (Note 2)	-	Not applicable	70	-
	Vito Technology (Suqian) Co., Ltd.	Ditto	764,145	- (Note 2)	-	Not applicable	-	-
Vito Technology (Suqian) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same parent company	305,258	8.62	-	Not applicable	267,070	-
Topo Technology (Taizhou) Co., Ltd.	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Same parent company	2,439,950	3.74	-	Not applicable	2,439,950	-

(Continued)

Company Name	Related Party	Relationship	Ending Balance	Turnover Ratio	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Gigamag Co., Ltd.	Orion Co., Ltd.	Subsidiary	$ 457,659	- (Note 1)	$ -	Not applicable	$ -	$ -
	Nanomag International Co., Ltd.	Same parent company	3,163,418	- (Note 1)	-	Not applicable	-	-
	Cygnus International Co., Ltd.	Ditto	367,457	- (Note 1)	-	Not applicable	-	-
Hoppi Co., Ltd.	Orion Co., Ltd.	Same parent company	927,345	- (Note 1)	-	Not applicable	-	-
	Stella International Co., Ltd.	Ditto	1,070,403	- (Note 1)	-	Not applicable	-	-
	Nanomag International Co., Ltd.	Ditto	3,009,915	- (Note 1)	-	Not applicable	-	-
Cygnus International Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Same parent company	633,000	- (Note 1)	-	Not applicable	-	-
	Topo Technology (Taizhou) Co., Ltd.	Ditto	8,893,650	- (Note 1)	-	Not applicable	-	-
Castmate International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same parent company	633,000	- (Note 1)	-	Not applicable	-	-
Lyra International Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Same parent company	633,000	- (Note 1)	-	Not applicable	-	-
	Cygnus International Co., Ltd.	Ditto	3,116,892	- (Note 1)	-	Not applicable	-	-
Orion Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same parent company	1,927,720	- (Note 2)	-	Not applicable	736,913	-
	Vito Technology (Suqian) Co., Ltd.	Ditto	1,028,449	- (Note 2)	-	Not applicable	626,920	-
	Topo Technology (Taizhou) Co., Ltd.	Ditto	7,132,358	- (Note 2)	-	Not applicable	334,875	-
	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Ditto	203,847	- (Note 2)	-	Not applicable	138,139	-
	Avatar Co., Ltd.	Ditto	546,802	- (Note 2)	-	Not applicable	-	-
Avatar Co., Ltd.	Orion Co., Ltd.	Same parent company	6,627,510	- (Note 1)	-	Not applicable	-	-
Stella International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Parent company	1,899,000	- (Note 1)	-	Not applicable	-	-
Leo Co., Ltd.	Catcher Technology Co., Ltd.	Parent company	818,837	10.23	-	Not applicable	818,837	-
	Hoppi Co., Ltd.	Ditto	139,248	- (Note 2)	-	Not applicable	-	-

(Concluded)

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

Note 2: The ending balance of receivable for disposal property, plant and equipment is not applicable for the calculation of turnover ratio.

TABLE 6

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2014			Net Income (Loss) of the Investee	Share of Profits (Loss) (Note 1)	Note
				December 31, 2014	December 31, 2013	Shares	%	Carrying Amount			
Catcher Technology Co., Ltd.	Gigamag Co., Ltd.	Offshore Chambers,P.O.Box 217, Apia, Samoa	Investing activities	$ 484,941	$ 484,941	14,377,642	100	$ 16,043,306	$ 4,369,587	$ 4,581,537	
	Nanomag International Co., Ltd.	Scotia Centre, 4th Floor, P.O.Box 2804, George Town,Grand Cayman, Cayman Islands	Ditto	3,678,144	3,678,144	30	100	71,178,712	10,235,504	9,700,264	
	Amity Capital Inc.	1F., No. 10, Ln. 138, Renai St., Yongkang Dist., Tainan City 710, Taiwan (R.O.C.)	Ditto	29,000	29,000	2,900,000	100	9,209	66	66	
	I-Catcher Optoelectronics Corp.	1F., No. 10, Ln. 138, Renai St., Yongkang Dist., Tainan City 710, Taiwan (R.O.C.)	Manufacturing and selling molds and electronic parts	5,000	5,000	500,000	100	4,053	22	22	
	Sinher Technology Co., Ltd.	10F-1., No. 29-1, Ln. 169, Kangning St., Xizhi Dist. New Taipei City 221, Taiwan (R.O.C.)	Manufacturing electronic parts	80,887	121,518	11,267,917	15.1	401,924	501,780	82,735	
	Epileds Technology Inc.	5F, No. 2 Chuangye Rd., Xinshi Dist. Tainan City 744, Taiwan (R.O.C.)	Manufacturing and selling LED wafer and chip	100,115	100,115	7,347,144	7.3	150,516	115,399	8,447	
	Yue-Kang Health Control Technology Inc.	1F., No. 10, Ln. 138, Renai St., Yongkang Dist., Tainan City 710, Taiwan (R.O.C.)	Health and medical treatment consultant	12,000	12,000	1,200,000	40	(4,135)	(15,538)	(6,215)	
	Kon-Cheng Accuracy Co., Ltd.	No. 113, Wugong 2nd Road, Wugu Dist., New Taipei City 248, Taiwan (R.O.C.	Manufacturing plastic products	14,000	50,000	1,400,00	40	13,607	(29,038)	(11,245)	
Gigamag Co., Ltd.	Hoppi Co., Ltd.	Offshore Chambers, P.O.Box 217, Apia Samoa	International trading	145,550 (USD 4,598,742)	145,550 (USD 4,598,742)	4,598,742	100	7,717,215	4,185,988		
	Avatar Co., Ltd.	Offshore Chambers, P.O. Box 217, Apia Samoa	Ditto	219,591 (USD 6,938,100)	219,591 (USD 6,938,100)	6,938,100	100	(156,693)	(323,137)		
	Leo Co., Ltd.	Offshore Chambers, P.O.Box 217, Apia Samoa	Ditto	474,750 (USD 15,000,000)	474,750 (USD 15,000,000)	15,000,000	100	513,857	4		
	Orion Co., Ltd.	Offshore Chambers, P.O.Box 217, Apia Samoa	Ditto	158,250 (USD 5,000,000)	158,250 (USD 5,000,000)	5,000,000	100	255,327	1,434,334		
Nanomag International Co., Ltd.	Artery Co., Ltd.	Offshore Chambers, P.O. Box 217, Apia Samoa	Investing activities	20,018 (USD 632,495)	20,018 (USD 632,495)	632,495	100	1,055	(89)		
	Castmate International Co., Ltd.	P. O. Box 3443 Road Town, Tortola, British Virgin Island	Ditto	1,087,165 (USD 34,349,591)	1,087,165 (USD 34,349,591)	34,349,591	100	23,330,606	(550,201)		
	Stella International Co., Ltd.	Scotia Centre, 4th Floor, P.O.Box 2804, George Town,Grand Cayman, Cayman Islands	Ditto	6,674,834 (USD 210,895,233)	3,520,876 (USD 111,244,098)	210,895,233	100	23,303,591	961,127		
	Aquila International Co., Ltd.	Scotia Centre, 4th Floor, P.O.Box 2804, George Town,Grand Cayman, Cayman Islands	Ditto	35,448 (USD 1,120,000)	35,448 (USD 1,120,000)	1,050,000	75	418,718	57,545		
	Gemini International Co., Ltd.	Scotia Centre, 4th Floor, P.O.Box 2804, George Town,Grand Cayman, Cayman Islands	Ditto	-	93,193 (USD 2,944,500)	-	-	-	(168)		
	Uranus International Co., Ltd.	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	Ditto	10,258,011 (USD 324,107,763)	6,298,596 (USD 199,007,763)	324,107,763	100	29,840,667	10,221,629		
	Grus International Co., Ltd.	Scotia Centre, 4th Floor, P.O.Box 2804, George Town,Grand Cayman, Cayman Islands	Ditto	949,615 (USD 30,003,618)	949,615 (USD 30,003,618)	30,003,618	100	933,817	(68,222)		
	Norma International Co., Ltd.	Unit 1202, 12/F., Ruttonjee House, 11 Duddle Street Central, Hong Kong	Ditto	31,650 (USD 1,000,000)	-	1,000,000	100	31,632	(185)		
Artery Co., Ltd.	Catcher Technology Phils Inc.	#24 Innovative Street. Subic Bay Industrial Park Phase-1, Subic Bay Freeport Zone, Philippines	Manufacturing, selling and developing varied metal products	3,926 (USD 124,030)	3,926 (USD 124,030)	581,250	100	1,553	(89)		
Castmate International Co., Ltd.	Cygnus International Co., Ltd.	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	Investing activities	4,410,277 (USD 139,345,259)	4,410,277 (USD 139,345,259)	139,345,259	100	22,661,810	(577,598)		
Stella International Co., Ltd.	Lyra International Co., Ltd.	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	Investing activities	7,623,520 (USD 240,869,501)	4,469,561 (USD 141,218,366)	240,869,501	100	22,822,453	906,847		
Aquila International Co., Ltd.	Cepheus International Co., Ltd.	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	Investing activities	44,310 (USD 1,400,000)	44,310 (USD 1,400,000)	1,400,000	100	556,565	57,770		
Grus International Co., Ltd.	Sagitta International Co., Ltd.	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	Investing activities	946,770 (USD 29,913,748)	946,770 (USD 29,913,748)	29,913,748	95	931,476	(71,903)		

Note 1：Share of profits (losses) is only reflected for the subsidiaries invested directly and the investments accounted for by the equity method.

Note 2：Information of investment in Mainland China is provided in Table 7.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note12)	Method of Investment (Note1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2013 (Note 12)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2013 (Note 12)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2014	Accumulated Repatriation of Investment Income as of December 31, 2014
					Outward	Inward						
Catcher Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	$ 316,817 (USD 10,010,000)	2.Cygnus International Co., Ltd. (Note 8)	$ 1,055,211 (USD 33,340,000)	$ -	$ -	$ 1,055,211 (USD 33,340,000)	$ (302,376)	100	$ (302,376) 2.(2)	$ 2,312,232	$ -
Topo Technology (Suzhou) Co., Ltd.	Ditto	2,437,367 (USD 77,010,000)	2.Lyra International Co., Ltd. (Notes 4 and 5)	1,276,761 (USD 40,340,000)	-	-	1,276,761 (USD 40,340,000)	796,754	100	796,754 2.(2)	9,516,599	-
Topo Technology (Taizhou) Co., Ltd.	Ditto	6,290,756 (RMB 1,235,419,461)	2.Lyra International Co., Ltd. (Note 9)	-	-	-	-	406,720	100	406,720 2.(2)	6,672,634	-
Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Ditto	3,354,900 (USD 106,000,000)	2.Cygnus International Co., Ltd. (Note 6)	-	-	-	-	(140,045)	100	(140,045) 2.(2)	10,542,253	-
Catcher Technology (Suqian) Co., Ltd.	Ditto	6,330,000 (USD 200,000,000)	2.Uranus International Co., Ltd. (Note 7)	3,006,718 (USD 94,999,000)	-	-	3,006,718 (USD 94,999,000)	9,154,098	100	9,154,098 2.(2)	24,975,275	-
Vito Technology (Suqian) Co., Ltd.	Ditto	3,927,765 (USD 124,100,000)	2.Uranus International Co., Ltd. (Note 10)	-	-	-	-	1,067,531	100	1,067,531 2.(2)	5,012,685	-
Arcadia Technology (Suqian) Co., Ltd.	Ditto	31,650 (USD 1,000,000)	2.Norma International Co., Ltd. (Note 11)	-	-	-	-	(185)	100	185) 2.(2)	31,632	-
Aquila Technology (Suzhou) Co., Ltd.	Manufacturing and selling molds and electronic parts	44,310 (USD 1,400,000)	2.Cepheus International Co., Ltd.	35,448 (USD 1,120,000)	-	-	35,448 (USD 1,120,000)	73,602	75	55,202 2.(2)	359,222	-
WIT Technology (Taizhou) Co., Ltd. (Note 13)	Researching, developing and manufacturing communication electron products	132,930 (USD4,200,000)	2.Cetus International Co., Ltd.	93,051 (USD 2,940,000)	-	-	93,051 (USD 2,940,000)	-	70	-	-	-
Chaohu Yunhai Magnesium Co., Ltd.	Manufacturing and selling dolomite, aluminum, magnesium alloy and other alkaline-earth metal	1,120,240 (RMB 220,000,000)	2.Sagitta International Co., Ltd.	750,892 (USD 23,724,871)	-	-	750,892 (USD 23,724,871)	(146,532)	46	(68,020) 2.(2)	983,285	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2013 (Note 11)	Investment Amounts Authorized by Investment Commission, MOEA (Note 11)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
$ 6,220,459 (USD 196,538,994)	$ 29,456,622 (USD 731,329,000) (RMB 1,239,210,280)	$ 57,538,598

Note 1: The investing methods are categorized as follows:
1: Direct investment in companies in Mainland China.
2: Investment in companies in Mainland China, which is made by the Company incorporated via a third region.
3: Others

Note 2: In the column:
1: This means the investee is under initial preparation and there were no gains or losses on investment.
2: The recognition of gains or losses on investment is based on:
(1) The financial statements audited by global accounting firms, which are affiliated with the accounting firms in the Republic of China.
(2) The financial statements audited by the certified public accountant of the parent company in Taiwan.
(3) Other.

Note 3: The upper limit on investment in Mainland China is calculated as:
$95,897,663×60%=$57,538,895

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

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

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

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

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

Note 9: The paid-in capital of US$32,900,977 is earnings distributed from Topo Technology (Suzhou) Co., Ltd. to Stella International Co., Ltd. and then invested in Topo Technology (Taizhou) Co., Ltd. On the other hand, US$ 67,368,207 is earnings distributed from the investees in Mainland China to Nanomag International Co., Ltd., and then invested in Topo Technology (Taizhou) Co., Ltd via Lyra International Co., Ltd..

Note 10: The paid-in capital of US$99,000,000 is earnings distributed from Catcher Technology (Suzhou) Co., Ltd., to Nanomag International Co., Ltd. and then invested in Vito Technology (Suqian) Co., Ltd. via Uranus International Co., Ltd..

Note 11: The paid-in capital of US$1,000,000 was composed of Nanomag International Co., Ltd.'s self-funding, capital reduction from indirectly invested Catcher Technology (Suzhou) Co., Ltd., Topo Technology (Suzhou) Co., Ltd. and Meeca Technology (Suzhou Industrial Park) Co., Ltd. in 2014. And Nanomag International Co., Ltd. reinvested in Arcadia Technology (Suqian) Co., Ltd. with earnings distributed by Topo Technology (Suzhou) Co., Ltd.

Note 12: The exchange rate is one US$ for 31.65 New Taiwan dollars on December 31, 2014.
The exchange rate is one RMB for 5.092 New Taiwan dollars on December 31, 2014.

Note 13: WIT Technology (Taizhou) Co., Ltd. was dissolved in June 2012, and the rest amount of capital has not been wired back Taiwan.

(Concluded)

TABLE 8

CATCHER TECHNOLOGY CO., LTD.

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2014
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Counterparty	Nature of Relationship	Transaction Type	Amount	(%)	Transaction Detail			Notes/Accounts Receivable (Payable)		Unrealized Gain (Loss)
						Price	Payment Term	Comparison with Normal Transaction	Ending Balance	(%)	
Catcher Technology Co., Ltd.	Leo Co., Ltd.	Subsidiary	Purchases (Note 1)	$ 6,119,399	83	The purchase prices were incomparable	Net 90 days after next month closing	Equivalent	$ (818,837)	(49)	$ 3,808
	Orion Co., Ltd.	Subsidiary	Sales (Note 2)	114,398	1	The sale prices were incomparable	Net 120 days after monthly closing	Equivalent	110,219	1	-
	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Subsidiary	Purchases (Note 3)	600,853	8	The purchase price were incomparable	Net 90 days after next month closing	Equivalent	(609,115)	(36)	-

Note 1: The purchases from Catcher Technology (Suzhou) Co., Ltd., Topo Technology (Suzhou) Co., Ltd., Catcher Technology (Suqian) Co., Ltd., and Meeca Technology (Suzhou Industrial Park) Co., Ltd. were made via Leo Co., Ltd.

Note 2: The sales to Catcher Technology (Suzhou) Co., Ltd., Topo Technology (Suzhou) Co., Ltd., Meeca Technology (Suzhou Industrial Park) Co., Ltd. and Catcher Technology (Suqian) Co., Ltd., were made via Orion Co., Ltd.

Note 3: The purchases from Meeca Technology (Suzhou Industrial Park) Co., Ltd. were made via Catcher Technology Co., Ltd.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Amounts in Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets
0	Catcher Technology Co., Ltd.	Orion Co., Ltd.	1	Sales	$ 114,398	The sales prices were not different to those from third parties, net 120 days after monthly closing	0.21
				Sale of supplies and property, plant and equipment	303,887		0.85
				Receivable from related parties	110,219		0.08
				Other Receivable from related parties	308,011		0.22
		Leo Co., Ltd.	1	Purchases	6,119,399	The purchases prices were not different to those from third parties, net 90 days after next month closing	11.07
				Payables to related parties	818,837		0.60
		Avatar Co., Ltd.	1	Other payables to related parties	547,666		0.40
				Purchases of property plant and equipment	529,586	The purchases prices were bargaining, net 120 days after acceptance or prepaid	0.96
		Meeca Technology (Suzhou Industrial park) Co., Ltd.	1	Purchases	600,853	The purchases prices were not different to those from third parties, net 90 days after next month closing	1.09
				Payables to related parties	609,115		0.44
1	Catcher Technology (Suzhou) Co., Ltd.	Leo Co., Ltd.	3	Sales return	10,233	The sales prices were not different to those from third parties, net 30 days after monthly closing	0.02
		Vito Technology (Suqian) Co., Ltd.	3	Disposal of property, plant and equipment	93,209	The sales prices were bargaining, net 120 days after acceptance	0.17
				Other receivables from related parties	764,145		0.56
				Sales	45,545	The sales prices were not different to those from third parties, net 120 days after monthly closing	0.08
				Other income	28,883		0.05
		Topo Technology (Suzhou) Co., Ltd.	3	Sales	10,071	The sales prices were not different to those from third parties, net 30 days after monthly closing	0.02
				Disposal of property plant and equipment	55,151	The sales prices were bargaining, net 120 days after acceptance	0.10
				Other Receivable from related parties	49,175		0.04
		Meeca Technology (Suzhou Industrial Park) Co., Ltd.	3	Disposal of property, plant and equipment	536,537	The sales prices were bargaining, net 120 days after acceptance	0.97
				Other income	18,196		0.03
				Other receivables from related parties	652,332		1.18
		Catcher Technology (Suqian) Co., Ltd.	3	Sales return	17,705	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.03
				Disposal of property plant and equipment	146,571	The sales prices were bargaining, net 120 days after acceptance	0.27
				Other receivable from related parties	162,203		0.29
		Topo Technology (Taizhou) Co., Ltd.	3	Disposal of property plant and equipment	10,048	The sales prices were bargaining, net 120 days after acceptance	0.02
				Other receivable from related parties	11,355		0.02

(Continued)

No.	Investee Company	Counterparty	Relationship (Note)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets
2	Topo Technology (Suzhou) Co., Ltd.	Leo Co., Ltd.	3	Sales	$ 105,947	The sales prices were not different to those from third parties, net 30 days after monthly closing	0.19
		Orion Co., Ltd.	3	Purchases	19,144	The purchases prices were not different to those from third parties, net 90 days after month closing	0.03
		Meeca Technology (Suzhou Industrial Park) Co., Ltd.	3	Other income	42,827		0.08
				Purchases	46,309	The purchases prices were bargaining, net 90 days after acceptance	0.08
				payables to related parties	11,924		0.02
				Other receivables from related parties	50,917		0.09
		Catcher Technology (Suqian) Co., Ltd.	3	Purchases	12,078	The purchases prices were not different to those from third parties, net 90 days after monthly closing	0.02
				Other receivables from related parties	83,864		0.15
				Disposal of property, plant and equipment	40,016	The sales prices were bargaining, net 120 days after acceptance	0.07
				Payables to related parties	14,334		0.03
				Interest income	30,523		0.06
				Other income	10,221		0.02
		Topo Technology (Taizhou) Co., Ltd.	3	Other receivables from related parties	12,970		0.02
				Purchase	27,708	The purchases prices were not different to those from third parties, net 90 days after monthly closing	0.05
				Disposal of property, plant and equipment	12,589	The purchases prices were bargaining, net 90 days after acceptance	0.02
				Interest income	17,582		0.03
		Vito Technology (Suqian) Co., Ltd.	3	Sales	42,667	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.08
			3.	Disposal of property, plant and equipment	12,364		0.02
			3.	Other receivable from related party	11,211		0.02
				Receivable to related parties	13,705		0.02
		Aquila Technology (Suzhou) Co., Ltd	3	Purchases	304,519	The purchases prices were bargaining, net 120 days after acceptance	0.55
				Payables to related parties	119,090		0.22
3	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Leo Co., Ltd.	3	Sales	5,596,431	The sales prices were not different to those from third parties, net 30 days after monthly closing	10.12
				Receivable from related parties	922,366		0.67
		Orion Co., Ltd.	3	Purchases	112,901	The purchases prices were not different to those from third parties, net 90 days after month closing	0.20
				Purchases of property, plant and equipment	236,115	The purchases prices were bargaining, net 120 days after acceptance	0.43
				Other payables to related parties	145,814		0.11
				Payables to related parties	58,033		0.04
		Stella International Co., Ltd.	3	Interest expense	18,556		0.03
		Catcher Technology (Suqian) Co., Ltd.	3	Sales	22,646	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.04
				Other income	213,309		0.39
				Disposal of property, plant and equipment	256,728	The sales prices were bargaining, net 120 days after acceptance	0.46
				Interest income	50,430		0.09
				Purchases of property, plant and equipment	476,097	The purchases prices were bargaining, net 120 days after acceptance	0.86
				Receivable from related parties	115,409		0.08
				Other receivables from related parties	355,933		0.26

(Continued)

No.	Investee Company	Counterparty	Relationship (Note)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets
		Topo Technology (Taizhou) Co., Ltd.	3	Sales	$ 696,175	The sales prices were not different to those from third parties, net 90 days after monthly closing	1.26
				Other income	77,254		0.14
				Disposal of property, plant and equipment	230,682	The sales prices were bargaining, net 120 days after acceptance	0.42
				Purchases	4,714,188	The purchases prices were not different to those from third parties, net 90 days after month closing	8.58
				Receivable from related parties	691,219		0.50
				Other receivables from related parties	318,382		0.23
				Payables to related parties	2,439,950		1.78
		Aquila Technology (Suzhou) Co., Ltd.	3	Purchases	114,954	The purchases prices were not different to those from third parties, net 90 days after monthly closing	0.26
				Other income	22,679		0.04
				Receivable from related parties	21,256		0.02
				Payables to related parties	169,162		0.12
		Vito Technology (Suqian) Co., Ltd.	3	Disposal of property, plant and equipment	45,981	The sales prices were bargaining, net 120 days after acceptance	0.08
				Other receivables from related parties	435,140		0.32
4	Aquila Technology (Suzhou) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	3	Sales	42,834	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.08
				Receivable from related parties	30,028		0.02
5	Catcher Technology (Suqian) Co., Ltd.	Leo Co., Ltd.	3	Sales	1,367,441	The sales prices were not different to those from third parties, net 90 days after monthly closing	2.47
				Payables to related parties	64,918		0.05
		Orion Co., Ltd.	3	Purchases	126,516	The purchases prices were not different to those from third parties, net 90 days after month closing	0.23
				Purchases of property, plant and equipment	1,870,670	The purchases prices were bargaining, net 120 days after acceptance	3.38
				Payables to related parities	75,053		0.05
				Other payables to related parties	1,852,667		1.35
		Castmate International Co., Ltd.	3	Other payables to related parties	633,000		0.46
				Interest expense	29,064		0.05
		Stella International Co., Ltd.	3	Other payables to related parties	1,899,000		1.39
				Interest expense	44,689		0.08
		Lyra International Co., Ltd.	3	Interest expense	30,257		0.05
		Cygnus International Co., Ltd.	3	Interest expense	11,356		0.02
		Vito Technology (Suqian) Co., Ltd.	3	Sales	44,030	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.08
				Purchases	1,258,456	The sales prices were bargaining, net 120 days after acceptance	2.22
				Purchases of property plant and equipment	31,082	The purchases prices were not different to those from third parties, net 120 days after month closing	0.06
				Payables to related parties	267,134		0.19
				Other payables to related parties	38,128		0.03
		Topo Technology (Taizhou) Co., Ltd.	3	Purchases	13,864	The purchases prices were not different to those from third parties, net 90 days after month closing	0.03
			3	Purchases of property plant and equipment	1,004,525	The purchases prices were bargaining, net 120 days after acceptance	1.82
				Other Receivable from related parties	1,232,012		0.90
				Payables to related parties	10,792		0.01
				Other payables to related parties	10,775		0.01

(Continued)

No.	Investee Company	Counterparty	Relationship (Note)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets
6	Topo Technology (Taizhou) Co., Ltd.	Orion Co., Ltd.	3	Purchases of property, plant and equipment	$ 7,551,960	The purchases prices were bargaining, net 120 days after acceptance	13.66
				Payables to related parties	11,193		0.01
				Other payables to related parties	7,121,165		5.20
		Cygnus International Co., Ltd.	3	Other payables to related parties	8,893,650		6.49
				Interest expense	137,123		0.25
7	Vito Technology (Suqian) Co., Ltd.	Orion Co., Ltd.	3	Purchase of property, plant and equipment	1,524,437	The purchases prices were bargaining, net 120 days after acceptance	2.76
			3.	Other payables to related parties	1,028,449		0.74
				Purchase	20,031		0.04
		Cygnus International Co., Ltd.	3.	Other payables to related parties	633,000		0.46
		Leo CO., Ltd.	3.	Sales	81,002		0.05
8	Gigamag Co., Ltd.	Leo Co., Ltd.	3	Payables to related parties	12,776		0.01
		Orion Co., Ltd.	3	Temporary payments	457,659		0.33
		Nanomag International Co., Ltd.	3	Temporary payments	3,163,418		2.31
		Cygnus International Co., Ltd.	3	Temporary payments	367,457		0.27
		Hoppi Co., Ltd.	3	Payables to related parties	12,776		0.01
9	Hoppi Co., Ltd.	Nanomag International Co., Ltd.	3	Temporary payments	3,009,915		2.20
		Orion Co., Ltd.	3	Temporary payments	927,345		0.68
		Stella International Co., Ltd.	3	Temporary payments	1,070,403		0.78
		Leo Co., Ltd.	3	Temporary payments	139,248		0.10
10	Avatar Co., Ltd.	Orion Co., Ltd	3.	Payables to related parties	546,802		0.40
			3	Temporary payments	6,627,510		4.84
11	Orion Co., Ltd.	Leo Co., Ltd.	3	Payables to related parties	22,951		0.02
12	Lyra International Co., Ltd.	Cygnus International Co., Ltd.	3	Temporary payments	3,116,892		2.28
		Vito Technology (Suqian) Co., Ltd.	3	Temporary payments	633,000		0.46

Note: No. 1 represents transactions from parent company to subsidiaries.
No. 2 represents transactions from subsidiaries to parent company.
No. 3 represents transactions among subsidiaries.

(Concluded)